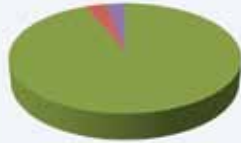


Nontraded REIT Industry Review: Fourth Quarter 2011



Paladin Realty Income Properties, Inc.

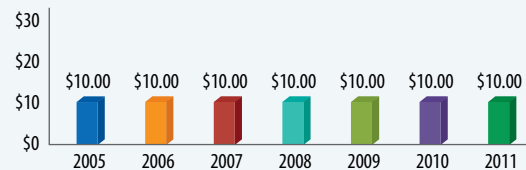
Total Assets.....	\$221.5 Million
Real Estate Assets	\$206.9 Million
Cash	\$8.0 Million
Securities	\$0.0 Million
Other	\$6.6 Million



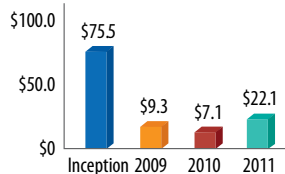
Initial Offering Date:	February 25, 2005
Number of Months Fundraising:	82
Anticipated Offering Close Date:	January 24, 2014
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.6%
Asset Type:	Diversified
Number of Properties:	14
Square Feet / Units / Rooms / Acres: ...	75,518 Sq Ft & 2,953 Units
Percent Leased:	Not Reported
LifeStage.....	Stabilizing
Investment Style	Core

Historical Price



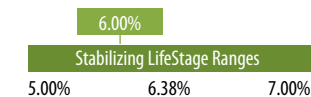
Gross Dollars Raised*



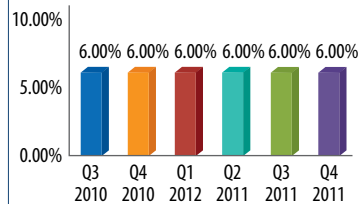
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution



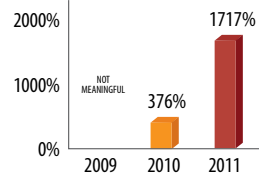
Contact Information

www.PaladinREIT.com
Paladin Realty Advisors
10880 Wilshire Boulevard,
Suite 1400
Los Angeles, CA 90024
866-725-7348

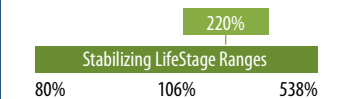
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 1717%YTD Distributions Paid: ... \$3,535,347
YTD FFO: \$205,885

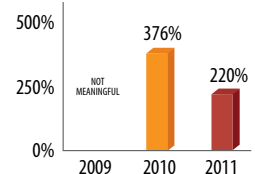
Historical FFO Payout Ratio



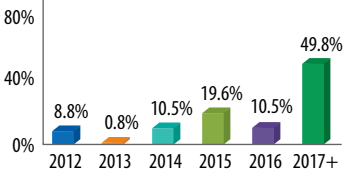
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: 220%YTD Distributions Paid: ... \$3,535,347
YTD MFFO: \$1,604,868
*Company reported MFFO - see notes

Historical MFFO Payout Ratio

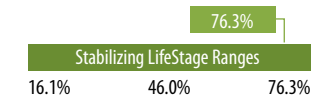


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 76.3%



Debt Breakdown

Total: \$168.9 Million
 Fixed: \$168.9 Million
 Variable: \$0 Million
 Avg. Wtd. Rate: 5.68%
 Term: <1 - 10 yrs

Interest Coverage Ratio

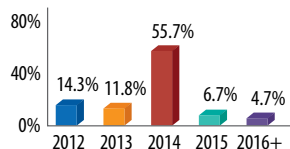
YTD Interest Coverage Ratio: 1.3

Adjusted EBITDA: \$10,596,760
Interest Expense: \$8,291,656

Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding: 3.14%Redemptions Year to Date: .. 190,349
Wtd. Avg. Shares Outstanding
as of 12/31/11: 6,061,726

Lease Expirations



Trends and Items of Note

- As of December 30, 2011, the Company owned interests in 13 joint ventures that own 14 income-producing properties.
- The Company acquired an interest in Pines of York Apartments in November, 2011, at a cost of \$19.0 million.
- The REIT's Debt to Total Asset Ratio of 76.3% is above the median of 46.0% for Stabilizing LifeStage REITs.
- The Company reported MFFO in accordance with the Investment Program Association (IPA) guidelines.
- See additional notes on page 75 for information regarding the source of distributions.