



## **Supplemental Investor Information**

### **4<sup>th</sup> Quarter 2018**

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "target," "seek," "believe" and other expressions or words of similar meaning. We caution that forward-looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause our actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement our business strategy; our ability to make distributions to stockholders; our ability to acquire SFR assets for our portfolio, including difficulties in identifying assets to acquire; the impact of changes to the supply of, value of and the returns on SFR assets; our ability to successfully integrate newly acquired properties into our portfolio of SFR properties; our ability to successfully operate HavenBrook as a property manager and perform property management services for our SFR assets at the standard and/or the cost that we anticipate; our ability to transition property management for the SFR properties currently managed by third party property managers to HavenBrook; our ability to predict our costs; our ability to effectively compete with our competitors; our ability to apply the proceeds from financing activities or non-rental real estate owned asset sales to target single-family rental assets in a timely manner; our ability to sell non-rental real estate owned properties on favorable terms and on a timely basis or at all; the failure to identify unforeseen expenses or material liabilities associated with asset acquisitions through the due diligence process prior to such acquisitions; changes in the market value of our single-family rental properties and real estate owned; changes in interest rates; our ability to obtain and access financing arrangements on favorable terms or at all; our ability to maintain adequate liquidity; our ability to retain our engagement of Altisource Asset Management Corporation; the failure of our third party vendors to effectively perform their obligations under their respective agreements with us; our failure to maintain our qualification as a REIT; our failure to maintain our exemption from registration under the Investment Company Act; the impact of adverse real estate, mortgage or housing markets; the impact of adverse legislative, regulatory or tax changes; and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in our current and future filings with the Securities and Exchange Commission. In addition, financial risks such as liquidity, interest rate and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive.

The statements made in this presentation are current as of the date of this presentation only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

I. Company Update

II. Financial Results

III. Portfolio Information

IV. Definitions and Disclosures



### Financial

- Rental revenue of \$54 million, up 55%<sup>1</sup>
- Stabilized Rental NOI of \$31.7 million, up 40%<sup>1</sup>
- Stabilized Rental Core NOI Margin of 62.5%
- Core FFO per share of \$0.05

### Balance Sheet

- Fixed or capped debt of 87%, up from 64%<sup>1</sup>
- Weighted average debt duration of 5.5 years, up from 3.5 years<sup>1</sup>
- 5% annual HPI realized in the last 2 loan refinances

### Operations

- Stabilized blended rent growth of 4.3%
- Stabilized leased percentage of 94%
- Stabilized rental turnover of 6.6%
- Internalized property management completed on 13K homes<sup>2</sup>

### Portfolio

- Stabilized Rental portfolio of 14,383 homes, up 23%<sup>1</sup>
- Sold 444 non-core rental assets for gain of \$4.8 million<sup>3</sup>

1. Comparisons to 4Q 2017

2. As of 02/21/2019

3. Homes sold on February 8, 2019 for an aggregate sales price of \$102.9 million to a third-party purchaser. We expect to recognize a net realized gain of \$4.8 million in 1Q19.

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP. Core FFO reconciliation to GAAP can be found on page 14.

(\$s in thousands, except per home and per share amounts) (unaudited)

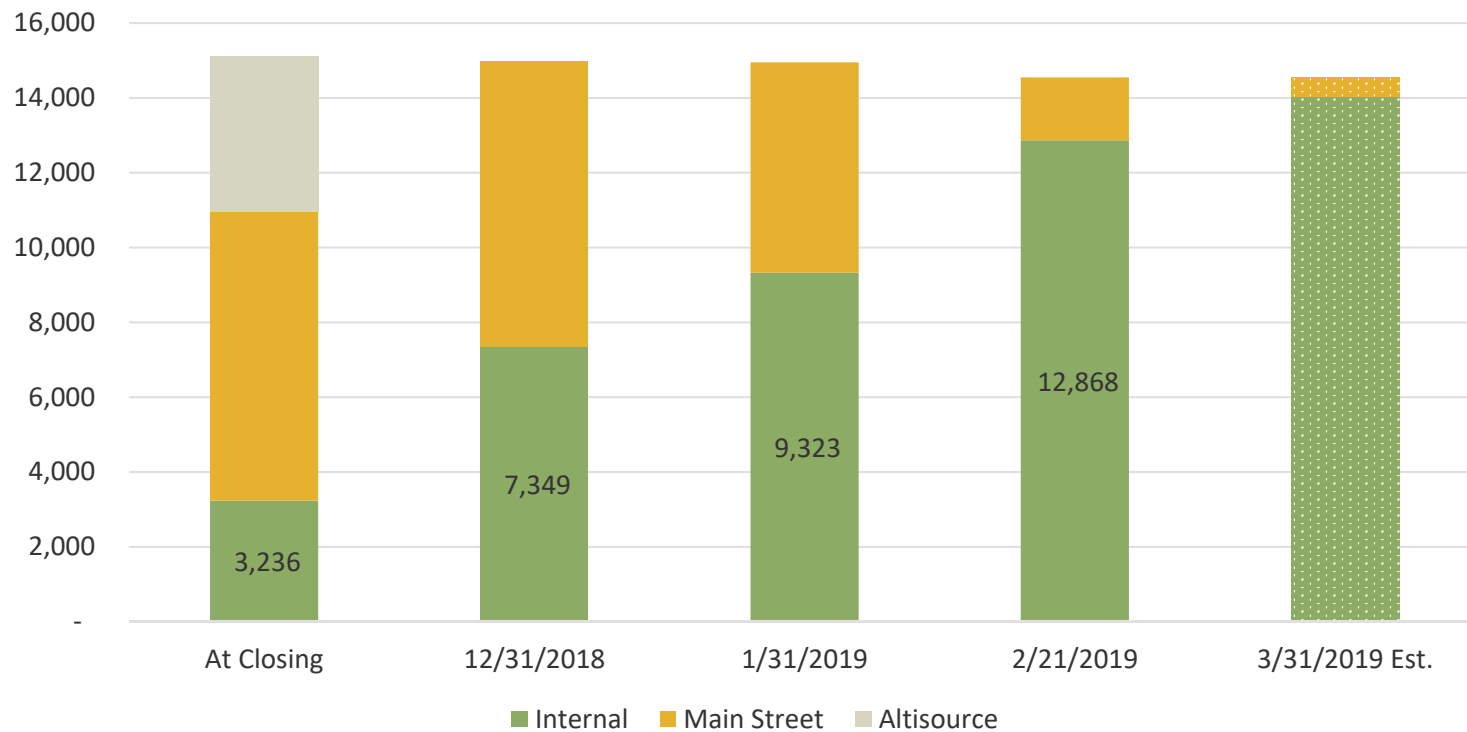
|  | <u>Dec 31, 2018</u> | <u>Sep 30, 2018</u> | <u>Jun 30, 2018</u> | <u>Mar 31, 2018</u> | <u>Dec 31, 2017</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Portfolio Information - end of period</b>               |                     |                     |                     |                     |                     |
| <b>Total Rental Homes</b>                                  | <b>14,544</b>       | <b>14,587</b>       | <b>11,886</b>       | <b>11,954</b>       | <b>11,975</b>       |
| Leased   | 13,546              | 13,562              | 11,064              | 11,090              | 10,850              |
| Ready to rent  | 434                 | 424                 | 335                 | 493                 | 591                 |
| Under turn   | 428                 | 479                 | 350                 | 230                 | 340                 |
| Under renovation   | 136                 | 122                 | 137                 | 141                 | 194                 |
| <b>Stabilized Rentals</b>                                  | <b>14,383</b>       | <b>14,447</b>       | <b>11,729</b>       | <b>11,760</b>       | <b>11,720</b>       |
| % of rentals stabilized                                    | 99%                 | 99%                 | 99%                 | 98%                 | 98%                 |
| % of Stabilized Rentals leased                             | 94.2%               | 93.9%               | 94.3%               | 94.3%               | 92.6%               |
| Previous rentals identified for sale <sup>1</sup>          | 797                 | 763                 | 221                 | 142                 | 109                 |
| Legacy REO <sup>1</sup>                                    | 104                 | 133                 | 190                 | 320                 | 490                 |
| <b>Total Rental and REO</b>                                | <b>15,445</b>       | <b>15,483</b>       | <b>12,297</b>       | <b>12,416</b>       | <b>12,574</b>       |
| <b>Selected Operating Information<sup>2</sup></b>          |                     |                     |                     |                     |                     |
| Stabilized Rental revenue                                  | \$ 51,575           | \$ 46,691           | \$ 40,906           | \$ 39,765           | \$ 34,917           |
| Stabilized Core rental revenues                            | \$ 50,679           | \$ 45,903           |                     |                     |                     |
| Total rental revenue                                       | \$ 54,029           | \$ 48,313           | \$ 40,906           | \$ 39,765           | \$ 34,917           |
| Stabilized Rental Net Operating Income                     | \$ 31,688           | \$ 28,843           | \$ 26,393           | \$ 25,945           | \$ 22,655           |
| Stabilized Rental NOI Margin                               | 61.4%               | 61.8%               | 64.5%               | 65.2%               | 64.9%               |
| Stabilized Rental Core NOI Margin                          | 62.5%               | 62.8%               |                     |                     |                     |
| Stabilized Rental average monthly rent per leased property | \$ 1,261            | \$ 1,254            | \$ 1,247            | \$ 1,237            | \$ 1,232            |
| Stabilized Rental blended average change in rent           | 4.3%                | 4.3%                | 4.2%                | 3.5%                | 3.5%                |
| Stabilized Rental turnover rate                            | 6.6%                | 7.2%                | 8.7%                | 6.3%                | 6.1%                |

