



**Associated Estates Realty Corporation
First Quarter 2012
Earnings Release and Supplemental Financial Data**



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| Table of Contents | Page |
|--|------|
| Earnings Release | 3 |
| Financial and Operating Highlights | 5 |
| Condensed Consolidated Balance Sheets | 8 |
| Consolidated Statement of Comprehensive Income | 9 |
| Reconciliation of Funds from Operations (FFO) and Funds Available for Distribution (FAD) | 10 |
| Discontinued Operations - QTD | 11 |
| Development Pipeline | 12 |
| Overview of Operating Expenses Related to Repairs and Maintenance and Capitalized Expenditures | 13 |
| Construction and Other Services, General and Administrative Expense, Development Costs and Personnel - Allocated | 14 |
| Same Community Data | 15 |
| Sequential Property Revenue | 17 |
| Sequential Property Operating Expenses | 18 |
| Sequential Property Net Operating Income (Property NOI) | 19 |
| First Quarter Property Revenue | 20 |
| First Quarter Property Operating Expenses | 21 |
| First Quarter Property Net Operating Income (Property NOI) | 22 |
| Debt Structure | 23 |
| 2012 Financial Outlook | 24 |
| Definitions of Non-GAAP Financial Measures | 25 |

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This news release contains forward-looking statements based on current judgments and knowledge of management, which are subject to certain risks, trends and uncertainties that could cause actual results to vary from those projected, including but not limited to, expectations regarding our 2012 performance, which are based on certain assumptions. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. These forward-looking statements are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "expects," "projects," "believes," "plans," "anticipates" and similar expressions are intended to identify forward-looking statements. Investors are cautioned that our forward-looking statements involve risks and uncertainty that could cause actual results to differ from estimates or projections contained in these forward-looking statements, including without limitation the following: changes in the economic climate in the markets in which we own and manage properties, including interest rates, the overall level of economic activity, the availability of consumer credit and mortgage financing, unemployment rates and other factors; elimination or limitations to federal government support for Fannie Mae and/or Freddie Mac that might result in significantly reduced availability of mortgage financing sources as well as increases in interest rates for mortgage financing; our ability to refinance debt on favorable terms at maturity; risks of a lessening of demand for the multifamily units that we own; competition from other available multifamily units and changes in market rental rates; new acquisitions and/or development projects may fail to perform in accordance with our expectations; increases in property and liability insurance costs; unanticipated increases in real estate taxes and other operating expenses; weather conditions that adversely affect operating expenses; expenditures that cannot be anticipated such as utility rate and usage increases and unanticipated repairs; our inability to control operating expenses or achieve increases in revenue; shareholder ownership limitations that may discourage a takeover otherwise considered favorably by shareholders; the results of litigation filed or to be filed against us; changes in tax legislation; risks of personal injury claims and property damage related to mold claims that are not covered by our insurance; catastrophic property damage losses that are not covered by our insurance; our ability to acquire properties at prices consistent with our investment criteria; risks associated with property acquisitions such as failure to achieve expected results or matters not discovered in due diligence; risks related to the perception of residents and prospective residents as to the attractiveness, convenience and safety of our properties or the neighborhoods in which they are located; and construction and construction business risks, including, without limitation, rapid and unanticipated increases in prices of building materials and commodities.

ASSOCIATED ESTATES REALTY CORPORATION REPORTS FIRST QUARTER RESULTS
First Quarter Same Community Revenue up 5.9 Percent
First Quarter Same Community NOI up 9.4 Percent
Quarter-End Same Community Physical Occupancy 97.3 Percent

Cleveland, Ohio - April 24, 2012 - Associated Estates Realty Corporation (NYSE, NASDAQ: AEC) today reported financial results for the first quarter ended March 31, 2012. Funds from operations (FFO) for the first quarter of 2012 was \$0.25 per common share (basic and diluted), compared with \$0.23 per common share (basic and diluted), for the first quarter of 2011. FFO as adjusted for the first quarter of 2012 was \$0.29 per common share (basic and diluted) after adjusting for \$1.7 million of loan prepayment costs and a credit to expense of \$279,000 for a refund of defeasance costs on a previously defeased loan. There were no adjustments in the first quarter of 2011.

Net loss applicable to common shares was \$2.1 million or \$0.05 per common share (basic and diluted) for the quarter ended March 31, 2012, compared with net loss applicable to common shares of \$3.1 million or \$0.07 per common share (basic and diluted) for the quarter ended March 31, 2011.

"Fundamentals for the apartment business are strong and continue to improve. Our first quarter results exceeded our internal expectations," said Jeffrey I. Friedman, president and chief executive officer.

A reconciliation of net (loss) income attributable to the Company to FFO, and to FFO as adjusted, is included on page 10.

Same Community Portfolio Results

Net operating income (NOI) for the first quarter of 2012 for the Company's same community portfolio increased 9.4 percent when compared with the first quarter of 2011. Revenue increased 5.9 percent and property operating expenses increased 1.2 percent. Physical occupancy was 97.3 percent at the end of the first quarter of 2012 versus 95.9 percent at the end of the first quarter of 2011. Average monthly net rent collected per unit for the same community properties was \$973 compared with \$918 for the first quarter of 2011, a 6.0 percent increase.

Additional quarterly financial information, including performance by region for the Company's portfolio, is included on pages 15 through 22.

Capital Markets Activity

As previously announced, on January 12, 2012, the Company closed on a \$350 million senior unsecured revolving credit facility. This amended and restated credit facility replaced the Company's \$250 million facility. The new facility has a four-year term, with a one-year extension option and provides for a lower credit spread.

During the quarter, the Company repaid seven property specific mortgage loans totaling \$123.5 million, leaving the Company with no remaining debt maturities in 2012. These repayments were funded from the unsecured revolving credit facility. The seven properties securing these mortgages were added to the unencumbered pool resulting in 38 of the Company's 53 properties having no mortgage debt as of the date of this release. These 38 unencumbered properties generated approximately 62 percent of first quarter 2012 NOI.

Subsequent to quarter-end, the Company entered into a rate lock agreement with Fannie Mae on a property specific mortgage on Dwell Vienna Metro. The loan is expected to close on or about May 11, 2012 and the proceeds of \$41.2 million will be used to reduce borrowings from the unsecured revolving credit facility. The loan has a ten year maturity, and is full term interest-only, with an interest rate of 3.68 percent.

Associated Estates Realty Corporation
First Quarter Earnings

Development Activity

As previously announced, on March 30, 2012, the Company purchased a development site in Bethesda, MD, which is currently a U.S. post office and distribution center. The Company plans to raze the building in June after the post office vacates and begin construction of 140 apartments, with 7,000 square feet of first floor retail. The property will be known as Dwell Bethesda and it is situated in a highly desirable residential location, in close proximity to the Red Line Metro and Bethesda Row.

Quarterly Dividend on Common Shares

The Company increased its dividend from \$0.17 per share per quarter to \$0.18 per share per quarter, effective with the dividend payable on May 1, 2012. This represents a 5.9 percent annualized increase to the dividend.

2012 Outlook

The Company reaffirmed its full year FFO as adjusted guidance range of \$1.23 to \$1.27 per common share (basic and diluted). Detailed assumptions relating to the Company's guidance can be found on page 24.

Conference Call

A conference call to discuss the results will be held on April 25, 2012 at 2:00 p.m. Eastern. To participate in the call:

Via Telephone: The dial-in number is 800-860-2442, and the passcode is "Estates." The call will be archived through May 9, 2012. The dial-in number for the replay is 877-344-7529 and the conference number for the replay is 10011355.

Via the Internet (listen only): Access the Company's website at AssociatedEstates.com. Please log on at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. Select the "Q1 2012 Earnings Webcast" link. The webcast will be archived for 90 days.

