

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

ASSOCIATED ESTATES REALTY CORPORATION
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a6(i) (1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:



Investor Presentation

February 2015

Safe Harbor Statement

This presentation contains, and our officers and representatives may make, forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward looking statements can be identified by the use of forward-looking terminology such as "anticipate," "plan," "believe," "project," "estimate," "expect," "strategy," "may", "should," "will," and similar references to future periods, events, or trends. These statements are based on certain assumptions, as well as current expectations, estimates, projections, judgments and knowledge of management, all of which are subject to risks, trends and uncertainties that could cause actual results to vary from those projected, and you should not rely on forward-looking statements as predictions of future events. Factors which may cause the Company's actual results or performance to differ materially from those contemplated by forward-looking statements include, without limitation, those described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K and in other filings with the U.S. Securities and Exchange Commission (the "SEC"), and the following: changes in the economic climate in the markets in which the Company owns and manages properties, including interest rates, the overall level of economic activity, the availability of consumer credit and mortgage financing, unemployment rates and other factors; risks of a lessening of demand for the multifamily units owned by the Company; competition from other available multifamily units, single family units available for rental or purchase, and changes in market rental rates; the failure of development projects or redevelopment activities to achieve expected results due to, among other causes, construction and contracting risks, unanticipated increases in materials and/or labor, and delays in project completion and/or lease-up that result in increased costs and/or reduce the profitability of a completed project; the cost, distraction and results of litigation involving the Company or activist shareholder campaigns to effect changes at the Company; and risks associated with property acquisitions and dispositions, such as failure to achieve expected results. In regard to the business review the Company is undertaking, there will be no updates until the review is complete and there is no set timeframe for completion. Readers should carefully review the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and the other documents the Company files from time to time with the SEC. These forward-looking statements, whether written or oral, reflect management's judgment as of this date, and the Company assumes no obligation to revise or update them to reflect new information, future developments or circumstances.

Important Additional Information

Associated Estates, its directors and certain of its executive officers will be deemed to be participants in the solicitation of proxies from Associated Estates shareholders in connection with the matters to be considered at Associated Estates' 2015 Annual Meeting. Associated Estates intends to file a proxy statement with the SEC in connection with any such solicitation of proxies from Associated Estates shareholders. ASSOCIATED ESTATES SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Information regarding the ownership of Associated Estates' directors and executive officers in Associated Estates shares, restricted shares and options is included in their SEC filings on Forms 3, 4 and 5. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with Associated Estates' 2015 Annual Meeting. Information can also be found in Associated Estates' Annual Report on Form 10-K for the year ended Dec. 31, 2014, filed with the SEC on Feb. 18, 2015. Shareholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by Associated Estates with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at Associated Estates' website at www.associatedestates.com or by contacting Jeremy Goldberg, Vice President of Corporate Finance and Investor Relations at (216) 797-8715.

Executive Summary

Leading Multifamily REIT with Demonstrated Performance

- ❑ Management team and Board of Directors have delivered ~195% total return to shareholders as compared to ~138% average for the Multifamily sector and ~98% for the RMS over the last ten years⁽¹⁾
- ❑ Sustained NOI growth through Financial Crisis and has achieved NOI growth in line with peers since 2010

Late Stages of a Complete Portfolio Transformation

- ❑ Efficiently recycling capital to fund acquisitions and developments
- ❑ Developing to very attractive market yields with a pipeline of ~1,500 units
 - ❑ Two joint ventures with institutional investors reduce capital outlay and mitigate risk
- ❑ Building critical mass in strategic markets
- ❑ Average property age is 15 years, second youngest multifamily portfolio⁽²⁾

Corporate Governance Enhancements

- ❑ Douglas Crocker, former CEO of EQR joined the Associated Estates Board of Directors in December 2014 and heads the Finance and Planning Committee
- ❑ Jon Fosheim, Co-Founder and former Principal of Green Street Advisors, joined the Associated Estates Board of Directors in February 2015
- ❑ Associated Estates will seek approval from shareholders of various proposals to further enhance the Company's corporate governance during the Annual Shareholders Meeting

Undergoing Thorough Review of the Business

- ❑ With the assistance of Citigroup, Associated Estates is currently conducting a thorough review of the Company's assets, operations and business strategy led by a fully independent Finance and Planning Committee
- ❑ Sole focus of business review is to optimize shareholder value – "No options off the table"
- ❑ Associated Estates expects to update the market regarding the business review in advance of the Annual Shareholder Meeting

