Behringer Harvard Multifamily REIT I, Inc.

The public offering for Behringer Harvard Multifamily REIT I was declared effective in 2008 and invests primarily in multifamily communities. In addition, the REIT may invest in real estate-related securities and other real estate interests. As of the second quarter 2012, the REIT had $2.74 billion in assets in 46 properties of which 36 are stabilized assets and 10 are in development. The REIT closed to new investments in September 2011. As such, the REIT is in the Maturing Lifestage of Closed REITS that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be "Core," which is typically defined as a REIT that generates a high percentage of its total return from income and a modest percentage from asset appreciation. REITs in this category are also expected to exhibit low volatility in asset values.

Key Highlights

- The REIT holds 12 wholly owned and 34 properties held in 33 separate co-investment ventures.
- Co-investments interest range from 41% to 90% ownership. Venture partners include Stichting Depository PGGM Private Real Estate Fund and a venture between Heitman and Korea Exchange Bank.
- In December 2011, 23 joint ventures were consolidated into the REIT's financial statements that will make comparison with previous periods difficult.
- A lower than median debt ratio and higher than median cash on hand has placed a burden on the distribution percentage.
- An investment bank has been engaged to assist the board of directors in exploring strategic options for the REIT. As part of the exploration, the REIT came into possession of material non-public information and therefore its Board suspended the share redemption program on June 22, 2012.
- A special distribution of $0.06 per share was paid on July 11, 2012 from the proceeds from the sale of the Mariposa Loft Apartments.
- As a result of the special cash distribution, the share price was adjusted to $9.94 per share for the distribution reinvestment program and was subsequently reduced to $9.45 per share. Effective June 18, 2012, the Board of Directors indefinitely suspended the share redemption program.

Capital Stack Review

- Debt – With a debt ratio of 34.9%, the REIT is below median for the Maturing LifeStage. 93% of the REITs debt is fixed rate.
- Debt Maturity – 61.7% of the company's debt matures in 2017 or later.
- Loan Activity – $33.7 million of new financings were closed during the first half of 2012.
- Cash on Hand – 18.8%, well above median.

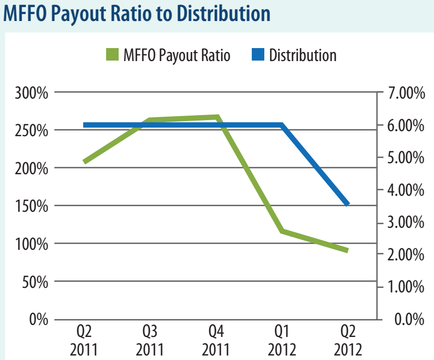
Metrics

- Distribution – 3.50%, a decline from 6.0%, which had been maintained for six quarters previously.
- Distribution Source – Paid from operating cash flow and sale of shares through DRIP.
- MFFO Payout Ratio – 87% down from 113% in the previous quarter and reflective of the reduction in the distribution percentage.
- Fee Waivers and Deferrals – $141,000 in asset management fees were waived by the Advisor as of June 30, 2012.
- Interest Coverage Ratio – 2.8x EBIDTA reflects the low debt ratio in the REIT.
- Impairments – None reported.

Real Estate

- Acquisitions – $42.3 million in acquisitions were completed in the second quarter including:
  - Acquired a wholly-owned 240 unit complex in Massachusetts for $42.3 million ($176,250/unit).
  - Ten developments totaling 2,413 units are in various stages of completion. The partial funding of each have been reflected in the REIT's assets.
- Occupancy – 94% on par with last quarter.
- Dispositions – Sold whole or partial interests in eight properties generating cash proceeds of $152.2 million and gains of $19.0 million during 2011 through June 30, 2012.
- Diversification – Concentrations exist in Texas (23%) the Mountain (16%) and Mid-Atlantic (14%) regions.

MFFO Payout Ratio to Distribution



Debt Ratio to Interest Coverage Ratio