Associated Estates Realty Corporation
Financial and Operating Highlights
For the Three Months Ended March 31, 2012 and 2011

(Unaudited; in thousands, except per share and ratio data)

| OPERATING INFORMATION | Three Months Ended | |
|--|--------------------|------------|
| | March 31, | |
| | 2012 | 2011 |
| Total revenue | \$ 42,931 | \$ 42,254 |
| Property revenue | \$ 42,931 | \$ 37,582 |
| Net (loss) income applicable to common shares | \$ (2,081) | \$ (3,082) |
| Per share - basic and diluted | \$ (0.05) | \$ (0.07) |
| Funds from Operations (FFO) ⁽¹⁾ | \$ 10,666 | \$ 9,518 |
| FFO as adjusted ⁽¹⁾ | \$ 12,130 | \$ 9,518 |
| FFO per share - basic and diluted | \$ 0.25 | \$ 0.23 |
| FFO as adjusted per share - basic and diluted | \$ 0.29 | \$ 0.23 |
| Funds Available for Distribution (FAD) ⁽¹⁾ | \$ 11,728 | \$ 8,955 |
| Dividends per share | \$ 0.17 | \$ 0.17 |
| Payout ratio - FFO | 68.0% | 73.9% |
| Payout ratio - FFO as adjusted | 58.6% | 73.9% |
| Payout ratio - FAD | 60.7% | 77.3% |
| General and administrative expense | \$ 4,369 | \$ 4,170 |
| Development costs | \$ 310 | \$ 74 |
| Personnel - allocated | \$ 1,007 | \$ 883 |
| Costs associated with acquisitions | \$ — | \$ 56 |
| Interest expense ⁽²⁾ | \$ 7,409 | \$ 7,250 |
| Interest coverage ratio ⁽³⁾ | 2.51:1 | 2.26:1 |
| Fixed charge coverage ratio ⁽⁴⁾ | 2.51:1 | 2.26:1 |
| General and administrative expense to property revenue | 10.2% | 11.1% |
| Personnel - allocated to property revenue | 2.3% | 2.3% |
| Interest expense to property revenue | 17.3% | 19.3% |
| Property NOI ⁽⁵⁾ | \$ 25,487 | \$ 21,726 |
| ROA ⁽⁶⁾ | 7.7% | 7.3% |
| Same Community revenue increase | 5.9% | 3.4% |
| Same Community expense increase | 1.2% | 0.8% |
| Same Community NOI increase | 9.4% | 5.4% |
| Same Community operating margins | 59.7% | 57.8% |

(1) See page 10 for a reconciliation of net (loss) income attributable to AERC to these non-GAAP measurements and page 25 for our definition of these non-GAAP measurements.

(2) Excludes amortization of financing fees of \$680 for 2012 and \$469 for 2011. The three months ended 2012 excludes \$1.7 million of prepayment costs and \$(279) for refunds on previously defeased loan.

(3) Is calculated as EBITDA divided by interest expense, including capitalized interest and amortization of deferred financing costs and excluding prepayment costs/refunds. Individual line items in this calculation include results from discontinued operations where applicable. See page 26 for a reconciliation of net (loss) income applicable to common shares to EBITDA and our definition of EBITDA.

(4) Represents interest expense, including capitalized interest, and preferred stock dividend payment coverage, excluding prepayment costs/refunds. Individual line items in this calculation include discontinued operations where applicable.

(5) See page 27 for a reconciliation of net (loss) income attributable to AERC to this non-GAAP measurement and our definition of this non-GAAP measurement.

(6) ROA is calculated as trailing twelve month Property NOI divided by average gross real estate assets, excluding properties currently under development or held for sale. Gross real estate assets for acquired properties are prorated based upon the percentage of time owned.

Associated Estates Realty Corporation
Financial and Operating Highlights
First Quarter 2012

(Unaudited; in thousands, except per share and ratio data)

| MARKET CAPITALIZATION DATA | March 31, 2012 | December 31, 2011 |
|---|-------------------|----------------------|
| Net real estate assets | \$ 994,977 | \$ 986,834 |
| Total assets | \$ 1,029,471 | \$ 1,018,493 |
| Debt | \$ 687,110 | \$ 664,788 |
| Noncontrolling redeemable interest | \$ 3,095 | \$ 2,763 |
| Total shareholders' equity attributable to AERC | \$ 300,378 | \$ 308,793 |
| Common shares outstanding | 42,475 | 42,331 |
| Share price, end of period | \$ 16.34 | \$ 15.95 |
| Total market capitalization | \$ 1,381,152 | \$ 1,339,967 |
| Undepreciated book value of real estate assets | \$ 1,364,521 | \$ 1,345,439 |
| Debt to undepreciated book value of real estate assets | 50.4% | 49.4% |
| Secured debt to undepreciated book value | 26.4% | 35.8% |
| Annual dividend ⁽¹⁾ | \$ 0.72 | \$ 0.68 |
| Annual dividend yield based on share price, end of period | 4.4% | 4.3% |

(1) Dividend was increased from \$0.17 per share per quarter to \$0.18 per share per quarter effective with the dividend payable on May 1, 2012.

Associated Estates Realty Corporation
Financial and Operating Highlights
First Quarter 2012

| PORTFOLIO INFORMATION | <u>Properties</u> | <u>Number of Units</u> | <u>Average Age</u> |
|------------------------------|-------------------|----------------------------|--------------------|
| Company Portfolio: | | | |
| Same Community: | | | |
| Midwest | 32 | 7,198 | 20 |
| Mid-Atlantic | 9 | 2,803 | 11 |
| Southeast | 8 | 2,989 | 16 |
| Southwest | 1 | 222 | 13 |
| Total Same Community | <u>50</u> | <u>13,212</u> | <u>17</u> |
| Acquisitions | <u>3</u> | <u>696</u> | <u>11</u> |
| Total Company Portfolio | <u><u>53</u></u> | <u><u>13,908</u></u> | <u><u>17</u></u> |

Associated Estates Realty Corporation
Condensed Consolidated Balance Sheets
First Quarter 2012

(Unaudited; dollar amount in thousands)

| | March 31, 2012 | December 31, 2011 |
|--|---------------------|----------------------|
| ASSETS | | |
| Real estate assets | | |
| Investment in real estate | \$ 1,351,178 | \$ 1,323,139 |
| Construction in progress | 13,343 | 22,300 |
| Less: Accumulated depreciation | (369,544) | (358,605) |
| Net real estate | 994,977 | 986,834 |
| Cash and cash equivalents | 6,602 | 4,328 |
| Restricted cash | 6,909 | 6,901 |
| Other assets | 20,983 | 20,430 |
| Total assets | \$ 1,029,471 | \$ 1,018,493 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Mortgage notes payable | \$ 360,110 | \$ 481,788 |
| Unsecured revolving credit facility | 202,000 | 58,000 |
| Unsecured term loan | 125,000 | 125,000 |
| Total debt | 687,110 | 664,788 |
| Accounts payable and other liabilities | 38,888 | 42,149 |
| Total liabilities | 725,998 | 706,937 |
| Noncontrolling redeemable interest | 1,734 | 1,734 |
| Equity | | |
| Common shares, without par value; \$.10 stated value; 91,000,000 authorized; 46,570,763 issued and 42,475,459 and 42,330,899 outstanding at March 31, 2012 and December 31, 2011, respectively | 4,657 | 4,657 |
| Paid-in capital | 583,673 | 583,172 |
| Accumulated distributions in excess of accumulated net income | (238,365) | (228,545) |
| Accumulated other comprehensive loss | (382) | (405) |
| Less: Treasury shares, at cost, 4,095,304 and 4,239,864 shares at March 31, 2012 and December 31, 2011, respectively | (49,205) | (50,086) |
| Total shareholders' equity attributable to AERC | 300,378 | 308,793 |
| Noncontrolling interest | 1,361 | 1,029 |
| Total equity | 301,739 | 309,822 |
| Total liabilities and equity | \$ 1,029,471 | \$ 1,018,493 |

Associated Estates Realty Corporation
Consolidated Statement of Comprehensive Income
Three Months Ended March 31, 2012 and 2011