1. Of the previous rentals identified for sale in 3Q18 and 4Q18, 444 homes were sold on February 8, 2019 for an aggregate sales price of \$102.9 million, resulting in a net gain of \$4.8 million that will be recognized in Q1 2019. As of December 31, 2018, 158 rental homes and 56 legacy REOs were being prepared for sale and will be classified as held for sale once listed.
2. Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

## Strong progress on internalizing property management



13K homes have been successfully internalized as of February 21<sup>st</sup>, 2019, sooner than the original schedule. The internalization of the remaining homes will be substantially complete by the end of March 2019<sup>1</sup>.



1. Internalization timelines are based on management estimates and ability of external property managers to move homes in accordance with proposed timelines. Management may update these estimates from time to time, and actual transition of homes may vary materially from these projections.

## Targets to increase operating cash flow



### Revenue Drivers

- Increase home count (~16K homes)
- Rent increases (3% - 4%)
- Occupancy (95% - 96%)
- Other income

### Efficiency Drivers

- Internalization of PM
- Self-performing R&M and turn
- Vendor and supply management

### YE 2019 Annualized Run Rate

$$\begin{aligned}
 &\$240 - \$250 \text{ million revenue} \\
 &\quad \times \\
 &\quad \sim 66\% \text{ NOI margin} \\
 &\quad = \\
 &\$158 - \$165 \text{ million NOI}
 \end{aligned}$$

Interest expense (~4.75% annualized rate)

~\$83 million

General and administrative

\$26 - \$28 million

Core Funds from Operations (Core FFO)

\$47 - \$54 million

Core FFO per share per quarter

\$0.22 - \$0.25

Adjusted Funds from Operations (AFFO)

\$27 - \$34 million

AFFO per share per quarter

\$0.13 - \$0.16

Note: Estimates are based on a number of assumptions, including, without limitation, assumptions regarding portfolio growth, management of expenses and operating efficiency, including turn times, repair & maintenance, rental rates, and other revenue and expenses. Management may adjust these estimates at any time, and actual results could vary materially. The Company does not provide corresponding GAAP measure for, or reconciliation to, Net Operating Income (NOI), NOI Margin, Core FFO, Core FFO per share per quarter, AFFO or AFFO per share per quarter because we are unable to reasonably predict the impact of certain items contained in the GAAP measures on a forward-looking basis, including non-recurring and infrequent items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, net gain or loss on sales and impairment of real estate assets, casualty losses, share-based compensation and acquisition and integration costs. These items are uncertain, depend on various factors and could have a material impact on our GAAP results for the target period.

### **Achievements:**

- ✓ Internalized a proprietary and scalable property management platform
- ✓ Divested non-core assets
- ✓ Strengthened balance sheet by increasing fixed rate debt and increasing duration
- ✓ Achieved targeted operating metrics
- ✓ Changed company name
- ✓ Grew portfolio to approximately 15K homes

### **Goals:**

- Strategically prune existing SFRs in non-target markets
- Complete the internalization of property management
- Focus on maximizing operating efficiencies
- Continue to optimize balance sheet
- Maintain focus on capital allocation
- Revisit asset management agreement
- Cover dividend with rental operating cash flow



