



Nontraded REIT Industry Review: Fourth Quarter 2011

Apple REIT Seven, Inc.

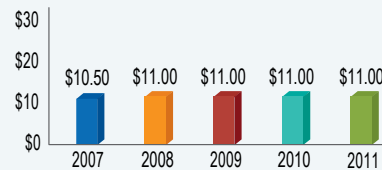
Total Assets.....	\$865.1 Million
Real Estate Assets	\$846.4 Million
Cash	\$0.0 Million
Securities	\$0.0 Million
Other	\$18.8 Million



Initial Offering Date: March 15, 2006
 Offering Close Date: July 16, 2007
 Current Price per Share: \$11.00
 Reinvestment Price per Share: \$11.00

Cash to Total Assets Ratio: 0.00%
 Asset Type: Hotels
 Number of Properties: 51
 Square Feet / Units / Rooms / Acres: 6,426 Rooms
 Percent Leased: 73%
 LifeStage..... Liquidating
 Investment Style Core

Historical Price



Redemptions

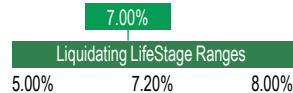
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 3.19%

Program Open

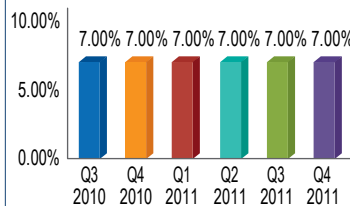
Redemptions Year to Date: 2,917,158
 Wtd. Avg. Shares Outstanding as of 12/31/11: 91,435,000

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

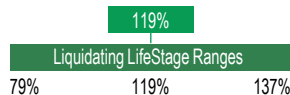


Contact Information

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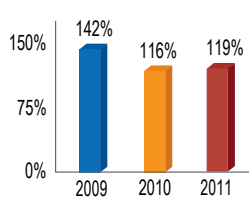
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 119%



YTD Distributions Paid: \$70,404,000
 YTD FFO: \$59,173,000

Historical FFO Payout Ratio



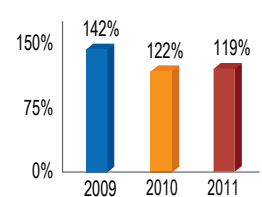
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 119%

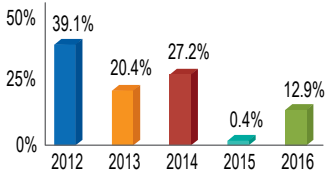


YTD Distributions Paid: \$70,404,000
 YTD MFFO: \$59,173,000
 *Blue Vault estimated MFFO – see notes

Historical MFFO Payout Ratio



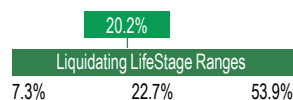
Debt Maturity



*As of 12/31/10

Current Debt Ratio

Debt to Total Assets Ratio: ... 20.2%



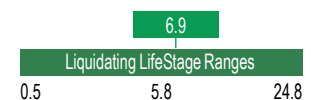
Debt Breakdown



Total: \$174.8 Million
 Fixed: \$110.1 Million
 Variable: \$64.7 Million
 Avg. Wtd. Rate: 6.41%
 Term: 2 – 5 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 6.9



Adjusted EBITDA: \$69,148,000
 Interest Expense: \$9,975,000

Lease Expirations

Not Reported

Trends and Items of Note

- The Debt to Total Assets Ratio increased to 20.2% for the period ending December 31, 2011 compared to 16.6% for the period ending December 31, 2010.
- During 2011, the total redemption requests exceeded the authorized amount of redemptions and the Board of Directors has limited, and will continue to limit, the amount of redemptions. Beginning with the January 2011 redemption, the Company redeemed Units on a pro-rata basis with approximately 64%, 56%, 13% and 6% of the amounts requested redeemed in the first, second, third and fourth quarters of 2011, respectively, leaving approximately 10.6 million Units requested but not redeemed as of the last scheduled redemption date in 2011.
- The interest coverage ratio was 6.9X for the year ending 2011 compared to the median 5.8X for Liquidating LifeStage REITs.
- On February 17, 2012, lead plaintiffs and lead counsel in the In re Apple REITs Litigation, filed an amended consolidated complaint in the United States District Court for the Eastern District of New York against the Company, their directors and certain officers, and David Lerner Associates, Inc. and David Lerner. The consolidated complaint asserts claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, negligence, and unjust enrichment. The complaint seeks, among other things, certification of a putative nationwide class and the state subclasses, damages, rescission of share purchases and other costs and expenses.
- The Company reported FY 2011 MFFO and Blue Vault Partners did not identify additional adjustments.
- See additional notes on page 72 for information regarding the source of distributions.