(Unaudited; dollar and share amounts in thousands)

| | Three Months Ended March 31, | |
|--|---------------------------------|-------------------|
| | 2012 | 2011 |
| REVENUE | | |
| Property revenue | \$ 42,931 | \$ 37,582 |
| Construction and other services | — | 4,672 |
| Total revenue | <u>42,931</u> | <u>42,254</u> |
| EXPENSES | | |
| Property operating and maintenance | 17,444 | 15,856 |
| Depreciation and amortization | 13,231 | 12,746 |
| Construction and other services | 70 | 4,950 |
| General and administrative | 4,369 | 4,170 |
| Development costs | 310 | 74 |
| Costs associated with acquisitions | — | 56 |
| Total expenses | <u>35,424</u> | <u>37,852</u> |
| Operating income | 7,507 | 4,402 |
| Interest expense | (9,553) | (7,719) |
| (Loss) income from continuing operations | <u>(2,046)</u> | <u>(3,317)</u> |
| (Loss) income from discontinued operations: | | |
| Operating income | — | 248 |
| Loss on disposition of properties | (40) | — |
| (Loss) income from discontinued operations | <u>(40)</u> | <u>248</u> |
| Net (loss) income | <u>(2,086)</u> | <u>(3,069)</u> |
| Net loss (income) attributable to noncontrolling interests | 5 | (13) |
| Net (loss) income attributable to AERC | <u>\$ (2,081)</u> | <u>\$ (3,082)</u> |
| Earnings per common share - basic and diluted: | | |
| (Loss) income from continuing operations | \$ (0.05) | \$ (0.08) |
| Income from discontinued operations | — | 0.01 |
| Net (loss) income | <u>\$ (0.05)</u> | <u>\$ (0.07)</u> |
| Other comprehensive income: | | |
| Change in fair value and reclassification of hedge instruments | \$ 23 | \$ — |
| Total comprehensive (loss) income attributable to AERC | <u>\$ (2,058)</u> | <u>\$ (3,082)</u> |
| Weighted average shares outstanding - basic and diluted | <u>42,343</u> | <u>41,262</u> |

Associated Estates Realty Corporation
Reconciliation of Funds from Operations (FFO) and Funds Available for Distribution (FAD)
For the Three Months Ended March 31, 2012 and 2011

(In thousands; except per share data)

| | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2012 | 2011 |
| CALCULATION OF FFO AND FAD | | |
| Net (loss) income attributable to AERC | \$ (2,081) | \$ (3,082) |
| Add: Depreciation - real estate assets | 11,614 | 10,498 |
| Amortization of intangible assets | 1,093 | 2,102 |
| Less: Loss on disposition of properties | 40 | — |
| Funds from Operations (FFO) ⁽¹⁾ | 10,666 | 9,518 |
| Add: Prepayment costs | 1,743 | — |
| Less: Refund of defeasance costs on previously defeased loan | (279) | — |
| Funds from Operations as adjusted ⁽¹⁾ | 12,130 | 9,518 |
| Add: Depreciation - other assets | 524 | 455 |
| Amortization of deferred financing fees | 680 | 473 |
| Less: Recurring fixed asset additions ⁽²⁾ | (1,606) | (1,491) |
| Funds Available for Distribution (FAD) ⁽¹⁾ | \$ 11,728 | \$ 8,955 |
| Weighted average shares outstanding - basic and diluted ⁽³⁾ | 42,343 | 41,262 |
| PER SHARE INFORMATION: | | |
| FFO - basic and diluted | \$ 0.25 | \$ 0.23 |
| FFO as adjusted - basic and diluted | \$ 0.29 | \$ 0.23 |
| Dividends | \$ 0.17 | \$ 0.17 |
| Payout ratio - FFO | 68.0% | 73.9% |
| Payout ratio - FFO as adjusted | 58.6% | 73.9% |
| Payout ratio - FAD | 60.7% | 77.3% |

(1) See page 25 for our definition of these non-GAAP measurements. Individual line items included in FFO and FAD calculations include results from discontinued operations where applicable.

(2) Fixed asset additions exclude development, investment, revenue enhancing and non-recurring capital additions.

(3) The Company has excluded 499 and 452 common share equivalents from the three months ended March 31, 2012 and 2011, respectively, used in the computation of earnings per share and FFO per share, as they would be anti-dilutive to the loss from continuing operations.

Associated Estates Realty Corporation
Discontinued Operations ⁽¹⁾
Three Months Ended March 31, 2012 and 2011
(Unaudited; dollar amounts in thousands)

| | Three Months Ended March 31, | |
|---|---------------------------------|---------------|
| | 2012 | 2011 |
| REVENUE | | |
| Property Revenue | \$ — | \$ 1,110 |
| EXPENSES | | |
| Property operating and maintenance | — | 484 |
| Depreciation and amortization | — | 309 |
| Total expenses | <u>—</u> | <u>793</u> |
| Operating income | — | 317 |
| Interest expense | — | (69) |
| Loss on disposition of properties | (40) | — |
| (Loss) income from discontinued operations | <u>\$ (40)</u> | <u>\$ 248</u> |

- (1) The Company reports the results of operations and gain/loss related to the sale of real estate assets as discontinued operations. Real estate assets that are classified as held for sale are also reported as discontinued operations. The Company generally classifies properties held for sale when all significant contingencies surrounding the closing have been resolved. In many transactions, these contingencies are not satisfied until the actual closing of the transaction. Interest expense included in discontinued operations is limited to interest on mortgage debt specifically associated with properties sold or classified as held for sale.

Included in the table above are two properties disposed of in 2011.

Associated Estates Realty Corporation
Development Pipeline
As of March 31, 2012

(Unaudited; dollar amounts in thousands)

This table includes forward-looking statements based on current judgments and current knowledge of management, which are subject to certain risks, trends and uncertainties that could cause results to vary from those projected. Please see the paragraph on forward-looking statements on page 2 of this document for a list of risk factors.

Current Development

| Under Construction | Ownership % | Total Units | Total Budgeted Capital Cost ⁽¹⁾ | Cost to Date | Total Debt | Estimated/Actual Dates for | | | |
|-----------------------------------|-------------|-------------|--|--------------|------------|----------------------------|-------------------|-------------------------|--------------------------------------|
| | | | | | | Construction Start | Initial Occupancy | Construction Completion | Stabilized Operations ⁽²⁾ |
| Vista Germantown Nashville, TN | 90.0% | 242 | \$ 35,300 | \$ 32,832 | \$ 16,818 | Q4 2010 | Q1 2012 | Q2 2012 | Q4 2012 |

Future Development Pipeline - Unimproved Land

| Name | Location | Ownership % | Estimated Number of Units | Cost to Date |
|----------------------|--------------------|-------------|---------------------------|--------------|
| San Raphael Phase II | Dallas, Texas | 100.0% | 99 | \$ 1,169 |
| Dwell Turtle Creek | Dallas, Texas | 100.0% | TBD | \$ 7,254 |
| Dwell Bethesda | Bethesda, Maryland | 97.0% | 140 | \$ 12,860 |

(1) Total budgeted capital cost represents estimated costs for projects under development inclusive of all capitalized costs in accordance with GAAP.

(2) We define stabilized occupancy as the earlier of the attainment of 93.0% physical occupancy or one year after the completion of construction.

Associated Estates Realty Corporation**Overview of Operating Expenses Related to Repairs and Maintenance and Capitalized Expenditures***(In thousands; except estimated GAAP useful life and cost per unit)*

| | Estimated GAAP Useful Life (Years) | Three Months Ended March 31, 2012 Amount | Cost Per Unit ⁽¹⁾ |
|---|--|--|---------------------------------|
| OPERATING EXPENSES RELATED TO REPAIRS AND MAINTENANCE | | | |
| Repairs and maintenance ⁽²⁾ | | \$ 2,628 | \$ 189 |
| Maintenance personnel labor cost ⁽²⁾ | | 1,939 | 139 |
| Total Operating Expenses Related to Repairs and Maintenance | | 4,567 | 328 |
| CAPITAL EXPENDITURES | | | |
| Recurring Capital Expenditures ⁽³⁾ | | | |
| Amenities | 5 | 120 | 9 |
| Appliances | 5 | 306 | 22 |
| Building improvements | 14 | 131 | 9 |
| Carpet and flooring | 5 | 715 | 51 |
| Office/Model | 5 | 12 | 1 |
| HVAC and mechanicals | 15 | 193 | 14 |
| Landscaping and grounds | 14 | 76 | 6 |
| Suite improvements | 5 | 15 | 1 |
| Total Recurring Capital Expenditures - Properties | | 1,568 | 113 |
| Corporate capital expenditures | | 38 | 3 |
| Total Recurring Capital Expenditures | | 1,606 | 116 |
| Total Recurring Capital Expenditures and Repairs and Maintenance | | \$ 6,173 | \$ 444 |
| Total Recurring Capital Expenditures | | \$ 1,606 | |
| Investment/Revenue Enhancing/Non-Recurring Expenditures ⁽⁴⁾ | | | |
| Building improvements - unit upgrades | Various | 126 | |
| Building improvements - other | 20 | 49 | |
| Ground improvements | Various | 35 | |
| Total Investment/Revenue Enhancing/Non-Recurring Expenditures | | 210 | |
| Grand Total Capital Expenditures | | \$ 1,816 | |

(1) Calculated using weighted average units owned during the three months ended March 31, 2012 of 13,908.