Source: SNL Financial

(1) Measured from 1/1/2005 to 5/30/2014

(2) Per Green Street Advisors Residential Sector Update, 11/26/2014



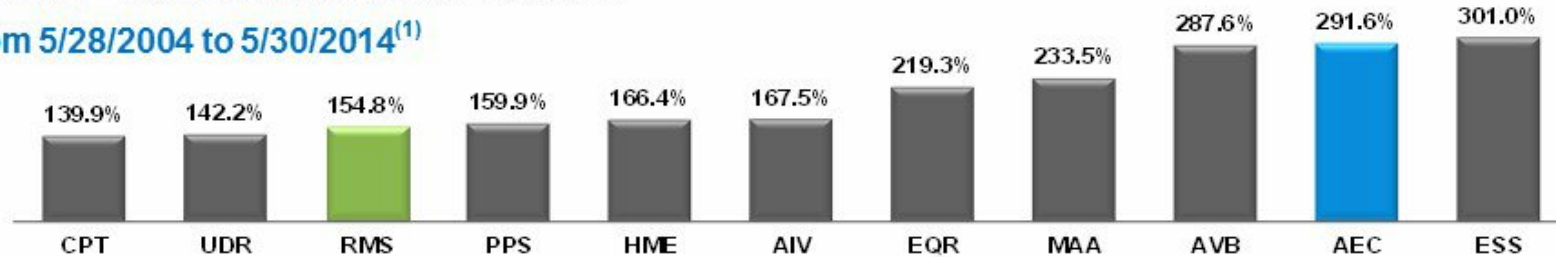
Leading Multifamily REIT with Demonstrated Performance

History of Driving Total Shareholder Return

Associated Estates has consistently delivered best-in-sector total return over the last ten years.