## *Financial Results*



# Consolidated Statements of Operations – GAAP



(\$s in thousands, except per share amounts)

|   | Three Months Ended |              | Year Ended   |              |
|---|--------------------|--------------|--------------|--------------|
|   | Dec 31, 2018       | Dec 31, 2017 | Dec 31, 2018 | Dec 31, 2017 |
|   | (unaudited)        | (unaudited)  |              |              |
| <b>Revenues:</b>                                    |                    |              |              |              |
| Rental revenues                                     | \$ 54,029          | \$ 34,917    | \$ 183,013   | \$ 123,597   |
| Change in unrealized gain on mortgage loans         | -                  | (33,039)     | -            | (190,856)    |
| Net realized gain on mortgage loans                 | -                  | 10,947       | -            | 84,024       |
| Net realized gain on sales of real estate           | -                  | 14,781       | -            | 76,913       |
| Interest income                                     | -                  | 152          | -            | 493          |
| Total revenues                                      | 54,029             | 27,758       | 183,013      | 94,171       |
| <b>Expenses:</b>                                    |                    |              |              |              |
| Residential property operating expenses             | 18,615             | 14,111       | 63,987       | 62,759       |
| Property management expenses                        | 3,903              | 2,541        | 13,189       | 8,982        |
| Depreciation and amortization                       | 21,910             | 16,313       | 80,961       | 61,601       |
| Acquisition and integration costs                   | 7,595              | 119          | 33,607       | 778          |
| Impairment  | 1,740              | 9,422        | 12,734       | 40,108       |
| Mortgage loan servicing costs                       | 368                | 1,011        | 1,521        | 10,683       |
| Interest expense                                    | 24,492             | 14,617       | 77,035       | 59,582       |
| Share-based compensation                            | 1,144              | 1,315        | 3,024        | 4,139        |
| General and administrative                          | 5,184              | 2,338        | 13,817       | 10,994       |
| Management fees to AAMC                             | 3,608              | 3,924        | 14,743       | 17,301       |
| Total expenses                                      | 88,559             | 65,711       | 314,618      | 276,927      |
| Net gain (loss) on real estate and mortgage loans   | 618                | -            | (145)        | -            |
| Operating loss                                      | (33,912)           | (37,953)     | (131,750)    | (182,756)    |
| Casualty losses, net                                | (611)              | -            | (552)        | (6,021)      |
| Insurance recoveries                                | 340                | 463          | 588          | 3,349        |
| Other income  | 7                  | -            | 925          | -            |
| Loss before income taxes                            | (34,176)           | (37,490)     | (130,789)    | (185,428)    |
| Income tax expense (benefit)                        | 40                 | (16)         | 46           | 26           |
| Net loss  | \$ (34,216)        | \$ (37,474)  | \$ (130,835) | \$ (185,454) |
| Loss per basic share of common stock                | \$ (0.64)          | \$ (0.70)    | \$ (2.44)    | \$ (3.47)    |
| Weighted average common stock outstanding - basic   | 53,630,204         | 53,447,950   | 53,552,109   | 53,493,523   |
| Loss per diluted share of common stock              | \$ (0.64)          | \$ (0.70)    | \$ (2.44)    | \$ (3.47)    |
| Weighted average common stock outstanding - diluted | 53,630,204         | 53,447,950   | 53,552,109   | 53,493,523   |

# Consolidated Balance Sheets



(\$s in thousands)

| <b>Assets:</b>                           | <b>Dec 31, 2018</b> | <b>Dec 31, 2017</b> |
|--|---------------------|---------------------|
| Real estate held for use:                |                     |                     |
| Land                                     | \$ 395,532          | \$ 322,062          |
| Rental residential properties            | 1,667,939           | 1,381,110           |
| Real estate owned                        | 40,496              | 64,036              |
| Total real estate held for use           | 2,103,967           | 1,767,208           |
| Less: accumulated depreciation           | (137,881)           | (73,655)            |
| Total real estate held for use, net      | 1,966,086           | 1,693,553           |
| Real estate assets held for sale         | 146,921             | 75,718              |
| Mortgage loans at fair value             | 8,072               | 11,477              |
| Cash and cash equivalents                | 44,186              | 113,666             |
| Restricted cash                          | 36,974              | 47,822              |
| Accounts receivable, net                 | 11,591              | 19,555              |
| Goodwill                                 | 13,376              | -                   |
| Prepaid expenses and other assets        | 43,045              | 12,758              |
| Total assets                             | <u>\$ 2,270,251</u> | <u>\$ 1,974,549</u> |
| <b>Liabilities:</b>                      |                     |                     |
| Repurchase and loan agreements           | \$ 1,722,219        | \$ 1,270,157        |
| Accounts payable and accrued liabilities | 72,672              | 55,639              |
| Payable to AAMC                          | 3,968               | 4,151               |
| Total liabilities                        | 1,798,859           | 1,329,947           |
| <b>Equity:</b>                           |                     |                     |
| Common stock, at par                     | 536                 | 534                 |
| Additional paid-in capital               | 1,184,132           | 1,181,327           |
| Accumulated deficit                      | (700,623)           | (537,259)           |
| Accumulated other comprehensive loss     | (12,653)            | -                   |
| Total equity                             | 471,392             | 644,602             |
| Total liabilities and equity             | <u>\$ 2,270,251</u> | <u>\$ 1,974,549</u> |

(\$s in thousands) (unaudited)

| As of Dec 31, 2018                                      | Stabilized    | Non-Stabilized | Total         | Carrying Value <sup>1,2</sup> | CV per home   |
|---|---------------|----------------|---------------|-------------------------------|---------------|
| <b>Rental Homes</b>                                     |               |                |               |                               |               |
| Leased  | 13,546        | -              | 13,546        | \$ 1,797,891                  | \$ 133        |
| Listed and ready for rent                               | 409           | 25             | 434           | 60,260                        | 139           |
| Unit Turn   | 428           | -              | 428           | 55,578                        | 130           |
| Renovation  | -             | 136            | 136           | 14,804                        | 109           |
| <b>Total rental homes</b>                               | <b>14,383</b> | <b>161</b>     | <b>14,544</b> | <b>1,928,533</b>              | <b>133</b>    |
| <b>Previous rentals identified for sale<sup>3</sup></b> | <b>-</b>      | <b>797</b>     | <b>797</b>    | <b>155,138</b>                | <b>195</b>    |
| <b>Legacy REO<sup>4</sup></b>                           | <b>-</b>      | <b>104</b>     | <b>104</b>    | <b>29,336</b>                 | <b>282</b>    |
|   | <b>14,383</b> | <b>1,062</b>   | <b>15,445</b> | <b>\$ 2,113,007</b>           | <b>\$ 137</b> |

1. The carrying value of an asset held for use is based on historical cost plus renovation costs, net of any accumulated depreciation and impairment. Assets held for sale are carried at the lower of the carrying value or estimated fair value less costs to sell.
2. The carrying value of certain properties acquired on November 29, 2017 are included based upon the initial purchase price, certain of which are subject to potential purchase price adjustment provisions as set forth in the purchase and sale agreement.
3. Of the previous rentals identified for sale, 444 non-core homes were sold on February 8, 2019 for an aggregate sales price of \$102.9 million, resulting in a net gain of \$4.8 million that will be recognized in Q1 2019. As of December 31, 2018, 158 rental homes and 56 legacy REOs were being prepared for sale and will be classified as held for sale once listed. Of the 104 Legacy REOs, 56 were held for use, and the remaining held for sale as of December 31, 2018.