(2) Included in property operating and maintenance expense in the Consolidated Statement of Comprehensive Income.

(3) See page 27 for our definition of recurring fixed asset additions.

(4) See page 27 for our definition of investment/revenue enhancing and/or non-recurring fixed asset additions.

Associated Estates Realty Corporation
Construction and Other Services, General and Administrative Expense, Development
Costs and Personnel - Allocated
For the Three Months Ended March 31, 2012 and 2011
(Unaudited; in thousands)

| | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2012 | 2011 |
| Construction and Other Services | | |
| Revenue | \$ — | \$ 4,672 |
| Expense | 70 | 4,950 |
| Construction and other services net (loss) income | <u>\$ (70)</u> | <u>\$ (278)</u> |
| General and Administrative, Development Costs and Personnel - Allocated | | |
| General and administrative expense ⁽¹⁾ | \$ 4,369 | \$ 4,170 |
| Development costs ⁽¹⁾ | 310 | 74 |
| Personnel - allocated | 1,007 | 883 |
| Total expense | <u>\$ 5,686</u> | <u>\$ 5,127</u> |

(1) As reported per the Consolidated Statement of Comprehensive Income.

Associated Estates Realty Corporation
Same Community Data
Operating Results for the Last Five Quarters
(Unaudited; in thousands, except unit totals and per unit amounts)

| | Quarter Ended | | | | |
|---|-------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2012 | December 31, 2011 | September 30, 2011 | June 30, 2011 | March 31, 2011 |
| Property Revenue | \$ 39,818 | \$ 39,092 | \$ 39,316 | \$ 38,484 | \$ 37,582 |
| Property Operating and | | | | | |
| Maintenance Expenses | | | | | |
| Personnel - on site | 3,878 | 3,600 | 3,484 | 3,477 | 3,659 |
| Personnel - allocated | 937 | 909 | 920 | 897 | 886 |
| Advertising | 423 | 413 | 426 | 416 | 396 |
| Utilities | 2,097 | 2,065 | 2,212 | 1,954 | 2,141 |
| Repairs and maintenance | 2,403 | 2,166 | 2,691 | 2,669 | 2,356 |
| Real estate taxes and insurance | 5,119 | 4,659 | 4,907 | 4,801 | 5,225 |
| Other operating | 1,194 | 1,330 | 1,340 | 1,298 | 1,193 |
| Total Expenses | <u>16,051</u> | <u>15,142</u> | <u>15,980</u> | <u>15,512</u> | <u>15,856</u> |
| Property Net Operating Income | <u>\$ 23,767</u> | <u>\$ 23,950</u> | <u>\$ 23,336</u> | <u>\$ 22,972</u> | <u>\$ 21,726</u> |
| Operating Margin | <u>59.7%</u> | <u>61.3%</u> | <u>59.4%</u> | <u>59.7%</u> | <u>57.8%</u> |
| Personnel - Allocated to | | | | | |
| Property Revenue | <u>2.4%</u> | <u>2.3%</u> | <u>2.3%</u> | <u>2.3%</u> | <u>2.4%</u> |
| Total Number of Units | <u>13,212</u> | <u>13,212</u> | <u>13,212</u> | <u>13,212</u> | <u>13,212</u> |
| NOI Per Unit | <u>\$ 1,799</u> | <u>\$ 1,813</u> | <u>\$ 1,766</u> | <u>\$ 1,739</u> | <u>\$ 1,644</u> |
| Average Net Rents Per Unit ⁽¹⁾ | <u>\$ 1,025</u> | <u>\$ 1,026</u> | <u>\$ 1,011</u> | <u>\$ 989</u> | <u>\$ 980</u> |
| Average Net Rent Collected Per Unit ⁽²⁾ | <u>\$ 973</u> | <u>\$ 954</u> | <u>\$ 956</u> | <u>\$ 940</u> | <u>\$ 918</u> |
| Physical Occupancy - End of Period ⁽³⁾ | <u>97.3%</u> | <u>95.2%</u> | <u>95.1%</u> | <u>96.8%</u> | <u>95.9%</u> |

(1) Represents gross potential rents less concessions.

(2) Represents gross potential rents less vacancies and concessions.

(3) Is defined as number of units occupied divided by total number of units.

Associated Estates Realty Corporation
Same Community Data
As of March 31, 2012 and 2011

(Unaudited)

| | No. of Units | Average Age ⁽⁶⁾ | Net Rent Collected per Unit ⁽¹⁾ | | | Net Rents per Unit ⁽²⁾ | | | Average Rent per Unit ⁽³⁾ | | | Physical Occupancy ⁽⁴⁾ | | Turnover Ratio ⁽⁵⁾ | |
|-------------------------------------|-----------------|-------------------------------|---|------------|-------------|--------------------------------------|------------|-------------|---|------------|-------------|--------------------------------------|------------|----------------------------------|------------|
| | | | Q1 2012 | Q1 2011 | % Change | Q1 2012 | Q1 2011 | % Change | Q1 2012 | Q1 2011 | % Change | Q1 2012 | Q1 2011 | Q1 2012 | Q1 2011 |
| Midwest Properties | | | | | | | | | | | | | | | |
| Indiana | 836 | 16 | \$ 858 | \$ 810 | 5.9% | \$ 889 | \$ 854 | 4.1% | \$ 923 | \$ 916 | 0.8 % | 98.0% | 97.4% | 44.0% | 38.8% |
| Southeast Michigan | 1,778 | 19 | 844 | 774 | 9.0% | 876 | 817 | 7.2% | 924 | 909 | 1.7 % | 97.6% | 96.8% | 39.1% | 39.8% |
| Western Michigan | 1,110 | 24 | 730 | 681 | 7.2% | 752 | 713 | 5.5% | 769 | 744 | 3.4 % | 98.5% | 97.1% | 41.4% | 40.7% |
| Central Ohio | 2,171 | 21 | 845 | 787 | 7.4% | 883 | 834 | 5.9% | 895 | 857 | 4.4 % | 98.7% | 95.6% | 42.7% | 36.8% |
| Northeastern Ohio | 1,303 | 17 | 1,003 | 939 | 6.8% | 1,037 | 984 | 5.4% | 1,058 | 1,032 | 2.5 % | 97.6% | 97.5% | 42.7% | 44.8% |
| Total Midwest | 7,198 | 20 | 857 | 798 | 7.4% | 890 | 840 | 6.0% | 915 | 891 | 2.7 % | 98.1% | 96.7% | 41.8% | 39.8% |
| Mid-Atlantic Properties | | | | | | | | | | | | | | | |
| Maryland | 315 | 26 | 1,447 | 1,385 | 4.5% | 1,514 | 1,443 | 4.9% | 1,548 | 1,505 | 2.9 % | 96.8% | 95.9% | 36.8% | 36.8% |
| Metro DC | 352 | 26 | 1,289 | 1,219 | 5.7% | 1,358 | 1,295 | 4.9% | 1,372 | 1,342 | 2.2 % | 96.0% | 96.6% | 40.9% | 29.5% |
| Northern Virginia | 1,272 | 7 | 1,426 | 1,370 | 4.1% | 1,520 | 1,443 | 5.3% | 1,557 | 1,510 | 3.1 % | 96.2% | 96.0% | 52.5% | 43.1% |
| Southeastern Virginia | 864 | 6 | 1,116 | 1,058 | 5.5% | 1,180 | 1,140 | 3.5% | 1,225 | 1,218 | 0.6 % | 97.1% | 95.6% | 50.9% | 56.0% |
| Total Mid-Atlantic | 2,803 | 11 | 1,316 | 1,256 | 4.8% | 1,394 | 1,331 | 4.7% | 1,430 | 1,398 | 2.3 % | 96.5% | 95.9% | 48.5% | 46.8% |
| Southeast Properties | | | | | | | | | | | | | | | |
| Central Florida | 288 | 9 | 993 | 937 | 6.0% | 1,045 | 1,002 | 4.3% | 1,136 | 1,144 | (0.7)% | 96.5% | 96.2% | 55.6% | 52.8% |
| Southeast Florida | 984 | 15 | 1,251 | 1,179 | 6.1% | 1,316 | 1,285 | 2.4% | 1,404 | 1,425 | (1.5)% | 97.0% | 94.2% | 52.8% | 50.4% |
| Georgia | 1,717 | 17 | 740 | 725 | 2.1% | 827 | 824 | 0.4% | 953 | 1,000 | (4.7)% | 95.5% | 93.0% | 52.4% | 62.9% |
| Total Southeast | 2,989 | 16 | 933 | 895 | 4.2% | 1,009 | 993 | 1.6% | 1,119 | 1,154 | (3.0)% | 96.1% | 93.7% | 52.9% | 57.8% |
| Southwest Properties | | | | | | | | | | | | | | | |
| Texas | 222 | 13 | 910 | 852 | 6.8% | 955 | 882 | 8.3% | 1,036 | 1,027 | 0.9 % | 99.1% | 100.0% | 55.9% | 23.4% |
| Total Southwest | 222 | 13 | 910 | 852 | 6.8% | 955 | 882 | 8.3% | 1,036 | 1,027 | 0.9 % | 99.1% | 100.0% | 55.9% | 23.4% |
| Total/Average Same Community | | | | | | | | | | | | | | | |
| | 13,212 | 17 | \$ 973 | \$ 918 | 6.0% | \$ 1,025 | \$ 980 | 4.6% | \$ 1,073 | \$ 1,060 | 1.2 % | 97.3% | 95.9% | 46.0% | 45.1% |

