

# Nontraded REIT Industry Review: Third Quarter 2014

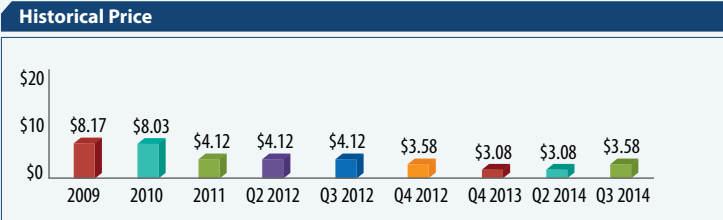


## Behringer Harvard Opportunity REIT I, Inc.

Total Assets.....	\$328.6 Million
Real Estate Assets .....	\$250.2 Million
Cash .....	\$44.5 Million
Securities .....	\$0.0 Million
Other .....	\$34.0 Million



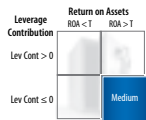
Initial Offering Date: ..... September 20, 2005  
 Offering Close Date: ..... December 28, 2007  
 Current Price per Share\*: ..... \$3.58  
 Reinvestment Price per Share: ..... Not Applicable  
 Cumulative Capital Raised during Offering (including DRP)..... \$548.6 Million



Cash to Total Assets Ratio: ..... 13.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 9  
 Square Feet / Units / Rooms / Acres: ..... 772,500 Sq. Ft.  
 Percent Leased: ..... Not Applicable  
 Weighted Average Lease Term Remaining: ..... Not Applicable  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Opportunistic  
 Weighted Average Shares Outstanding: ..... 56,500,472

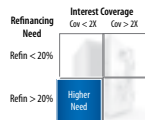
**Performance Profiles**

**Operating Performance**



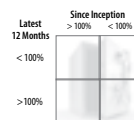
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is not increasing returns to shareholders.

**Financing Outlook**



More than 20% of REIT's debt must be repaid within two years or is at unhedged variable rates, and interest coverage is below the 2.0X benchmark. The REIT may face difficulties in refinancing its borrowings, interest rate risks from increasing rates, and need to increase earnings to reassure lenders.

**Cumulative MFFO Payout**



This REIT is not currently paying cash distributions to common shareholders and cumulative MFFO since inception is currently negative. MFFO payout ratios are not applicable.

**Summary**

The REIT's average 12-month return on assets was 4.32% which is above the yield on 10-Year Treasuries. However, its leverage contribution was significantly negative, given the 47% debt ratio and 6.00% estimated average cost of debt. The REIT's interest coverage ratio is a low 0.9X, 1.6% of the REIT's debt matures within two years and 20.3% is at variable rates, indicating minimal refinancing need and moderate interest rate risk. The REIT has does not have a meaningful cumulative MFFO payout ratio or 12-month MFFO payout ratio because both cumulative MFFO and 12-month MFFO are negative and no cash distributions have been paid since 2011.

**Contact Information**

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**Historical Distribution**

See Notes

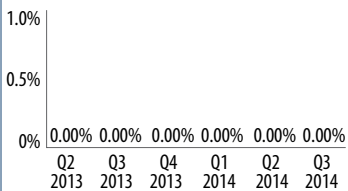
**Historical FFO Payout Ratio**

Not Applicable

**Historical MFFO Payout Ratio**

Not Applicable

**Redemptions**

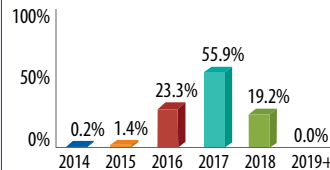


**Debt Breakdown**

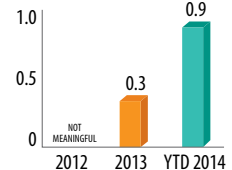


Debt to Total Assets Ratio:..... 46.9%  
 Total: ..... \$154.0 Million  
 Fixed: ..... \$122.7 Million  
 Variable ..... \$31.2 Million  
 Avg. Wtd. Rate: ..... 6.00%  
 Loan Term: ..... 1 – 4 yrs

**Debt Repayment Schedule**



**Interest Coverage Ratio**



**Source of Distributions, Trends and Items of Note**

- During 3Q 2014 the Company did not acquire or sell any properties.
- The estimated valuation of \$3.58 per share as of October 31, 2014, reflects an increase from the estimated valuation of \$3.08 per share as of November 11, 2013. The investment that was most significant to the increase in the real estate asset value related to Chase Park Plaza Hotel. As a result of improved hotel operations and improving market conditions the valuation of the asset increased.
- On October 6, 2014, the Company's Board of Directors elected Steven J. Kaplan as non-executive Chairman of the Board and elected Lisa Ross as CFO.
- On August 15, 2014, Behringer and PegasusAblon announced that they have formed a joint venture to develop The Ablon at Frisco Square. The luxury 275-unit multifamily community will be located in the heart of Frisco Square, a mixed-use area north of

- Dallas. The Ablon at Frisco Square will be developed by PegasusAblon, the joint venture's general partner. It is expected to be ready for first occupancy in the fourth quarter of 2015.
- The REIT's Cash to Total Assets ratio increased to 13.5% as of 3Q 2014 compared to 11.1% as of 3Q 2013.
- The REIT's Debt to Total Asset ratio increased to 46.9% as of 3Q 2014 compared to 42.7% as of 3Q 2013.
- In connection with entering the disposition phase, on March 28, 2011, the board of directors discontinued regular quarterly distributions in favor of those that may arise from proceeds available to be distributed from the asset sales. Because the REIT did not pay distributions during this period, the FFO and MFFO Payout Ratios are not applicable.