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

## Stabilized Rental Operating Efficiency



(\$s in thousands) (unaudited)

| <b>Stabilized Rental Portfolio</b>       | <b>Three Months Ended<br/>Dec 31, 2018</b> | <b>Year Ended<br/>Dec 31, 2018</b> |
|--|--|------------------------------------|
| Rental revenues                          | \$ 51,575                                  | \$ 178,937                         |
| Less: Resident charge-backs              | (896)                                      | (2,896)                            |
| Core revenues                            | <u>50,679</u>                              | <u>176,041</u>                     |
| Fixed Expenses:                          |  |                                    |
| Taxes                                    | 7,969                                      | 28,268                             |
| Insurance                                | 977  | 3,172                              |
| HOA                                      | 624  | 2,359                              |
| Controllable Expenses:                   |  |                                    |
| Repair, maintenance and turn             | 6,725                                      | 20,503                             |
| Property management                      | 3,592                                      | 11,766                             |
| Total property operating expenses        | <u>19,887</u>                              | <u>66,068</u>                      |
| Less: Resident charge-backs              | (896)                                      | (2,896)                            |
| Core property operating expenses         | <u>18,991</u>                              | <u>63,172</u>                      |
| <b>Stabilized Rental NOI</b>             | <b>\$ 31,688</b>                           | <b>\$ 112,869</b>                  |
| <b>Stabilized Rental Core NOI Margin</b> | <b>62.5%</b>                               | <b>64.1%</b>                       |
| Count at end of period                   | 14,383                                     | 14,383                             |
| Average count of Stabilized Rentals      | 14,415                                     | 12,808                             |

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

(\$s in thousands, except per share amounts) (unaudited)

## Reconciliation of GAAP net loss to FFO, Core FFO, FFO per share and Core FFO per share:

|   | <b>Three Months Ended<br/>Dec 31, 2018</b> | <b>Year Ended<br/>Dec 31, 2018</b> |
|---|--|------------------------------------|
| GAAP net loss                                       | \$ (34,216)                                | (130,835)                          |
| Depreciation and amortization                       | 21,910                                     | 80,961                             |
| Impairment  | 1,740                                      | 12,734                             |
| Net (gain) loss on real estate and mortgage loans   | (618)                                      | 145                                |
| FFO   | (11,184)                                   | (36,995)                           |
| Acquisition and integration costs                   | 7,595                                      | 33,607                             |
| Non-cash interest expense                           | 1,940                                      | 6,323                              |
| Share-based compensation                            | 1,144                                      | 3,024                              |
| Loss on extinguishment of debt                      | 1,695                                      | 1,695                              |
| Other adjustments <sup>1</sup>                      | 1,683                                      | 3,242                              |
| Core FFO  | 2,873                                      | 10,896                             |
| Weighted average common stock outstanding - diluted | 53,630,204                                 | 53,552,109                         |
| <b>FFO per share - diluted</b>                      | <b>\$ (0.21)</b>                           | <b>\$ (0.69)</b>                   |
| <b>Core FFO per share - diluted</b>                 | <b>\$ 0.05</b>                             | <b>\$ 0.20</b>                     |

1. Other adjustments include non-recurring income/expense items and one-time costs that management has determined are not representative of Front Yard's core on-going operations.

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

(\$s in thousands) (unaudited)

As of Dec 31, 2018

|                                     | <b>Amount<br/>Outstanding</b> | <b>% of Total</b> | <b>Interest Rate<sup>1</sup></b> | <b>Years to<br/>Maturity<sup>2</sup></b> |
|-------------------------------------|-------------------------------|-------------------|----------------------------------|--|
| <b>Floating Rate Debt:</b>          |                               |                   |                                  |  |
| CS Repurchase Agreement             | \$ 193,654                    | 11.1%             | 5.45%                            | 0.9                                      |
| Nomura Loan Agreement               | 30,497                        | 1.8%              | 5.47%                            | 1.3                                      |
| Total Floating Rate Debt            | <u>224,151</u>                | <u>12.9%</u>      | <u>5.45%</u>                     | <u>0.9</u>                               |
| <b>Fixed and Capped Rate Debt:</b>  |                               |                   |                                  |  |
| HOME II Loan Agreement              | 83,270                        | 4.8%              | 4.40%                            | 3.9                                      |
| HOME III Loan Agreement             | 89,150                        | 5.1%              | 4.40%                            | 3.9                                      |
| HOME IV Loan Agreement (A)          | 114,201                       | 6.6%              | 4.00%                            | 3.9                                      |
| HOME IV Loan Agreement (B)          | 114,590                       | 6.6%              | 4.00%                            | 3.9                                      |
| Term Loan Agreement                 | 100,000                       | 5.8%              | 5.00%                            | 3.3                                      |
| FYR SFR Loan Agreement              | 508,700                       | 29.3%             | 4.65%                            | 9.7                                      |
| MS Loan Agreement                   | 504,986                       | 29.0%             | 4.18%                            | 4.9                                      |
| Total Fixed Rate Debt               | <u>1,514,897</u>              | <u>87.1%</u>      | <u>4.39%</u>                     | <u>6.1</u>                               |
| Total Debt                          | 1,739,048                     | <u>100.0%</u>     | <u>4.53%</u>                     | <u>5.5</u>                               |
| Less: unamortized loan discounts    | (4,896)                       |                   |                                  |  |
| Less: deferred financing costs      | (11,933)                      |                   |                                  |  |
| <b>Total Carrying Value of Debt</b> | <u>\$ 1,722,219</u>           |                   |                                  |  |

1. Interest rates on floating rate debt reflect applicable rates as of period end. The Company's variable rate borrowings are based on a floating rate index plus a fixed margin as of period end.
2. Years to maturity on certain of our indebtedness includes the debt's maturity through its ultimate maturity date, as applicable, which is extendable at the option of the Company.

*Portfolio Information*





# Rental Portfolio Detail



## Rental Portfolio - Q4 2018

(\$s in thousands) (unaudited)

| Market                | Rental Portfolio Count | Net CV per Property | % of Rental Count | Average Size (Sq. ft.) | Average Age (yrs) | Stabilized Count | Non-Stabilized Count |
|-----------------------|------------------------|---------------------|-------------------|------------------------|-------------------|------------------|----------------------|
| Atlanta, GA           | 4,354                  | \$ 110              | 29.9%             | 1,603                  | 36                | 4,266            | 88                   |
| Memphis, TN           | 1,292                  | 141                 | 8.9%              | 1,662                  | 24                | 1,290            | 2                    |
| Dallas-Fort Worth, TX | 890                    | 151                 | 6.1%              | 1,653                  | 28                | 884              | 6                    |
| Houston, TX           | 888                    | 143                 | 6.1%              | 1,649                  | 29                | 883              | 5                    |
| Miami, FL             | 796                    | 168                 | 5.5%              | 1,219                  | 53                | 784              | 12                   |
| Birmingham, AL        | 722                    | 114                 | 5.0%              | 1,486                  | 41                | 721              | 1                    |
| Indianapolis, IN      | 650                    | 128                 | 4.5%              | 1,606                  | 23                | 649              | 1                    |
| Charlotte, NC         | 590                    | 137                 | 4.1%              | 1,436                  | 29                | 584              | 6                    |
| Minneapolis, MN       | 488                    | 152                 | 3.4%              | 1,422                  | 87                | 484              | 4                    |
| Nashville, TN         | 450                    | 145                 | 3.1%              | 1,508                  | 17                | 448              | 2                    |
| Other                 | 3,424                  | 141                 | 23.4%             | 1,438                  | 33                | 3,390            | 34                   |
| <b>Total</b>          | <b>14,544</b>          | <b>\$ 133</b>       | <b>100.0%</b>     | <b>1,533</b>           | <b>35</b>         | <b>14,383</b>    | <b>161</b>           |

