

Nontraded REIT Industry Review: Second Quarter 2014



Behringer Harvard Opportunity REIT II, Inc.

Total Assets.....	\$402.2 Million
Real Estate Assets	\$260.2 Million
Cash	\$122.4 Million
Securities	\$0.0 Million
Other	\$19.7 Million



Initial Offering Date: January 21, 2008
 Offering Close Date: March 15, 2012
 Current Price per Share: \$9.59*
 Reinvestment Price per Share: Not Applicable
 Cumulative Capital Raised during Offering (including DRP)..... \$265.3 Million

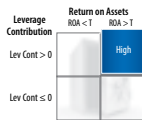
Cash to Total Assets Ratio: 30.4%
 Asset Type: Diversified
 Number of Properties: 12
 Square Feet / Units / Rooms / Acres: 247,478 Sq. Ft.,
 311 Rooms; 3,323 Units
 Percent Leased: Not Applicable
 Weighted Average Lease Term Remaining: Not Applicable
 LifeStage: Maturing
 Investment Style: Opportunistic
 Weighted Average Shares Outstanding: 25,993,000

Historical Price



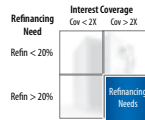
Performance Profiles

Operating Performance



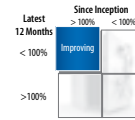
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

Cumulative MFFO Payout



The REIT has not yet reached full coverage of cash distributions with an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

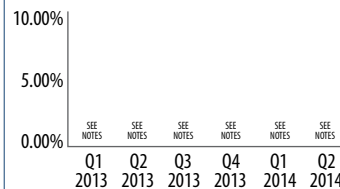
Summary

The REIT's 12-month return on assets was 4.30%, above the yield on 10-Year Treasuries, and its leverage contribution was positive, given the 48.5% debt ratio and 3.50% estimated average cost of debt. The REIT's 12-month interest coverage ratio was 2.5X, and 30.5% of the REIT's debt matures within two years with 33% at variable rates, indicating a potentially serious problem with refinancing and interest rate risk. The REIT has a cumulative ratio of cash distributions to MFFO of 190%, but no 12-month MFFO payout ratio because it has not paid cash distributions for the last six quarters.

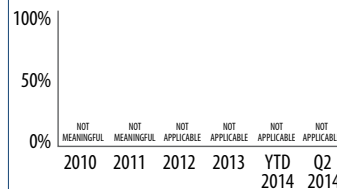
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Historical Distribution

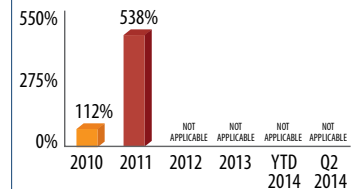


Historical FFO Payout Ratio



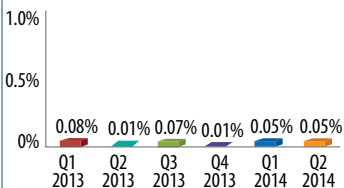
Ratio is not applicable, because REIT does not pay distributions.

Historical MFFO Payout Ratio

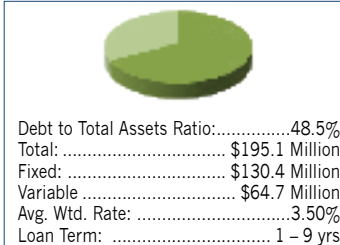


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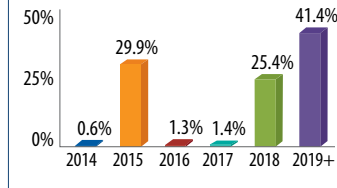
Redemptions



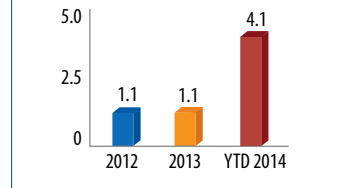
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- As of August 1, 2013, the estimated value per share was \$10.09. Effective September 15, 2014, in accordance with the Amended and Restated Policy for Estimation of Common Stock Value adopted March 20, 2012, the estimated value per share will be \$9.59, which reflects an adjustment to the previously published estimated value per share to account for payment of the special distribution to stockholders of record as of September 15, 2014, in a per share amount of \$0.50.
- During 2Q 2014 the Company did not acquire any properties. On May 30, 2014, the Company sold 1875 Lawrence for a contract sales price of approximately \$46.7 million. It recorded a gain on sale of real estate property of \$11.4 million and loss on early extinguishment of debt of \$0.5 million. A portion of the proceeds from the sale were used to pay off in full the existing indebtedness of approximately \$15.6 million associated with the office building.
- The Company did not pay any distributions in 2Q 2014. On March 20, 2012, the board of directors determined to cease regular, monthly distributions in favor of payment of periodic distributions from excess proceeds from asset dispositions or from other sources as necessary to maintain its REIT tax status.
- The Company's board decided on May 15, 2014, to re-open the share redemption program to ordinary redemptions and to increase the cash available for redemptions to \$10 million in any 12-month period.
- The REIT's Cash to Total Assets ratio increased to 30.4% as of 2Q 2014 compared to 16.5% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 48.5% as of 2Q 2014 compared to 52.6% as of 2Q 2013.
- Because the REIT did not pay distributions during this period, the FFO and MFFO Payout Ratios are not applicable.