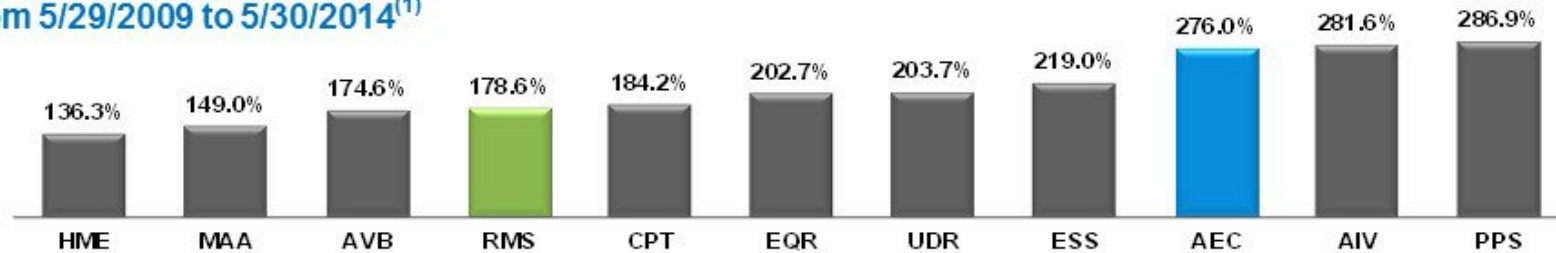
10 Year Total Shareholder Return

From 5/28/2004 to 5/30/2014⁽¹⁾



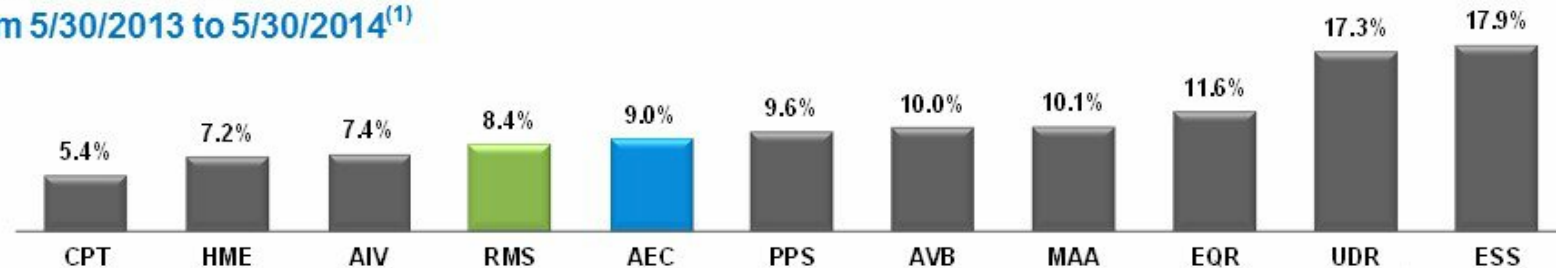
5 Year Total Shareholder Return

From 5/29/2009 to 5/30/2014⁽¹⁾



LTM Total Return

From 5/30/2013 to 5/30/2014⁽¹⁾



Source: SNL Financial

Note: Total return measured from 12/31/2004 – 5/30/2014: AEC – 195.2%, MF Sector ex-AEC simple average – 137.8%, RMS – 98.3%

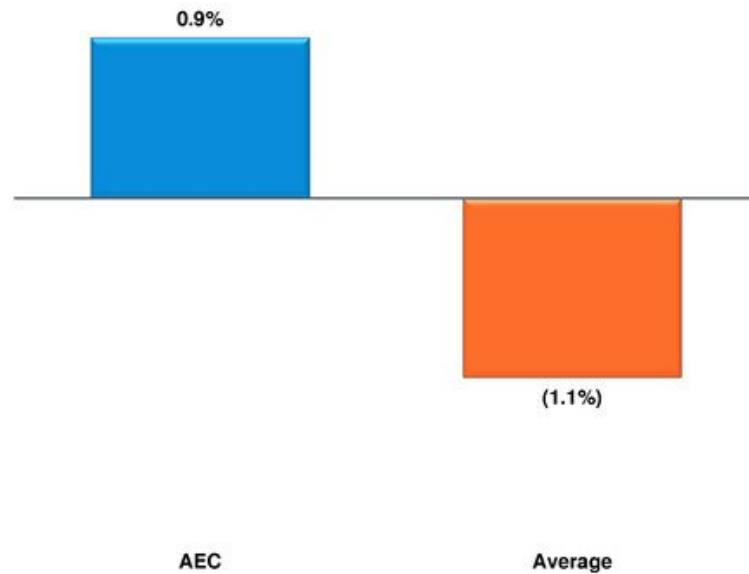
(1) Land & Buildings' first letter to Associated Estates was published on 6/3/2014

Resilient and Sustained NOI Growth

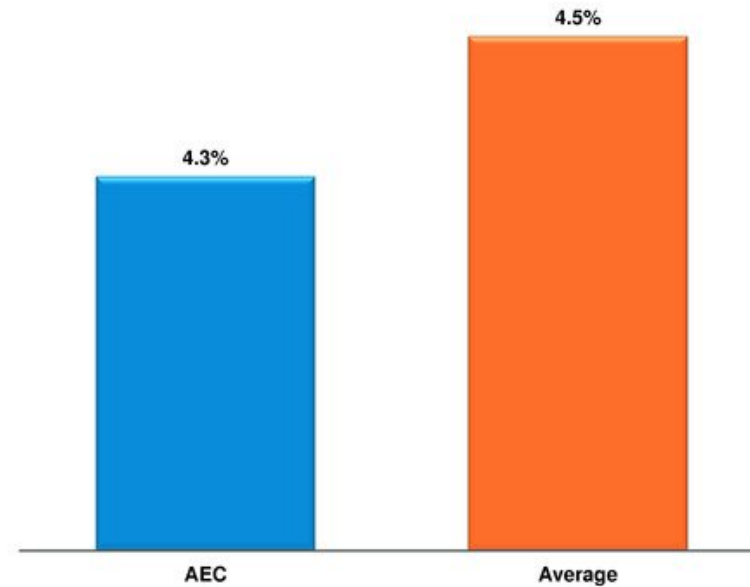
Associated Estates has delivered solid NOI growth performance vis-à-vis Multifamily REIT peers since the Financial Crisis, even while transforming its portfolio.