| State          | Rental Portfolio Count | Net CV per Property | % of Rental Count | Average Size (Sq. ft.) | Average Age (yrs) | Stabilized Count | Non-Stabilized Count |
|----------------|------------------------|---------------------|-------------------|------------------------|-------------------|------------------|----------------------|
| Georgia        | 4,361                  | \$ 110              | 30.0%             | 1,603                  | 36                | 4,273            | 88                   |
| Florida        | 2,097                  | 149                 | 14.4%             | 1,342                  | 40                | 2,075            | 22                   |
| Texas          | 1,978                  | 146                 | 13.6%             | 1,645                  | 28                | 1,965            | 13                   |
| Tennessee      | 1,475                  | 142                 | 10.1%             | 1,639                  | 23                | 1,471            | 4                    |
| North Carolina | 873                    | 136                 | 6.0%              | 1,452                  | 25                | 864              | 9                    |
| Alabama        | 723                    | 114                 | 5.0%              | 1,486                  | 41                | 722              | 1                    |
| Indiana        | 668                    | 127                 | 4.6%              | 1,603                  | 23                | 667              | 1                    |
| Minnesota      | 488                    | 152                 | 3.4%              | 1,422                  | 87                | 484              | 4                    |
| Missouri       | 424                    | 146                 | 2.9%              | 1,425                  | 39                | 420              | 4                    |
| Oklahoma       | 306                    | 145                 | 2.1%              | 1,549                  | 27                | 306              | -                    |
| Other          | 1,151                  | 149                 | 7.9%              | 1,418                  | 36                | 1,136            | 15                   |
| <b>Total</b>   | <b>14,544</b>          | <b>\$ 133</b>       | <b>100.0%</b>     | <b>1,533</b>           | <b>35</b>         | <b>14,383</b>    | <b>161</b>           |

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

## Leasing by Market - Q4 2018

| Market                | Avg Monthly Rent per Leased Property | Stabilized Leased % | Average Change in Renewal Rent | Average Change in Re-lease Rent | Blended Average Change in Rent | Renewal Rate | Turnover Rate | Stabilized Rental Core NOI Margin |
|-----------------------|--------------------------------------|---------------------|--------------------------------|---------------------------------|--------------------------------|--------------|---------------|-----------------------------------|
| Atlanta, GA           | \$ 1,114                             | 94.9%               | 4.6%                           | 7.5%                            | 5.7%                           | 76%          | 6.4%          | 59.8%                             |
| Memphis, TN           | 1,262                                | 94.9%               | 2.4%                           | 1.4%                            | 1.9%                           | 64%          | 7.3%          | 74.1%                             |
| Dallas-Fort Worth, TX | 1,471                                | 95.1%               | 4.3%                           | 4.8%                            | 4.6%                           | 62%          | 6.9%          | 63.1%                             |
| Houston, TX           | 1,353                                | 89.9%               | 4.7%                           | 3.2%                            | 3.8%                           | 57%          | 6.8%          | 52.8%                             |
| Miami, FL             | 1,599                                | 92.9%               | 4.4%                           | 2.7%                            | 3.8%                           | 82%          | 8.9%          | 57.3%                             |
| Birmingham, AL        | 1,125                                | 95.7%               | 3.2%                           | 1.2%                            | 2.2%                           | 75%          | 5.6%          | 69.2%                             |
| Indianapolis, IN      | 1,233                                | 93.8%               | 3.0%                           | 2.2%                            | 2.6%                           | 65%          | 7.1%          | 63.9%                             |
| Charlotte, NC         | 1,175                                | 95.7%               | 4.3%                           | 13.4%                           | 9.0%                           | 70%          | 5.7%          | 65.8%                             |
| Minneapolis, MN       | 1,425                                | 94.2%               | 3.3%                           | 2.8%                            | 3.1%                           | 64%          | 10.3%         | 58.3%                             |
| Nashville, TN         | 1,388                                | 95.5%               | 4.6%                           | 3.8%                            | 4.2%                           | 71%          | 6.0%          | 69.8%                             |
| Other                 | 1,301                                | 93.5%               | 3.7%                           | 3.4%                            | 3.5%                           | 65%          | 5.6%          | 62.1%                             |
| <b>Total</b>          | <b>\$ 1,261</b>                      | <b>94.2%</b>        | <b>4.1%</b>                    | <b>4.5%</b>                     | <b>4.3%</b>                    | <b>71%</b>   | <b>6.6%</b>   | <b>62.5%</b>                      |

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

# Investment in Real Estate



(unaudited)

