

Nontraded REIT Industry Review: First Quarter 2015

CNL Growth Properties, Inc.

Total Assets.....	\$460.7 Million
Real Estate Assets	\$423.4 Million
Cash	\$30.6 Million
Securities	\$0.0 Million
Other	\$6.7 Million



Cash to Total Assets Ratio:	6.6%
Asset Type:	Multifamily
Number of Properties:	16
Square Feet / Units / Rooms / Acres:	2,710 Units
Occupancy:	Not Available
Weighted Average Lease Term Remaining:	Not Available
LifeStage	Maturing
Investment Style	Opportunistic
Weighted Average Shares Outstanding:	22,526,171

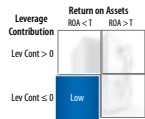
Initial Offering Date:	October 20, 2009
Offering Close Date:	April 11, 2014
Current Price per Share:	\$9.40
Reinvestment Price per Share:	Not Applicable
Cumulative Capital Raised during Offering (including DRP):	\$208.3 Million

* NAV as of 02/09/2015. \$11.00 offering price through 4/11/14.



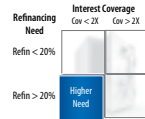
Performance Profiles

Operating Performance



The REIT's recent 12-month average return on assets is less than yields on 10-year Treasuries, indicating negative risk adjusted returns. At its current cost of debt and level of borrowing, the use of debt is not increasing returns to shareholders. Earnings must improve to cover costs of debt.

Financing Outlook



More than 20% of REIT's debt must be repaid within two years or is at unhedged variable rates, and interest coverage is below the 2.0X benchmark. The REIT may face difficulties in refinancing its borrowings, interest rate risks from increasing rates, and need to increase earnings to reassure lenders.

Cumulative MFFO Payout



Because the REIT has not paid regular cash distributions, this metric is not meaningful.

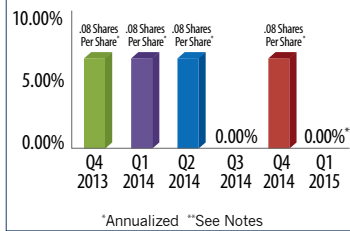
Summary

The REIT's 12-month return on assets of 2.10% does not provide shareholders with a positive return, and it has a negative leverage contribution given the 57.2% debt ratio and 2.64% average cost of debt. The REIT's interest coverage ratio was a low 1.0X for the last four quarters, well below the 2.0X benchmark. About 72% of the REIT's debt matures in the next two years, and 100% of its debt is at unhedged variable rates, indicating a serious need for refinancing. The REIT paid a large special cash distribution to shareholders during the quarter, and has negative cumulative MFFO since inception in 2009, but has had positive MFFO of \$1.099 million for the last four quarters.

Contact Information

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Historical Distribution



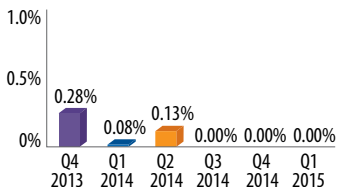
Historical FFO Payout Ratio

Not Applicable

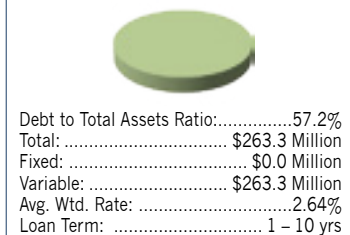
Historical MFFO Payout Ratio

Not Applicable

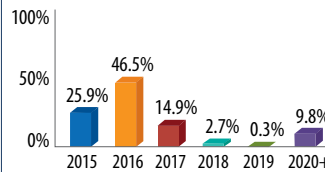
Redemptions



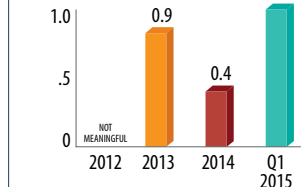
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- In February 2015, the Board of Directors declared a special cash distribution of \$1.30 per share of common stock.
- As of March 31, 2015, the Company owned interests in sixteen Class A multifamily properties in the southeastern and sunbelt regions of the United States, seven of which had substantially completed development and were operational. The remaining nine properties were under development, including three of which were partially operational with completion expected in phases by the third quarter of 2016. Generally, the development period for its properties is up to 24 months with the properties becoming partially operational as buildings within the project are completed and certificates of occupancy obtained. The Company generally expects its multifamily properties to reach stabilization within 24 months after completion.
- The REIT's multifamily properties are typically owned through a joint venture in which it has co-invested with an affiliate of a national or regional multifamily developer. As of March 31, 2015, excluding the Whitehall Property that it wholly owns, it had co-invested with 15 separate joint ventures with eight separate developers or affiliates thereof.
- In January 2015, the Long Point Joint Venture sold the Long Point Property and received net sales proceeds of approximately \$54.5 million, resulting in a gain of approximately \$27.4 million for financial reporting purposes.
- The REIT's Cash to Total Assets ratio decreased to 6.6% as of 1Q 2015 compared to 17.9% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio increased to 57.2% as of 1Q 2015 compared to 40.3% as of 1Q 2014.
- Because the Company did not pay cash distributions during the period, the FFO and MFFO payout ratios are not applicable. The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").