NOI CAGR

Financial Crisis (2007 – 2009)



Post-Financial Crisis (2010 – 2014)



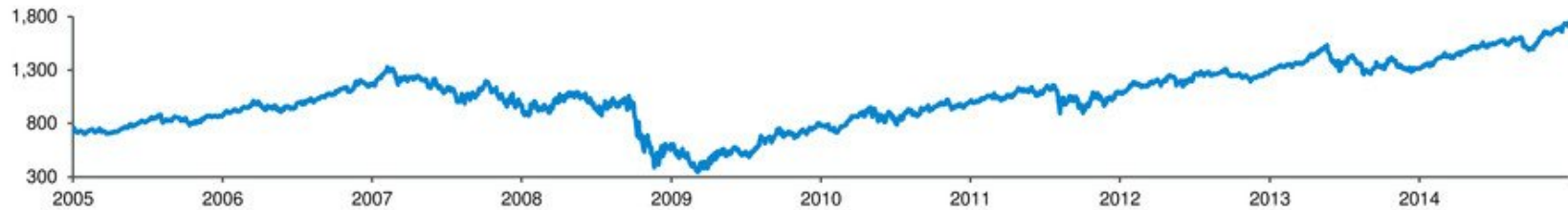
7 Source: Company financials
Note: Average excludes Associated Estates

Prudent Capital Allocation – Acquisitions and Dispositions

Associated Estates has successfully navigated multiple cycles in the apartment business, consistently selling near the top and buying near the bottom.