| Market                | Investment in Real Estate (\$MM) <sup>1</sup> |                |                 |                |                |                |                 |                |                 |                 |               |                 |               |               |                 |               |
|-----------------------|---|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|-----------------|-----------------|---------------|-----------------|---------------|---------------|-----------------|---------------|
|                       | 1Q15  | 2Q15           | 3Q15            | 4Q15           | 1Q16           | 2Q16           | 3Q16            | 4Q16           | 1Q17            | 2Q17            | 3Q17          | 4Q17            | 1Q18          | 2Q18          | 3Q18            | 4Q18          |
| Atlanta, GA           | \$ 9.8  | \$ 2.2         | \$136.8         | \$ 9.5         | \$ 33.3        | \$15.2         | \$102.3         | \$ 0.5         | \$ 23.8         | \$ 16.0         | \$ 1.0        | \$ 20.9         | \$ 3.1        | \$ 2.1        | \$145.1         | \$ -          |
| Memphis, TN           | 1.3   | -              | 0.3             | -              | 0.1            | -              | 90.9            | -              | 28.9            | 30.1            | -             | 41.4            | -             | -             | -               | -             |
| Miami, FL             | 12.3  | 3.4            | 3.7             | 1.6            | 1.0            | 2.7            | 1.9             | 0.3            | 0.3             | -               | 0.2           | 0.4             | -             | -             | 196.7           | 0.2           |
| Houston, TX           | 2.6   | 0.4            | -               | 0.2            | 1.2            | 9.5            | 105.4           | 4.8            | 0.6             | 3.0             | -             | 12.0            | -             | -             | -               | -             |
| Dallas-Fort Worth, TX | 3.4   | 0.4            | 0.3             | 0.3            | 0.4            | 4.7            | 101.1           | 2.7            | 2.7             | 9.7             | -             | 18.9            | 0.3           | -             | -               | -             |
| Birmingham, AL        | 0.4   | 0.1            | -               | 0.1            | -              | -              | 2.3             | -              | 4.8             | 11.6            | -             | 35.5            | -             | -             | 30.4            | -             |
| Indianapolis, IN      | 7.5   | 0.2            | 1.6             | 2.0            | 0.8            | 0.2            | 49.9            | 0.3            | 8.7             | 5.2             | -             | 13.9            | -             | -             | -               | -             |
| Charlotte, NC         | 7.2   | 0.6            | 0.2             | 0.2            | 14.5           | -              | 31.0            | -              | 3.8             | 2.0             | -             | 26.8            | -             | -             | -               | -             |
| Minneapolis, MN       | 1.2   | -              | -               | -              | -              | -              | 15.3            | -              | -               | -               | -             | -               | -             | -             | 60.0            | -             |
| Nashville, TN         | 1.6   | 0.3            | 0.4             | 0.2            | 0.1            | -              | 66.1            | -              | 0.2             | 0.7             | -             | 0.5             | -             | -             | 0.9             | -             |
| Fort Myers, FL        | 5.4   | 0.7            | 1.1             | 1.2            | 3.1            | 0.2            | 20.1            | 0.8            | 1.8             | 0.5             | -             | 5.3             | -             | -             | 20.9            | -             |
| Tampa, FL             | 4.9   | 0.5            | 0.9             | 0.3            | 11.2           | 3.0            | 10.6            | 0.5            | 4.2             | 1.5             | -             | 6.6             | -             | -             | -               | -             |
| St. Louis, MO         | 0.9   | -              | -               | 0.1            | -              | -              | 1.8             | -              | 0.4             | 2.7             | -             | 39.1            | 1.0           | 0.2           | 0.8             | 0.6           |
| Oklahoma City, OK     | 0.2   | -              | -               | 0.1            | 0.1            | 0.1            | 26.1            | -              | 8.4             | 12.5            | -             | -               | -             | -             | -               | -             |
| Palm Bay, FL          | 2.5   | 0.3            | 0.2             | 0.2            | 0.6            | -              | 12.1            | 0.2            | 4.9             | 1.6             | -             | 6.7             | -             | -             | 11.6            | -             |
| Columbus, OH          | 1.0   | 0.1            | -               | -              | -              | -              | -               | -              | -               | -               | -             | 37.9            | -             | -             | -               | -             |
| Greensboro, NC        | 1.6   | -              | 0.1             | 0.4            | 5.4            | -              | 7.2             | -              | 7.2             | 2.2             | -             | 9.0             | -             | -             | -               | -             |
| Jacksonville, FL      | 3.0   | 0.4            | -               | 0.1            | 4.5            | 2.1            | 7.4             | 0.5            | 0.4             | 3.2             | -             | 4.3             | -             | -             | 0.1             | -             |
| San Antonio, TX       | 0.3   | -              | 0.1             | -              | 0.5            | 0.6            | 18.2            | 0.5            | 2.4             | 5.2             | -             | 1.2             | -             | -             | -               | -             |
| Orlando, FL           | 7.8   | 1.8            | 0.2             | 1.2            | 3.2            | 2.0            | 6.4             | 0.1            | 1.1             | 0.3             | -             | 2.0             | -             | -             | -               | -             |
| Other                 | 107.1   | 15.2           | 11.6            | 15.4           | 18.3           | 4.1            | 16.0            | 3.1            | 4.6             | 12.9            | 0.5           | 20.6            | 0.2           | 0.4           | 1.6             | 0.7           |
| <b>Total</b>          | <b>\$ 182.1</b>                               | <b>\$ 26.7</b> | <b>\$ 157.5</b> | <b>\$ 33.2</b> | <b>\$ 98.3</b> | <b>\$ 44.4</b> | <b>\$ 692.2</b> | <b>\$ 14.3</b> | <b>\$ 109.3</b> | <b>\$ 121.0</b> | <b>\$ 1.6</b> | <b>\$ 303.0</b> | <b>\$ 4.6</b> | <b>\$ 2.7</b> | <b>\$ 468.2</b> | <b>\$ 1.5</b> |

- Investment in Real Estate includes purchase price plus improvement costs minus the value attributed for leases in place for homes owned as of December 31, 2018. The purchases prior to 1Q15 have been HPI adjusted to the 1Q15 level; however, the remaining quarters are shown without HPI adjustment.