(1) Represents gross potential rents less vacancies and concessions for all units divided by the number of units in a market.

(2) Represents gross potential rents less concessions for all units divided by the number of units in a market.

(3) Represents gross potential rents for all units divided by the number of units in a market.

(4) Represents physical occupancy at the end of the quarter.

(5) Represents the number of units turned over for the quarter, divided by the number of units in a market, annualized.

(6) Age shown in years.

Associated Estates Realty Corporation
Sequential Property Revenue
For the Three Months Ended March 31, 2012 and December 31, 2011

(Unaudited; in thousands, except unit totals)

| | No. of Units | Q1 Physical Occupancy ⁽¹⁾ | Q4 Physical Occupancy ⁽¹⁾ | Q1 2012 Revenue | Q4 2011 Revenue | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|-----------------------|-----------------------|-------------------------|-------------|
| Property Revenue | | | | | | | |
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.7% | \$ 2,233 | \$ 2,202 | \$ 31 | 1.4 % |
| Southeast Michigan | 1,778 | 97.6% | 97.0% | 4,663 | 4,607 | 56 | 1.2 % |
| Western Michigan | 1,110 | 98.5% | 97.9% | 2,599 | 2,559 | 40 | 1.6 % |
| Central Ohio | 2,171 | 98.7% | 95.3% | 5,689 | 5,595 | 94 | 1.7 % |
| Northeastern Ohio | 1,303 | 97.6% | 96.2% | 4,039 | 3,971 | 68 | 1.7 % |
| Total Midwest Properties | 7,198 | 98.1% | 96.6% | 19,223 | 18,934 | 289 | 1.5 % |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 96.5% | 1,394 | 1,348 | 46 | 3.4 % |
| Metro DC | 352 | 96.0% | 95.5% | 1,383 | 1,363 | 20 | 1.5 % |
| Northern Virginia | 1,272 | 96.2% | 95.5% | 5,593 | 5,616 | (23) | (0.4)% |
| Southeastern Virginia | 864 | 97.1% | 95.1% | 2,968 | 2,914 | 54 | 1.9 % |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.5% | 11,338 | 11,241 | 97 | 0.9 % |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.9% | 880 | 877 | 3 | 0.3 % |
| Southeast Florida | 984 | 97.0% | 95.8% | 3,804 | 3,729 | 75 | 2.0 % |
| Georgia | 1,717 | 95.5% | 87.8% | 3,951 | 3,700 | 251 | 6.8 % |
| Total Southeast Properties | 2,989 | 96.1% | 91.3% | 8,635 | 8,306 | 329 | 4.0 % |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 97.3% | 622 | 611 | 11 | 1.8 % |
| Total Southwest Properties | 222 | 99.1% | 97.3% | 622 | 611 | 11 | 1.8 % |
| Total Same Community | 13,212 | 97.3% | 95.2% | 39,818 | 39,092 | 726 | 1.9 % |
| Acquisitions ⁽²⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | 95.0% | 858 | 786 | 72 | 9.2 % |
| Metro DC | 250 | 94.0% | 96.0% | 1,465 | 1,459 | 6 | 0.4 % |
| Texas | 224 | 96.0% | 96.0% | 655 | 546 | 109 | 20.0 % |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 135 | 2 | 133 | 6,650.0 % |
| Total Property Revenue | 13,908 | 97.2% | 95.2% | \$ 42,931 | \$ 41,885 | \$ 1,046 | 2.5 % |

(1) Represents physical occupancy at the end of the quarter.

(2) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
Sequential Property Operating Expenses
For the Three Months Ended March 31, 2012 and December 31, 2011

(Unaudited; in thousands, except unit totals)

| | No. of Units | Q1 Physical Occupancy ⁽¹⁾ | Q4 Physical Occupancy ⁽¹⁾ | Q1 2012 Expenses | Q4 2011 Expenses | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|------------------------|------------------------|-------------------------|-------------|
| Property Operating Expenses | | | | | | | |
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.7% | \$ 863 | \$ 824 | \$ 39 | 4.7 % |
| Southeast Michigan | 1,778 | 97.6% | 97.0% | 1,924 | 1,787 | 137 | 7.7 % |
| Western Michigan | 1,110 | 98.5% | 97.9% | 1,139 | 1,057 | 82 | 7.8 % |
| Central Ohio | 2,171 | 98.7% | 95.3% | 2,476 | 2,326 | 150 | 6.4 % |
| Northeastern Ohio | 1,303 | 97.6% | 96.2% | 1,523 | 1,427 | 96 | 6.7 % |
| Total Midwest Properties | 7,198 | 98.1% | 96.6% | 7,925 | 7,421 | 504 | 6.8 % |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 96.5% | 487 | 497 | (10) | (2.0)% |
| Metro DC | 352 | 96.0% | 95.5% | 419 | 359 | 60 | 16.7 % |
| Northern Virginia | 1,272 | 96.2% | 95.5% | 1,867 | 1,788 | 79 | 4.4 % |
| Southeastern Virginia | 864 | 97.1% | 95.1% | 1,015 | 955 | 60 | 6.3 % |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.5% | 3,788 | 3,599 | 189 | 5.3 % |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.9% | 360 | 329 | 31 | 9.4 % |
| Southeast Florida | 984 | 97.0% | 95.8% | 1,673 | 1,524 | 149 | 9.8 % |
| Georgia | 1,717 | 95.5% | 87.8% | 2,022 | 2,033 | (11) | (0.5)% |
| Total Southeast Properties | 2,989 | 96.1% | 91.3% | 4,055 | 3,886 | 169 | 4.3 % |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 97.3% | 283 | 236 | 47 | 19.9 % |
| Total Southwest Properties | 222 | 99.1% | 97.3% | 283 | 236 | 47 | 19.9 % |
| Total Same Community | 13,212 | 97.3% | 95.2% | 16,051 | 15,142 | 909 | 6.0 % |
| Acquisitions ⁽²⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | 95.0% | 404 | 408 | (4) | (1.0)% |
| Metro DC | 250 | 94.0% | 96.0% | 541 | 486 | 55 | 11.3 % |
| Texas | 224 | 96.0% | 96.0% | 335 | 258 | 77 | 29.8 % |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 113 | 103 | 10 | 9.7 % |
| Total Property Operating Expenses | 13,908 | 97.2% | 95.2% | \$ 17,444 | \$ 16,397 | \$ 1,047 | 6.4 % |

(1) Represents physical occupancy at the end of the quarter.

