

Nontraded REIT Industry Review: First Quarter 2014



Behringer Harvard Multifamily REIT I, Inc.

Total Assets	\$2,923.3 Million
Real Estate Assets	\$2,560.3 Million
Cash	\$302.1 Million
Securities	\$0.0 Million
Other	\$61.0 Million



Cash to Total Assets Ratio:	10.3%
Asset Type:	Multifamily
Number of Properties:	54 Properties
Square Feet / Units / Rooms / Acres:	9,153 Units
Percent Leased:	95%
Weighted Average Lease Term Remaining:	Not Applicable
LifeStage:	Maturing
Investment Style:	Core
Weighted Average Shares Outstanding:	168,919,000

Initial Offering Date:	September 5, 2008
Offering Close Date:	September 2, 2011
Current Price per Share:	\$10.03
Reinvestment Price per Share:	\$9.53
Cumulative Capital Raised during Offering (including DRP):	\$1,531.4 Million



Performance Profiles

<h4>Operating Performance</h4> <p>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.</p>	<h4>Financing Outlook</h4> <p>Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.</p>	<h4>Cumulative MFFO Payout</h4> <p>Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.</p>	<h4>Summary</h4> <p>The REIT's 12-month return on assets of 1.64% did not exceed the 10-year Treasury Yield, and it does not provide a positive leverage contribution given the 35.7% debt ratio and 3.67% estimated average cost of debt. The REIT's trailing 12-month interest coverage ratio is a safe 6.2X and just 11% of the REIT's debt matures in two years, suggesting no significant need for refinancing. Less than 10% of debt is at unhedged variable rates. The REIT's cumulative cash distributions, excluding DRP, since inception was 95% of estimated cumulative MFFO, and was 62% of MFFO over the last four quarters, indicating a sustainable level of cash distributions.</p>
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<h4>Contact Information</h4> <p>www.BehringerHarvard.com Behringer Harvard 15601 Dallas Parkway, Suite 600 Addison, TX 75001 866-655-3600</p>	<h4>Historical Distribution</h4> <p>2012 Q4: 3.50%, 2013 Q1: 3.50%, 2013 Q2: 3.50%, 2013 Q3: 3.50%, 2013 Q4: 3.50%, 2014 Q1: 3.50%</p>	<h4>Historical FFO Payout Ratio*</h4> <p>2010: 627%, 2011: 53%, 2012: 84%, 2013: 141%, 2014 Q1: 113%</p> <p>2014 YTD Dist. Paid: ... \$14,565,000 2014 YTD FFO: 12,900,000 *See notes</p>	<h4>Historical MFFO Payout Ratio*</h4> <p>2010: 285%, 2011: 233%, 2012: 79%, 2013: 128%, 2014 Q1: 110%</p> <p>2014 YTD Dist. Paid: ... \$14,565,000 2014 YTD MFFO: \$13,200,000 Company Reported MFFO - see notes</p>
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<h4>Redemptions</h4> <p>2012 Q4: 0.00%, 2013 Q1: 0.00%, 2013 Q2: 0.00%, 2013 Q3: 1.00%, 2013 Q4: 0.47%, 2014 Q1: 0.47%</p>	<h4>Debt Breakdown</h4> <p>Debt to Total Assets Ratio: 35.7% Total: \$1,042.5 Million Fixed: \$959.1 Million Variable: \$83.4 Million Avg. Wtd. Rate: 3.67% Loan Term: 0 - 6 yrs</p>	<h4>Debt Repayment Schedule</h4> <p>2014: 2.7%, 2015: 8.1%, 2016: 16.3%, 2017: 22.2%, 2018: 17.1%, 2019+: 33.6%</p>	<h4>Interest Coverage Ratio</h4> <p>2012: 3.0, 2013: 4.0, Q1 2014: 8.0</p>
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Source of Distributions, Trends and Items of Note

<ul style="list-style-type: none"> April 14, 2014 the Company announced that it will be changing its corporate name to Monogram Residential Trust, Inc., a brand transformation reflecting the REIT's transition to becoming a fully integrated self-managed REIT. Both the corporate name change and transition to self-management are expected to occur on June 30, 2014. During 1Q 2014 the Company sold one property for \$52.9 million. The REIT's Cash to Total Assets ratio decreased to 10.3% as of 1Q 2014 compared to 14.5% as of 1Q 2013. The REIT's Debt to Total Assets ratio increased slightly to 35.7% as of 1Q 2014 compared to 35.6% as of 1Q 2013. 	<ul style="list-style-type: none"> The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). During the three months ended March 31, 2014, regular cash distributions in excess of cash flow from operations, as adjusted, were funded from the DRIP and available cash. The primary sources of available cash were the Company's share of proceeds from the sale of multifamily communities and the sale of noncontrolling interests. As of March 31, 2014, the Company had cash and cash equivalents balances of \$302.1 million, a significant portion of which related to the sale of noncontrolling interests to PGGM in December 2013 and February 2014 and its share of 2013 and 2014 property sales.
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