

Nontraded REIT Industry Review: First Quarter 2015

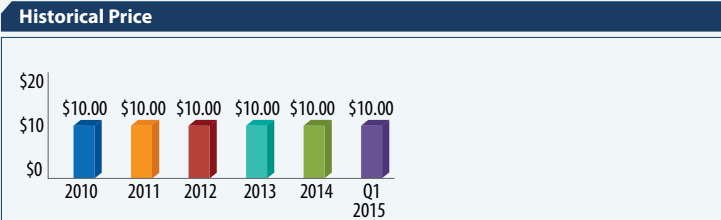
Resource Real Estate Opportunity REIT, Inc.

Total Assets.....	\$1,014.6 Million
Real Estate Assets	\$834.7 Million
Cash	\$135.0 Million
Securities	\$3.5 Million
Other	\$41.4 Million



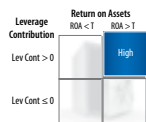
Initial Offering Date: June 16, 2010
 Offering Close Date: December 13, 2013
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.50
 Cumulative Capital Raised during Offering (including DRP)..... \$633.1 Million

Cash to Total Assets Ratio: 13.3%
 Asset Type: Multifamily
 Number of Properties: 36
 Square Feet / Units / Rooms / Acres: 10,280 Units
 Percent Leased: Not Available
 Weighted Average Lease Term Remaining: Not Applicable
 LifeStage: Maturing
 Investment Style: Opportunistic
 Weighted Average Shares Outstanding: 69,485,000



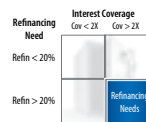
Performance Profiles

Operating Performance



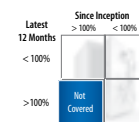
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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 achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

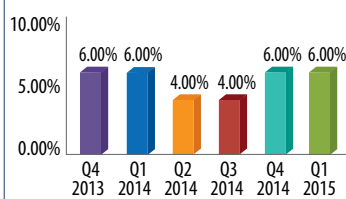
Summary

The REIT's return on assets for the last four quarters was 4.70%, above the yield on 10-Year Treasuries, and therefore providing a potential risk-adjusted return to shareholders. The REIT had a positive leverage contribution for the last four quarters with an average cost of debt of 3.73% and a debt ratio of 51%. Given the Opportunistic strategy of the REIT, shareholder returns are expected to materialize from capital gains and special distributions rather than stable, positive MFFO. About 7.2% of the REIT's debt matures within two years, and 31% was at unhedged variable rates, meaning interest rate risks could be important. The trailing 12-month interest coverage ratio of 3.2X is above the 2.0X benchmark. Since inception, the REIT's cumulative MFFO is negative and in the last 12 months it has paid cash distributions excluding DRP of \$11.2 million with negative MFFO over that period.

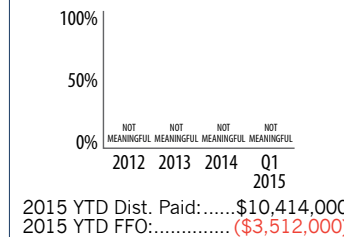
Contact Information

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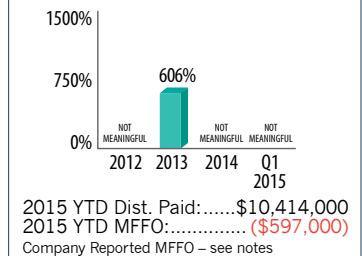
Historical Distribution



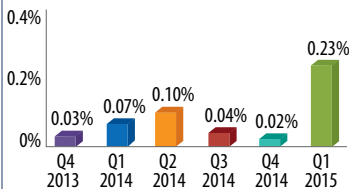
Historical FFO Payout Ratio



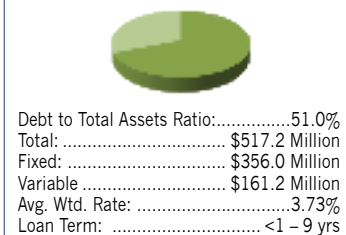
Historical MFFO Payout Ratio



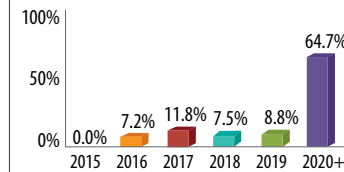
Redemptions



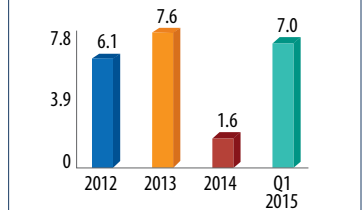
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- The Company made two acquisitions in the quarter ended March 31, 2015: The Springs at Gilbert Meadows in Gilbert, Arizona, for \$36.0 million and Woodmoor in Austin, Texas, for \$24.0 million.
- On March 23, 2015, the Company entered into an agreement to purchase a 295 unit multifamily community in Chula Vista, California for \$49.1 million. The transaction is expected to be completed in June 2015.
- The REIT's Cash to Total Assets ratio decreased to 13.3% as of 1Q 2015 compared to 16.9% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio increased to 51.0% as of 1Q 2015 compared to 35.2% as of 1Q 2014.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA"). The Company also reports FFO and MFFO for stabilized and unstabilized properties.
- The Company's business plan involves acquisition of distressed assets at deep discounts. Such assets often require substantial investments of capital and increased operating costs after acquisition to convert assets into stable, cash flowing properties. These planned expenditures are necessary primarily during the first 12 to 24 months after taking operating control of an asset and often result in negative, or reduced, net operating income, MFFO and FFO during this turnaround stage. MFFO from stabilized properties for 1Q 2015 was \$0.458 million vs. \$1.125 million for 1Q 2014.
- Since its formation, the Company's Board of Directors has declared a total of seven quarterly stock distributions of 0.015 shares each, two quarterly stock distributions of 0.0075 shares each, one quarterly stock distribution of 0.00585 shares each, and two quarterly stock distributions of 0.005 shares each of its common stock outstanding. In connection with these stock distributions, the Company had increased its accumulated deficit by \$21.3 million as of March 31, 2015.
- For the quarter ended March 31, 2015, the Company paid aggregate distributions of \$10.414 million, including \$3.231 million of distributions paid in cash and \$7.183 million of distributions reinvested in shares of common stock through the Company's distribution reinvestment plan. For the quarter ended March 31, 2015, 100% of distributions were paid from dispositions and debt financing.