(2) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
Sequential Property Net Operating Income (Property NOI)
For the Three Months Ended March 31, 2012 and December 31, 2011

(Unaudited; in thousands, except unit totals)

| | No. of Units | Q1 Physical Occupancy ⁽²⁾ | Q4 Physical Occupancy ⁽²⁾ | Q1 2012 NOI | Q4 2011 NOI | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|-------------------|-------------------|-------------------------|-------------|
| Property NOI ⁽¹⁾ | | | | | | | |
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.7% | \$ 1,370 | \$ 1,378 | \$ (8) | (0.6)% |
| Southeast Michigan | 1,778 | 97.6% | 97.0% | 2,739 | 2,820 | (81) | (2.9)% |
| Western Michigan | 1,110 | 98.5% | 97.9% | 1,460 | 1,502 | (42) | (2.8)% |
| Central Ohio | 2,171 | 98.7% | 95.3% | 3,213 | 3,269 | (56) | (1.7)% |
| Northeastern Ohio | 1,303 | 97.6% | 96.2% | 2,516 | 2,544 | (28) | (1.1)% |
| Total Midwest Properties | 7,198 | 98.1% | 96.6% | 11,298 | 11,513 | (215) | (1.9)% |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 96.5% | 907 | 851 | 56 | 6.6 % |
| Metro DC | 352 | 96.0% | 95.5% | 964 | 1,004 | (40) | (4.0)% |
| Northern Virginia | 1,272 | 96.2% | 95.5% | 3,726 | 3,828 | (102) | (2.7)% |
| Southeastern Virginia | 864 | 97.1% | 95.1% | 1,953 | 1,959 | (6) | (0.3)% |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.5% | 7,550 | 7,642 | (92) | (1.2)% |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.9% | 520 | 548 | (28) | (5.1)% |
| Southeast Florida | 984 | 97.0% | 95.8% | 2,131 | 2,205 | (74) | (3.4)% |
| Georgia | 1,717 | 95.5% | 87.8% | 1,929 | 1,667 | 262 | 15.7 % |
| Total Southeast Properties | 2,989 | 96.1% | 91.3% | 4,580 | 4,420 | 160 | 3.6 % |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 97.3% | 339 | 375 | (36) | (9.6)% |
| Total Southwest Properties | 222 | 99.1% | 97.3% | 339 | 375 | (36) | (9.6)% |
| Total Same Community | 13,212 | 97.3% | 95.2% | 23,767 | 23,950 | (183) | (0.8)% |
| Acquisitions ⁽³⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | 95.0% | 454 | 378 | 76 | 20.1 % |
| Metro DC | 250 | 94.0% | 96.0% | 924 | 973 | (49) | (5.0)% |
| Texas | 224 | 96.0% | 96.0% | 320 | 288 | 32 | 11.1 % |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 22 | (101) | 123 | 121.8 % |
| Total Property NOI | 13,908 | 97.2% | 95.2% | \$ 25,487 | \$ 25,488 | \$ (1) | 0.0% |

(1) See page 27 for a reconciliation of net (loss) income attributable to AERC to this non-GAAP measurement and for our definition of this non-GAAP measurement.

(2) Represents physical occupancy at the end of the quarter.

(3) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
First Quarter Property Revenue
For the Three Months Ended March 31, 2012 and 2011

(Unaudited; in thousands, except unit totals)

| | No. of Units | 2012 Physical Occupancy ⁽¹⁾ | 2011 Physical Occupancy ⁽¹⁾ | Q1 2012 Revenue | Q1 2011 Revenue | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|-----------------------|-----------------------|-------------------------|-------------|
| Property Revenue | | | | | | | |
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.4% | \$ 2,233 | \$ 2,096 | \$ 137 | 6.5% |
| Southeast Michigan | 1,778 | 97.6% | 96.8% | 4,663 | 4,285 | 378 | 8.8% |
| Western Michigan | 1,110 | 98.5% | 97.1% | 2,599 | 2,397 | 202 | 8.4% |
| Central Ohio | 2,171 | 98.7% | 95.6% | 5,689 | 5,311 | 378 | 7.1% |
| Northeastern Ohio | 1,303 | 97.6% | 97.5% | 4,039 | 3,795 | 244 | 6.4% |
| Total Midwest Properties | 7,198 | 98.1% | 96.7% | 19,223 | 17,884 | 1,339 | 7.5% |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 95.9% | 1,394 | 1,334 | 60 | 4.5% |
| Metro DC | 352 | 96.0% | 96.6% | 1,383 | 1,311 | 72 | 5.5% |
| Northern Virginia | 1,272 | 96.2% | 96.0% | 5,593 | 5,396 | 197 | 3.7% |
| Southeastern Virginia | 864 | 97.1% | 95.6% | 2,968 | 2,821 | 147 | 5.2% |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.9% | 11,338 | 10,862 | 476 | 4.4% |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.2% | 880 | 834 | 46 | 5.5% |
| Southeast Florida | 984 | 97.0% | 94.2% | 3,804 | 3,573 | 231 | 6.5% |
| Georgia | 1,717 | 95.5% | 93.0% | 3,951 | 3,851 | 100 | 2.6% |
| Total Southeast Properties | 2,989 | 96.1% | 93.7% | 8,635 | 8,258 | 377 | 4.6% |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 100.0% | 622 | 578 | 44 | 7.6% |
| Total Southwest Properties | 222 | 99.1% | 100.0% | 622 | 578 | 44 | 7.6% |
| Total Same Community | 13,212 | 97.3% | 95.9% | 39,818 | 37,582 | 2,236 | 5.9% |
| Acquisitions ⁽²⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | N/A | 858 | N/A | 858 | N/A |
| Metro DC | 250 | 94.0% | N/A | 1,465 | N/A | 1,465 | N/A |
| Texas | 224 | 96.0% | N/A | 655 | N/A | 655 | N/A |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 135 | N/A | 135 | N/A |
| Total Property Revenue | 13,908 | 97.2% | 95.9% | \$ 42,931 | \$ 37,582 | \$ 5,349 | 14.2% |

(1) Represents physical occupancy at the end of the quarter.

