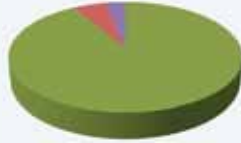


Nontraded REIT Industry Review: Third Quarter 2011



Paladin Realty Income Properties, Inc.

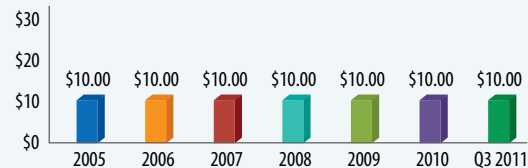
Total Assets.....	\$205.0 Million
Real Estate Assets	\$187.5 Million
Cash	\$10.8 Million
Securities	\$0.0 Million
Other	\$6.7 Million



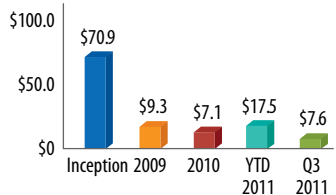
Initial Offering Date:	February 25, 2005
Number of Months Fundraising:	79
Anticipated Offering Close Date:	January 24, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio: 5.3%
 Asset Type: Diversified
 Number of Properties: 13
 Square Feet / Units / Rooms / Acres: ... 75,518 Sq Ft & 2,705 Units
 Percent Leased: Not Reported
 LifeStage: Stabilizing
 Investment Style Core

Historical Price



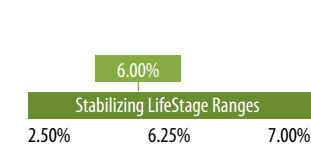
Gross Dollars Raised*



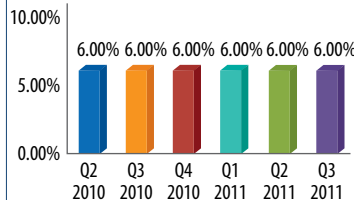
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

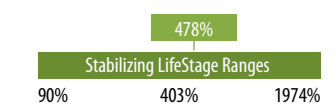


Contact Information

www.PaladinREIT.com
Paladin Realty Advisors
10880 Wilshire Boulevard,
Suite 1400
Los Angeles, CA 90024
866-725-7348

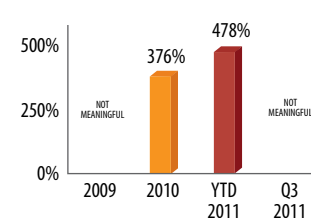
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 478%



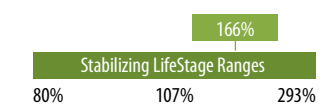
YTD Distributions Paid: ... \$2,530,302
 YTD FFO: \$529,647

Historical FFO Payout Ratio



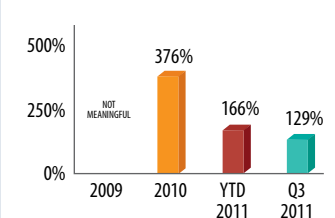
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 166%

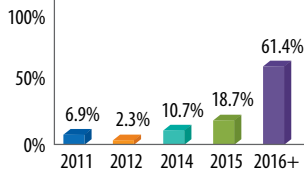


YTD Distributions Paid: ... \$2,530,302
 YTD MFFO: \$1,519,973
 *Blue Vault estimated MFFO – see notes

Historical MFFO Payout Ratio

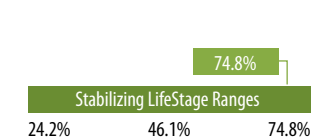


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 74.8%

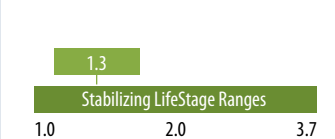


Debt Breakdown

Total: \$153.3 Million
 Fixed: \$153.3 Million
 Variable: \$0 Million
 Rate: 5.49 – 7.0%
 Term: <1 – 10 yrs

Interest Coverage Ratio

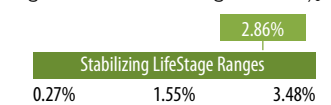
YTD Interest Coverage Ratio: 1.3



Adjusted EBITDA: \$7,857,609
 Interest Expense: \$6,181,474

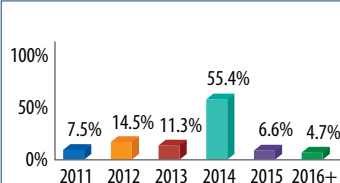
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 2.86%



Redemptions Year to Date: 136,935
 Wtd. Avg. Shares Outstanding
 as of 12/31/10: 4,787,071

Lease Expirations*



*As of 9/30/11.

Trends and Items of Note

- As of September 30, 2011, the Company owned interests in 12 joint ventures that own 13 income-producing properties.
- Lease expiration percentages are for the office properties only.
- On July 28, 2011, PRIP Coursey, LLC, a subsidiary of the Company, acquired an interest in Evergreen at Coursey Place Sole Member, LLC (the "Coursey Joint Venture"), the limited liability company that indirectly owns Evergreen at Coursey Place Apartments located in Baton Rouge, LA. PRIP Coursey contributed \$5,000,000 in cash to acquire a 51.7% interest in the Coursey Joint Venture.
- The REIT's Debt to Total Asset Ratio of 74.8% is above the median of 46.1% for other Stabilizing LifeStage REITs.
- The Company did not report MFFO for the third quarter of 2011. As a result, the MFFO figures above are Blue Vault Partners' estimate.
- See additional notes on page 71 for information regarding the source of distributions.