# Home Price Appreciation



| Market <sup>1</sup>   | 1Q15         | 2Q15         | 3Q15         | 4Q15         | 1Q16         | 2Q16         | 3Q16         | 4Q16         | 1Q17         | 2Q17         | 3Q17         | 4Q17         | 1Q18         | 2Q18         | 3Q18         | HPI Index Change |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| Atlanta, GA           | 100.0        | 103.2        | 105.0        | 106.4        | 107.3        | 110.9        | 113.0        | 114.4        | 115.9        | 120.5        | 122.6        | 124.2        | 127.7        | 131.3        | 135.2        | 35.2%            |
| Memphis, TN           | 100.0        | 101.0        | 102.5        | 103.2        | 103.5        | 105.1        | 106.8        | 108.0        | 108.2        | 112.0        | 114.5        | 113.4        | 115.0        | 119.0        | 120.9        | 20.9%            |
| Miami, FL             | 100.0        | 103.0        | 106.4        | 108.5        | 111.4        | 113.5        | 116.0        | 118.2        | 121.0        | 123.6        | 125.2        | 128.3        | 130.8        | 134.0        | 136.9        | 36.9%            |
| Houston, TX           | 100.0        | 103.1        | 104.5        | 105.0        | 105.4        | 107.5        | 108.8        | 110.0        | 110.5        | 113.9        | 114.1        | 116.1        | 117.1        | 120.3        | 122.2        | 22.2%            |
| Dallas-Fort Worth, TX | 100.0        | 103.4        | 106.6        | 107.8        | 110.4        | 114.4        | 117.0        | 119.1        | 122.3        | 127.8        | 130.4        | 131.8        | 134.0        | 137.6        | 140.1        | 40.1%            |
| Birmingham, AL        | 100.0        | 101.0        | 102.0        | 102.5        | 103.6        | 105.0        | 107.2        | 107.1        | 107.8        | 110.3        | 112.2        | 112.3        | 112.8        | 117.3        | 118.4        | 18.4%            |
| Indianapolis, IN      | 100.0        | 101.9        | 102.4        | 102.8        | 103.6        | 105.3        | 107.3        | 107.8        | 108.6        | 112.2        | 113.9        | 115.1        | 116.2        | 122.6        | 123.3        | 23.3%            |
| Charlotte, NC         | 100.0        | 101.3        | 102.8        | 104.2        | 106.4        | 108.1        | 110.8        | 112.2        | 114.2        | 118.8        | 121.1        | 121.4        | 123.9        | 129.9        | 130.8        | 30.8%            |
| Minneapolis, MN       | 100.0        | 102.2        | 104.3        | 104.7        | 105.1        | 107.9        | 109.5        | 110.2        | 112.0        | 116.3        | 117.9        | 118.2        | 120.3        | 124.5        | 126.7        | 26.7%            |
| Nashville, TN         | 100.0        | 102.8        | 105.3        | 106.5        | 109.4        | 112.9        | 115.0        | 117.3        | 121.0        | 124.2        | 127.0        | 129.7        | 131.8        | 136.3        | 139.3        | 39.3%            |
| Fort Myers, FL        | 100.0        | 103.3        | 106.0        | 109.9        | 111.4        | 114.8        | 117.0        | 118.8        | 122.9        | 123.8        | 126.4        | 128.3        | 130.2        | 131.4        | 133.9        | 33.9%            |
| Tampa, FL             | 100.0        | 103.2        | 106.2        | 107.3        | 110.2        | 113.8        | 116.3        | 119.9        | 122.2        | 126.7        | 128.9        | 131.9        | 136.2        | 140.1        | 142.9        | 42.9%            |
| St. Louis, MO         | 100.0        | 100.8        | 101.9        | 103.0        | 104.0        | 105.0        | 106.9        | 107.0        | 108.5        | 110.2        | 111.8        | 112.7        | 113.9        | 115.1        | 117.5        | 17.5%            |
| Oklahoma City, OK     | 100.0        | 101.8        | 103.7        | 104.7        | 104.8        | 105.5        | 106.6        | 107.5        | 107.9        | 110.1        | 112.1        | 111.1        | 112.8        | 115.2        | 115.3        | 15.3%            |
| Palm Bay, FL          | 100.0        | 103.7        | 107.8        | 109.5        | 112.9        | 118.7        | 121.4        | 124.8        | 128.5        | 133.1        | 136.9        | 140.0        | 142.5        | 147.9        | 146.5        | 46.5%            |
| Columbus, OH          | 100.0        | 102.1        | 104.1        | 104.8        | 106.1        | 108.2        | 111.0        | 111.2        | 112.6        | 117.8        | 120.3        | 120.1        | 122.3        | 126.4        | 128.9        | 28.9%            |
| Greensboro, NC        | 100.0        | 101.7        | 102.3        | 101.6        | 103.2        | 104.4        | 106.0        | 106.7        | 104.5        | 108.6        | 109.0        | 110.6        | 112.9        | 114.2        | 117.7        | 17.7%            |
| Jacksonville, FL      | 100.0        | 102.9        | 104.6        | 104.7        | 107.5        | 111.8        | 114.1        | 115.8        | 118.0        | 120.7        | 123.7        | 127.2        | 127.0        | 132.4        | 135.8        | 35.8%            |
| San Antonio, TX       | 100.0        | 103.0        | 104.8        | 104.3        | 107.2        | 108.5        | 111.9        | 112.5        | 113.9        | 118.1        | 119.9        | 121.3        | 121.8        | 125.1        | 127.3        | 27.3%            |
| Orlando, FL           | 100.0        | 103.6        | 105.3        | 107.9        | 109.5        | 112.0        | 115.9        | 117.9        | 121.2        | 125.0        | 127.3        | 130.2        | 133.8        | 137.0        | 140.1        | 40.1%            |
| <b>Top 20 Markets</b> | <b>100.0</b> | <b>102.8</b> | <b>105.0</b> | <b>106.5</b> | <b>107.8</b> | <b>110.9</b> | <b>112.3</b> | <b>113.8</b> | <b>115.2</b> | <b>118.9</b> | <b>121.0</b> | <b>121.6</b> | <b>123.8</b> | <b>127.7</b> | <b>130.9</b> | <b>30.9%</b>     |

1. HPI data is from FHFA's quarterly non-seasonally adjusted all transactions index. Fort Myers, FL market comprises of Cape Coral-Fort Myers and North Port-Sarasota-Bradenton. Tampa, FL market comprises of Tampa-St. Petersburg-Clearwater and Lakeland-Winter Haven MSAs. Palm Bay, FL market comprises of Palm Bay-Melbourne-Titusville & Port St. Lucie MSAs. Greensboro, NC market comprises of Winston-Salem and Greensboro-High Point MSAs. Orlando, FL market comprises of Orlando-Kissimmee-Sanford and Deltona-Daytona Beach-Ormond Beach MSAs.

## *Definitions and Disclosures*



**Average change in renewal rent:** Average percentage change in rent on all non-month-to-month lease renewals during the quarter compared to previous annual contractual rent.

**Average change in re-lease rent:** Average percentage change in rent for new leases starting in the quarter compared to previous annual contractual rent.

**Average monthly rent per leased property:** Total contractual monthly rent on all properties leased divided by the number of properties leased at quarter end.

**Blended average change in rent:** Total weighted average percentage change in rent for both renewals and re-leases in the quarter.

**Renewal Rate:** Calculated as the number of renewed leases in a given period divided by total leases expired, excluding early terminations and leases transitioning to month-to-month in the period.

**Rental Portfolio:** We define Rental Portfolio as properties that are leased, listed and ready to rent, under renovation or in turn status where that property is expected to become leased to qualified tenants.

**Stabilized Rental:** We define a property as stabilized once it has been renovated and then initially leased or available for rent for a period greater than 90 days. All other homes are considered non-stabilized. Homes are considered stabilized even after subsequent resident turnover. However, homes may be removed from the stabilized home portfolio and placed in the non-stabilized home portfolio due to renovation during the home lifecycle or because they are identified for sale.

**Turnover Rate:** Total number of properties vacated including move-outs and early terminations during the quarter as a percentage of the stabilized rental portfolio.

**FFO and Core FFO:** FFO is a supplemental performance measure of an equity real estate investment trust ("REIT") used by industry analysts and investors in order to facilitate meaningful comparisons between periods and among peer companies. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as GAAP net income or loss excluding gains or losses from sales of property, impairment charges on real estate and depreciation and amortization on real estate assets adjusted for unconsolidated partnerships and jointly owned investments.

We believe that FFO is a meaningful supplemental measure of our overall operating performance because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation. Because real estate values have historically risen or fallen with market conditions, management considers FFO an appropriate supplemental performance measure as it excludes historical cost depreciation, impairment charges and gains or losses related to sales of previously depreciated homes from GAAP net income. By excluding depreciation, impairment and gains or losses on sales of real estate, FFO provides a measure of our returns on our investments in real estate assets. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the homes that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of the homes, all of which have real economic effect and could materially affect our results from operations, the utility of FFO as a measure of our performance is limited.

