



Nontraded REIT Industry Review: First Quarter 2014

Resource Real Estate Opportunity REIT, Inc.

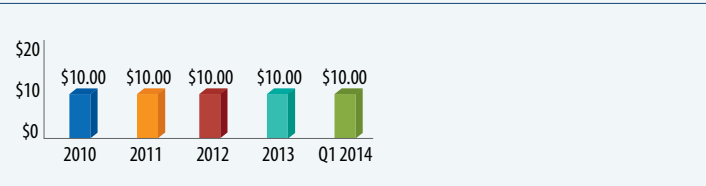
Total Assets.....	\$814.3 Million
Real Estate Assets	\$659.0 Million
Cash	\$138.0 Million
Securities	\$0.0 Million
Other	\$17.3 Million



Initial Offering Date: June 16, 2010
 Anticipated Offering Close Date: December 12, 2013
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.50
 Cumulative Capital Raised during Offering (including DRP).....\$633.1 Million

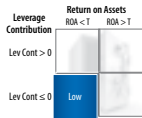
Cash to Total Assets Ratio: 16.9%
 Asset Type: Multifamily
 Number of Properties: 35
 Square Feet / Units / Rooms / Acres:.....10,121 Units*
 Percent Leased: Not Applicable
 Weighted Average Lease Term Remaining:..... Not Available
 LifeStage:..... Maturing
 Investment Style: Opportunistic
 Weighted Average Shares Outstanding: 67,364,000

Historical Price



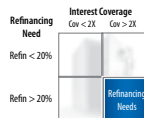
Performance Profiles

Operating Performance



The REIT's recent 12-month average return on assets is less than yields on 10-year Treasuries, indicating negative risk-adjusted returns. At its current cost of debt and level of borrowing, the use of debt is not increasing returns to shareholders. Earnings must improve to cover costs of debt.

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.

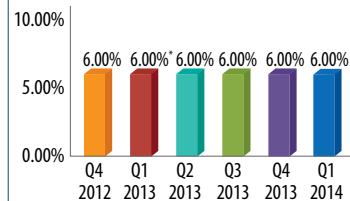
Summary

The REIT's return on assets for the last four quarters was only 0.32%, significantly below the yield on 10-Year Treasuries of 1.87%, and therefore providing a negative risk-adjusted return to shareholders. The REIT had a negative leverage contribution for the last four quarters with an average cost of debt of 4.58% and a debt ratio of 35.2%. Given the Opportunistic strategy of the REIT, shareholder returns are expected to materialize from capital gains and special distributions rather than stable, positive MFFO. Over 20% of the REIT's debt matures within two years, and 29% was at unhedged variable rates, meaning refinancing and interest rate risks could be important. With trailing 12-month interest coverage ratio of 3.6X, well above the 2.0X benchmark, the REIT has shown the ability to cover its debt obligations. Since inception, the REIT's cumulative MFFO is negative and it the last 12 months it has paid cash distributions excluding DRP equal to 373% of MFFO.

Contact Information

www.resourcerei.com
Resource Real Estate, Inc.
 1845 Walnut Street, 18th Floor
 Philadelphia, PA 19103
 215-640-6320

Historical Distribution



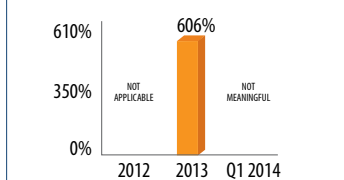
*Does not include special distribution of \$0.15 per share

Historical FFO Payout Ratio



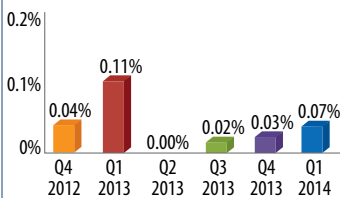
2014 YTD Dist. Paid:\$6,701,000
 2014 YTD FFO:(\$7,526,000)

Historical MFFO Payout Ratio

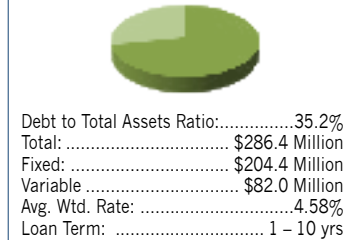


2014 YTD Dist. Paid:\$6,701,000
 2014 YTD MFFO:(\$642,000)
 Company Reported MFFO – see notes

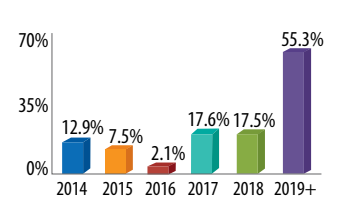
Redemptions



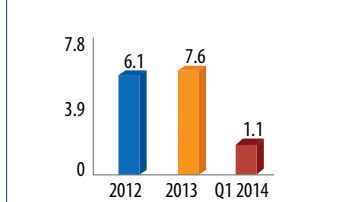
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During 1Q 2014 the Company acquired 12 properties for \$121.7 million. The Company sold one property for \$0.46 million.
- On February 27, 2014, the Company was the successful bidder at a foreclosure sale of the property collateralizing the Peterson Note. On April 6, 2014, it sold its interest in the sheriff's deed for the Peterson Apartments for \$195,000 to an unaffiliated purchaser.
- On May 5, 2014, the Company purchased a 142-unit multifamily community located in Plano, Texas from an unaffiliated seller for \$15 million.
- The REIT's Cash to Total Assets ratio decreased to 16.9% as of 1Q 2014 compared to 24.7% as of 1Q 2013.
- The REIT's Debt to Total Assets ratio increased to 35.2% as of 1Q 2014 compared to 4.3% as of 1Q 2013.
- 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 in 1Q 2014 was \$2.104 million vs. \$3.832 million for 1Q 2013.
- Since its formation, the Company 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 increased its accumulated deficit by \$21.0 million as of March 31, 2014.
- For the three months ended March 31, 2014, 66.8% of distributions was funded from net cash provided by operating activities of continuing operations and 33.2% of distributions was funded from proceeds from debt financing. The cumulative cash distributions and net loss from inception through March 31, 2014 were \$23.3 million and \$53.0 million, respectively.