(2) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
First Quarter Property Operating Expenses
For the Three Months Ended March 31, 2012 and 2011

(Unaudited; in thousands, except unit totals)

| | No. of Units | 2012 Physical Occupancy ⁽¹⁾ | 2011 Physical Occupancy ⁽¹⁾ | Q1 2012 Expenses | Q1 2011 Expenses | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|------------------------|------------------------|-------------------------|-------------|
| Property Operating Expenses | | | | | | | |
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.4% | \$ 863 | \$ 876 | \$ (13) | (1.5)% |
| Southeast Michigan | 1,778 | 97.6% | 96.8% | 1,924 | 1,998 | (74) | (3.7)% |
| Western Michigan | 1,110 | 98.5% | 97.1% | 1,139 | 1,143 | (4) | (0.3)% |
| Central Ohio | 2,171 | 98.7% | 95.6% | 2,476 | 2,346 | 130 | 5.5 % |
| Northeastern Ohio | 1,303 | 97.6% | 97.5% | 1,523 | 1,505 | 18 | 1.2 % |
| Total Midwest Properties | 7,198 | 98.1% | 96.7% | 7,925 | 7,868 | 57 | 0.7 % |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 95.9% | 487 | 498 | (11) | (2.2)% |
| Metro DC | 352 | 96.0% | 96.6% | 419 | 406 | 13 | 3.2 % |
| Northern Virginia | 1,272 | 96.2% | 96.0% | 1,867 | 2,003 | (136) | (6.8)% |
| Southeastern Virginia | 864 | 97.1% | 95.6% | 1,015 | 939 | 76 | 8.1 % |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.9% | 3,788 | 3,846 | (58) | (1.5)% |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.2% | 360 | 323 | 37 | 11.5 % |
| Southeast Florida | 984 | 97.0% | 94.2% | 1,673 | 1,511 | 162 | 10.7 % |
| Georgia | 1,717 | 95.5% | 93.0% | 2,022 | 2,018 | 4 | 0.2 % |
| Total Southeast Properties | 2,989 | 96.1% | 93.7% | 4,055 | 3,852 | 203 | 5.3 % |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 100.0% | 283 | 290 | (7) | (2.4)% |
| Total Southwest Properties | 222 | 99.1% | 100.0% | 283 | 290 | (7) | (2.4)% |
| Total Same Community | 13,212 | 97.3% | 95.9% | 16,051 | 15,856 | 195 | 1.2 % |
| Acquisitions ⁽²⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | N/A | 404 | N/A | 404 | N/A |
| Metro DC | 250 | 94.0% | N/A | 541 | N/A | 541 | N/A |
| Texas | 224 | 96.0% | N/A | 335 | N/A | 335 | N/A |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 113 | N/A | 113 | N/A |
| Total Property Operating Expenses | 13,908 | 97.2% | 95.9% | \$ 17,444 | \$ 15,856 | \$ 1,588 | 10.0 % |

(1) Represents physical occupancy at the end of the quarter.

(2) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
First Quarter Property Net Operating Income (Property NOI)
For the Three Months Ended March 31, 2012 and 2011

(Unaudited; in thousands, except unit totals)

| Property NOI ⁽¹⁾ | No. of Units | 2012 Physical Occupancy ⁽²⁾ | 2011 Physical Occupancy ⁽²⁾ | Q1 2012 NOI | Q1 2011 NOI | Increase/ (Decrease) | % Change |
|------------------------------------|-----------------|--|--|-------------------|-------------------|-------------------------|-------------|
| Same Community | | | | | | | |
| Midwest Properties | | | | | | | |
| Indiana | 836 | 98.0% | 97.4% | \$ 1,370 | \$ 1,220 | \$ 150 | 12.3% |
| Southeast Michigan | 1,778 | 97.6% | 96.8% | 2,739 | 2,287 | 452 | 19.8% |
| Western Michigan | 1,110 | 98.5% | 97.1% | 1,460 | 1,254 | 206 | 16.4% |
| Central Ohio | 2,171 | 98.7% | 95.6% | 3,213 | 2,965 | 248 | 8.4% |
| Northeastern Ohio | 1,303 | 97.6% | 97.5% | 2,516 | 2,290 | 226 | 9.9% |
| Total Midwest Properties | 7,198 | 98.1% | 96.7% | 11,298 | 10,016 | 1,282 | 12.8% |
| Mid-Atlantic Properties | | | | | | | |
| Maryland | 315 | 96.8% | 95.9% | 907 | 836 | 71 | 8.5% |
| Metro DC | 352 | 96.0% | 96.6% | 964 | 905 | 59 | 6.5% |
| Northern Virginia | 1,272 | 96.2% | 96.0% | 3,726 | 3,393 | 333 | 9.8% |
| Southeastern Virginia | 864 | 97.1% | 95.6% | 1,953 | 1,882 | 71 | 3.8% |
| Total Mid-Atlantic Properties | 2,803 | 96.5% | 95.9% | 7,550 | 7,016 | 534 | 7.6% |
| Southeast Properties | | | | | | | |
| Central Florida | 288 | 96.5% | 96.2% | 520 | 511 | 9 | 1.8% |
| Southeast Florida | 984 | 97.0% | 94.2% | 2,131 | 2,062 | 69 | 3.3% |
| Georgia | 1,717 | 95.5% | 93.0% | 1,929 | 1,833 | 96 | 5.2% |
| Total Southeast Properties | 2,989 | 96.1% | 93.7% | 4,580 | 4,406 | 174 | 3.9% |
| Southwest Properties | | | | | | | |
| Texas | 222 | 99.1% | 100.0% | 339 | 288 | 51 | 17.7% |
| Total Southwest Properties | 222 | 99.1% | 100.0% | 339 | 288 | 51 | 17.7% |
| Total Same Community | 13,212 | 97.3% | 95.9% | 23,767 | 21,726 | 2,041 | 9.4% |
| Acquisitions ⁽³⁾ | | | | | | | |
| Southeast Florida | 222 | 95.5% | N/A | 454 | N/A | 454 | N/A |
| Metro DC | 250 | 94.0% | N/A | 924 | N/A | 924 | N/A |
| Texas | 224 | 96.0% | N/A | 320 | N/A | 320 | N/A |
| Development | | | | | | | |
| Tennessee | N/A | N/A | N/A | 22 | N/A | 22 | N/A |
| Total Property NOI | 13,908 | 97.2% | 95.9% | \$ 25,487 | \$ 21,726 | \$ 3,761 | 17.3% |

(1) See page 27 for a reconciliation of net (loss) income attributable to AERC to this non-GAAP measurement and for our definition of this non-GAAP measurement.

(2) Represents physical occupancy at the end of the quarter.

(3) We define acquisition properties as acquired properties which have been owned less than one year.

Associated Estates Realty Corporation
Debt Structure
As of March 31, 2012

(Dollar amounts in thousands)

| | Balance Outstanding March 31, 2012 | Percentage of Total Debt | Weighted Average Interest Rate |
|-------------------------------------|--|--------------------------------|--------------------------------------|
| Fixed Rate Debt: | | | |
| Secured | \$ 309,713 | 45.1% | 5.5% |
| Total Fixed Rate Debt | 309,713 | 45.1% | 5.5% |
| Variable Rate Debt Hedged: | | | |
| Secured ⁽¹⁾ | 33,579 | 4.9% | 4.7% |
| Unsecured ⁽²⁾ | 125,000 | 18.2% | 2.1% |
| Total Variable Rate Debt Hedged | 158,579 | 23.1% | 2.6% |
| Variable Rate Debt Unhedged: | | | |
| Secured | 16,818 | 2.4% | 3.5% |
| Unsecured | 202,000 | 29.4% | 1.9% |
| Total Variable Rate Debt Unhedged | 218,818 | 31.8% | 2.0% |
| Total Debt | \$ 687,110 | 100.0% | 3.7% |

| | |
|--|-----------|
| Interest coverage ratio ⁽³⁾ | 2.51:1 |
| Fixed charge coverage ratio ⁽⁴⁾ | 2.51:1 |
| Weighted average maturity | 3.8 years |

| Scheduled Principal Maturities: | Secured | Unsecured | Total |
|--|-------------------|-------------------|-------------------|
| 2012 ⁽⁵⁾ | \$ — | \$ — | \$ — |
| 2013 | 148,419 | — | 148,419 |
| 2014 | 44,538 | — | 44,538 |
| 2015 | 20,578 | — | 20,578 |
| 2016 | 50,189 | 327,000 | 377,189 |
| Thereafter | 96,386 | — | 96,386 |
| Total | \$ 360,110 | \$ 327,000 | \$ 687,110 |
| Percentage of Total | 52.4% | 47.6% | 100.0% |

(1) Subject to an interest rate cap of 6.9% for the life of the loan.

(2) The Company entered into a forward starting swap in December 2011 fixing the rate beginning in June 2013 for the duration of its maturity at a rate of 1.26% plus the credit spread which is currently 1.80%, or an all-in rate of 3.06%.

(3) Is calculated as EBITDA divided by interest expense, including capitalized interest and amortization of deferred financing costs and excluding prepayment costs/refunds. See page 26 for a reconciliation of net (loss) income available to common shares to EBITDA and our definition of EBITDA.