Our Core FFO begins with FFO and is adjusted for share-based compensation; acquisition and integration costs; non-cash interest expense related to deferred debt issuance costs, amortization of loan discounts and mark-to-market adjustments on interest rate derivatives and other non-comparable items, as applicable. We believe that Core FFO, when used in conjunction with the results of operations under GAAP, is a meaningful supplemental measure of our operating performance for the same reasons as FFO and is further helpful as it provides a consistent measurement of our performance across reporting periods by removing the impact of certain items that are not comparable from period to period. Because Core FFO, similar to FFO, captures neither the changes in the value of the homes nor the level of capital expenditures to maintain them, the utility of Core FFO as a measure of our performance is limited.

Although management believes that FFO and Core FFO increase our comparability with other companies, these measures may not be comparable to the FFO or Core FFO of other companies because other companies may adopt a definition of FFO other than the NAREIT definition, may apply a different method of determining Core FFO or may utilize metrics other than or in addition to Core FFO.

**NOI, NOI Margin, Stabilized Rental NOI, Stabilized Rental NOI Margin and Stabilized Rental Core NOI Margin:** NOI is a non-GAAP supplemental measure that we define as rental revenues less residential property operating expenses. We define NOI Margin as NOI divided by rental revenues. Stabilized Rental NOI and Stabilized Rental NOI Margin are calculated using only the stabilized rental properties in our rental portfolio. Stabilized Rental NOI is a non-GAAP supplemental measure that we define as rental revenues less residential property operating expenses of the stabilized rental properties in our rental portfolio. We define Stabilized Rental NOI Margin as Stabilized Rental NOI divided by rental revenues. We define Stabilized Rental Core NOI Margin as Stabilized Rental NOI divided by core rental revenues from Stabilized Rentals, which are rental revenues less tenant charge-back revenues attributable to our Stabilized Rentals.

We consider NOI, NOI Margin, Stabilized Rental NOI, and Stabilized Rental NOI Margin to be meaningful supplemental measures of operating performance because they reflect the operating performance of our stabilized properties without allocation of corporate level overhead or general and administrative costs, acquisition fees and other similar costs and provide insight to the ongoing operations of our business. In addition, Stabilized Rental Core NOI Margin removes the impact of tenant charge-backs that are included in both revenues and expenses and therefore have a no impact to our net results of operations. These measures should be used only as supplements to and not substitutes for net income or loss or net cash flows from operating activities as determined in accordance with GAAP. These net operating income measures should not be used as indicators of funds available to fund cash needs, including distributions and dividends. Although we may use these non-GAAP measures to compare our performance to other REITs, not all REITs may calculate these non-GAAP measures in the same way, and there is no assurance that our calculation is comparable with that of other REITs. While management believes that our calculations are reasonable, there is no standard calculation methodology for Stabilized Rental NOI, Stabilized Rental NOI Margin or Stabilized Rental Core NOI Margin, and different methodologies could produce materially different results.

The following table provides a reconciliation of net loss as determined in accordance with U.S. GAAP to Stabilized Rental NOI, Stabilized Rental NOI Margin and Stabilized Rental Core NOI Margin.



(\$s in thousands) (unaudited)

## Reconciliation of GAAP Net Loss to Stabilized Rental NOI and Stabilized Rental NOI Margin and Stabilized Rental

### Core NOI Margin

|  | Three Months Ended |              |              |              | Year Ended   |              |
|--|--------------------|--------------|--------------|--------------|--------------|--------------|
|  | Dec 31, 2018       | Sep 30, 2018 | Jun 30, 2018 | Mar 31, 2018 | Dec 31, 2017 | Dec 31, 2018 |
| GAAP net loss  | \$ (34,216)        | \$ (47,933)  | \$ (21,336)  | \$ (27,350)  | \$ (37,474)  | \$ (130,835) |
| <b>Adjustments:</b>                                      |                    |              |              |              |              |              |
| Change in unrealized gain on mortgage loans              | -                  | -            | -            | -            | 33,039       | -            |
| Net realized gain on mortgage loans                      | -                  | -            | -            | -            | (10,947)     | -            |
| Net realized gain on sales of real estate                | -                  | -            | -            | -            | (14,781)     | -            |
| Interest income  | -                  | -            | -            | -            | (152)        | -            |
| Rental revenues from non-stabilized properties           | (2,454)            | (1,622)      | -            | -            | -            | (4,076)      |
| Net (gain) loss on real estate and mortgage loans        | (618)              | (1,177)      | 306          | 1,634        | -            | 145          |
| Operating expenses on non-stabilized properties          | 2,631              | 2,821        | 2,684        | 2,972        | 4,390        | 11,108       |
| Depreciation and amortization                            | 21,910             | 21,100       | 18,761       | 19,190       | 16,313       | 80,961       |
| Acquisition and integration costs                        | 7,595              | 25,220       | 759          | 33           | 119          | 33,607       |
| Impairment   | 1,740              | 1,276        | 2,143        | 7,575        | 9,422        | 12,734       |
| Mortgage loan servicing costs                            | 368                | 479          | 319          | 355          | 1,011        | 1,521        |
| Interest expense   | 24,492             | 20,142       | 16,338       | 16,063       | 14,617       | 77,035       |
| Share-based compensation                                 | 1,144              | 1,200        | 1,094        | (414)        | 1,315        | 3,024        |
| General and administrative                               | 5,184              | 3,483        | 2,477        | 2,673        | 2,338        | 13,817       |
| Management fees to AAMC                                  | 3,608              | 3,648        | 3,697        | 3,790        | 3,924        | 14,743       |
| Income tax expense (benefit)                             | 40                 | 6            | -            | -            | (16)         | 46           |
| Other expense (income)                                   | 264                | 200          | (849)        | (576)        | (463)        | (961)        |
| Losses resulting from natural disasters                  | -                  | -            | -            | -            | -            | -            |
| Insurance recoveries related to natural disasters        | -                  | -            | -            | -            | -            | -            |
| Stabilized Rental NOI                                    | \$ 31,688          | \$ 28,843    | \$ 26,393    | \$ 25,945    | \$ 22,655    | \$ 112,869   |
| Rental revenues  | \$ 54,029          | \$ 48,313    | \$ 40,906    | \$ 39,765    | \$ 34,917    | \$ 183,013   |
| Less: Rental revenues from non-stabilized properties     | (2,454)            | (1,622)      | -            | -            | -            | (4,076)      |
| Rental revenues from Stabilized Rentals                  | 51,575             | 46,691       | 40,906       | 39,765       | 34,917       | 178,937      |
| Less: Tenant charge-back revenue from Stabilized Rentals | (896)              | (788)        | (650)        | (562)        | -            | (2,896)      |
| Core rental revenues from Stabilized Rentals             | \$ 50,679          | \$ 45,903    | \$ 40,256    | \$ 39,203    | \$ 34,917    | \$ 176,041   |
| Stabilized Rental NOI Margin                             | 61.4%              | 61.8%        | 64.5%        | 65.2%        | 64.9%        | 63.1%        |
| Stabilized Rental Core NOI Margin                        | 62.5%              | 62.8%        | 65.6%        | 66.2%        | -            | 64.1%        |



*Thank you.*