(4) Represents interest expense, including capitalized interest and preferred stock dividend payment coverage, excluding costs/refunds. Individual line items in this calculation include discontinued operations where applicable.

(5) Scheduled principal maturities of \$79.8 million were prepaid during the quarter ended March 31, 2012.

Associated Estates Realty Corporation
2012 Financial Outlook
As of April 24, 2012

This table includes forward-looking statements based on current judgments and current knowledge of management, which are subject to certain risks, trends and uncertainties that could cause results to vary from those projected. Please see the paragraph on forward-looking statements on page 2 of this document for a list of risk factors.

Earnings Guidance Per Common Share

| | |
|--|------------------|
| Expected net income attributable to AERC | \$0.58 to \$0.62 |
| Expected real estate depreciation and amortization | 1.18 |
| Expected gains on disposition of properties | -0.56 |
| Expected Funds from Operations ⁽¹⁾ | \$1.20 to \$1.24 |
| Expected prepayment and other costs associated with debt repayments, net | 0.03 |
| Expected Funds from Operations as adjusted ⁽¹⁾ | \$1.23 to \$1.27 |

Same Community Portfolio

| | |
|------------------------------------|--------------|
| Revenue growth | 4.0% to 5.0% |
| Expense growth | 2.0% to 3.0% |
| Property NOI ⁽²⁾ growth | 5.0% to 6.0% |

Transactions

| | |
|--------------|--------------------------|
| Acquisitions | \$0.0 to \$150.0 million |
| Dispositions | \$50.0 to \$75.0 million |
| Development | \$40.0 to \$60.0 million |

Corporate Expenses

| | |
|------------------------------------|--------------------------|
| General and administrative expense | \$16.4 to \$16.8 million |
| Development costs | \$1.0 to \$1.2 million |
| Costs associated with acquisitions | \$0.0 to \$0.5 million |

Debt

| | |
|---|--------------------------|
| Capitalized interest | \$1.0 to \$1.5 million |
| Expensed interest (excluding prepayment costs and defeasance refund) ⁽³⁾ | \$30.9 to \$31.5 million |

Capital Structure ⁽⁴⁾

| | |
|-------------------------------------|--------------|
| Weighted average shares outstanding | 42.6 million |
|-------------------------------------|--------------|

(1) See page 25 for our definition of this non-GAAP measurement.

(2) See page 27 for our definition of this non-GAAP measurement.

(3) Includes \$2.1 million of deferred financing costs.

(4) Earnings guidance reflects no common share issuances.

Associated Estates Realty Corporation
Definitions of Non-GAAP Financial Measures

The foregoing supplemental financial data includes certain non-GAAP financial measures that we believe are helpful in understanding our business, as further described below. Our definition and calculation of these non-GAAP financial measures may differ from those of other REITs, and may, therefore, not be comparable.

Funds from Operations ("FFO")

We define FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). This definition includes all operating results, both recurring and non-recurring, except those results defined as "extraordinary items" under GAAP, adjusted for depreciation on real estate assets and amortization of intangible assets, excludes impairment write-downs of depreciable real estate, gains on insurance recoveries and gains and losses from the disposition of properties and land. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity. We generally consider FFO to be a useful measure for reviewing our comparative operating and financial performance because FFO can help one compare the operating performance of a company's real estate between periods or as compared to different REITs.

Funds from Operations ("FFO") as Adjusted

We define FFO as adjusted as FFO, as defined above, excluding \$1.7 million of prepayment penalties associated with debt repayments and \$(279) of refunds for a previously defeased loan. In accordance with GAAP, these prepayment penalties and refunds on the previously defeased loan are included in interest expense in the Company's Consolidated Statement of Comprehensive Income. We are providing this calculation as an alternative FFO calculation as we consider it a more appropriate measure of comparing the operating performance of a company's real estate between periods or as compared to different REITs.

Funds Available for Distribution ("FAD")

We define FAD as FFO as adjusted, as defined above, plus depreciation other and amortization of deferred financing fees less recurring fixed asset additions. Fixed asset additions exclude development, investment, revenue enhancing and non-recurring capital additions. We consider FAD to be an appropriate supplemental measure of the performance of an equity REIT because, like FFO and FFO as adjusted, it captures real estate performance by excluding gains or losses from the disposition of properties and land and depreciation on real estate assets and amortization of intangible assets. Unlike FFO and FFO as adjusted, FAD also reflects the recurring capital expenditures that are necessary to maintain the associated real estate.

Associated Estates Realty Corporation
Definitions of Non-GAAP Financial Measures

Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA")

EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. We consider EBITDA to be an appropriate supplemental measure of our performance because it eliminates depreciation, income taxes and interest which permits investors to view income from operations unclouded by non-cash depreciation or the cost of debt. Below is a reconciliation of net (loss) income applicable to common shares to EBITDA.

| <i>(In thousands)</i> | Three Months Ended March 31, | |
|--|---------------------------------|------------------|
| | 2012 | 2011 |
| Net (loss) income attributable to AERC | \$ (2,081) | \$ (3,082) |
| Interest expense ⁽¹⁾ | 9,553 | 7,788 |
| Loss on disposition of properties | 40 | — |
| Depreciation and amortization | 13,231 | 13,055 |
| Income taxes | 76 | 90 |
| Total EBITDA | \$ 20,819 | \$ 17,851 |

(1) The three months ended March 31, 2012, include \$1.7 million of prepayment costs and \$(279) for refunds on previously defeased loan.

Net Operating Income ("NOI")

NOI is determined by deducting property operating and maintenance expenses, direct property management and service company expense and construction and other services expense from total revenue. We consider NOI to be an appropriate supplemental measure of our performance because it reflects the operating performance of our real estate portfolio and management and service company at the property and management service company level and is used to assess regional property and management and service company level performance. NOI should not be considered an alternative to net income as a measure of performance or cash generated from operating activities in accordance with GAAP and, therefore, it should not be considered indicative of cash available to fund cash needs.

Associated Estates Realty Corporation
Definitions of Non-GAAP Financial Measures

Property Net Operating Income ("Property NOI")

Property NOI is determined by deducting property operating and maintenance expenses from total property revenue. We consider Property NOI to be an appropriate supplemental measure of our performance because it reflects the operating performance of our real estate portfolio at the property level and is used to assess regional property level performance. Property NOI should not be considered an alternative to net income as a measure of performance or cash generated from operating activities in accordance with GAAP and, therefore, it should not be considered indicative of cash available to fund cash needs. The following is a reconciliation of Property NOI to total consolidated net (loss) income attributable to AERC.

| <i>(In thousands)</i> | Three Months Ended March 31, | |
|--|---------------------------------|-------------------|
| | 2012 | 2011 |
| Property NOI | \$ 25,487 | \$ 21,726 |
| Construction and other services net (loss) income | (70) | (278) |
| Depreciation and amortization | (13,231) | (12,746) |
| General and administrative expense | (4,369) | (4,170) |
| Development costs | (310) | (74) |
| Costs associated with acquisitions | — | (56) |
| Interest expense | (9,553) | (7,719) |
| (Loss) income from continuing operations | <u>(2,046)</u> | <u>(3,317)</u> |
| (Loss) income from discontinued operations: | | |
| Operating Income | — | 248 |
| Loss on disposition of properties | (40) | — |
| (Loss) income from discontinued operation | <u>(40)</u> | <u>248</u> |
| Net (loss) income | <u>(2,086)</u> | <u>(3,069)</u> |
| Net loss (income) attributable to noncontrolling interests | 5 | (13) |
| Consolidated net (loss) income attributable to AERC | <u>\$ (2,081)</u> | <u>\$ (3,082)</u> |

Recurring Fixed Asset Additions

We consider recurring fixed asset additions to a property to be capital expenditures made to replace worn out assets so as to maintain the property's value.

Investment/Revenue Enhancing and/or Non-Recurring Fixed Asset Additions

We consider investment/revenue enhancing and/or non-recurring fixed assets to be capital expenditures if such improvements increase the value of the property and/or enable us to increase rents.

Same Community Properties

Same Community properties are conventional multifamily residential apartments which were owned and operational for the entire periods presented.