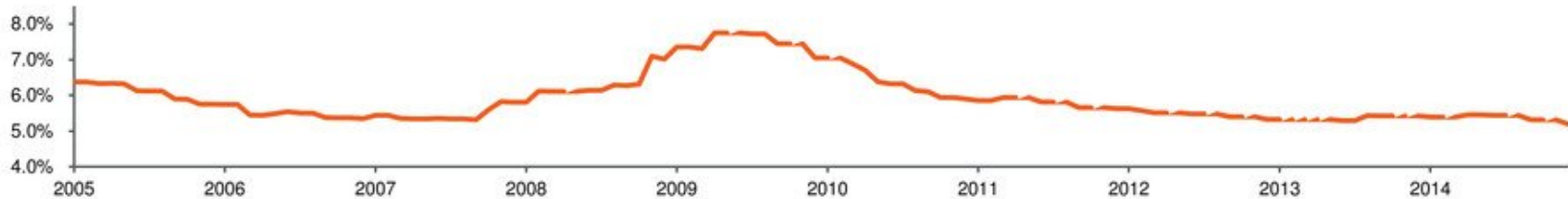
RMS Index Level

1/1/2005 – 12/31/2014



Multifamily Nominal Cap Rates

1/1/2005 – 12/31/2014



Associated Estates Net Buyer / (Seller) of Real Estate During Year

1/1/2005 – 12/31/2014

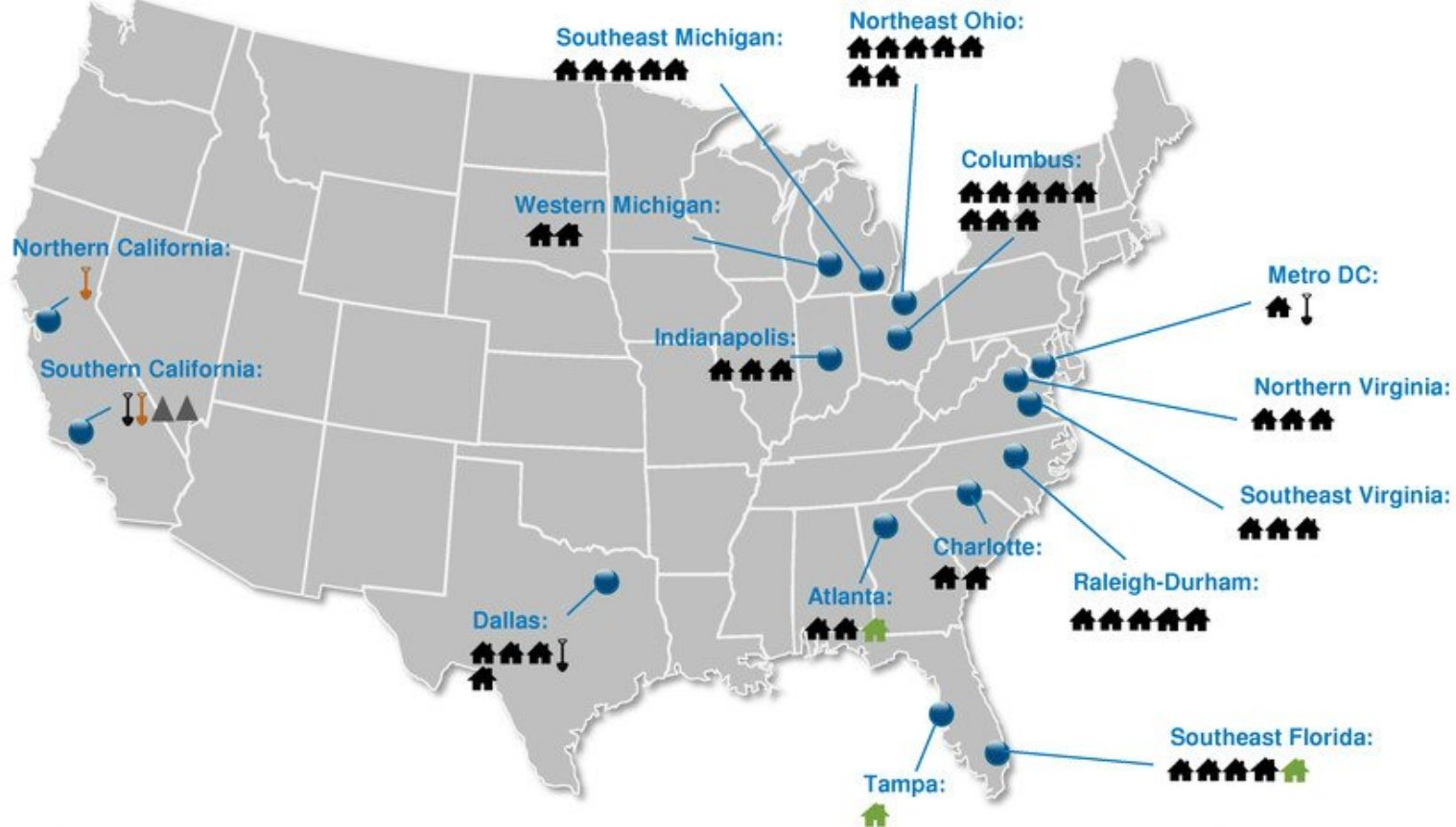
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(\$43.3)	(\$92.5)	\$43.2	(\$16.8)	(\$33.9)	\$254.7	\$105.9	\$95.3	\$122.2	(\$171.3)



Late Stages of a Complete Portfolio Transformation

Diversified Portfolio with High Quality Assets

Properties located in high barrier-to-entry submarkets in major metropolitan areas.



 Stabilized property (49 properties, 12,734 units)	 Wholly owned development project (3 projects, 564 units)
 Committed acquisition (3 properties, 1,026 units)	 JV development project (2 projects, 882 units ⁽¹⁾)
 Land banked (2 projects, 533 units)	

10 Note: As of 1/31/2015
 (1) Units reflect 100% of JV's units

2014 Strategic Dispositions at Attractive Yields

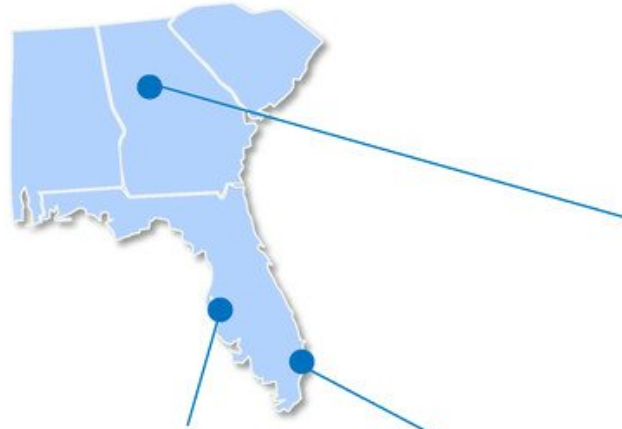
Completed Dispositions

Property	Closed	Location	Units	Age	Sales Price	Market Cap Rate ⁽¹⁾	Unlevered IRR	Gain (GAAP)
Hampton Point	February	Silver Spring, MD	352	28	\$60,000	6.0%	15.3%	\$41,000
Vista Germantown	April	Nashville, TN	242	2	\$53,250	4.5%	19.8%	\$18,800
Reflections	April	Columbia, MD	184	29	\$38,400	5.7%	15.7%	\$27,900
Annen Woods	June	Pikesville, MD	131	27	\$20,500	5.8%	12.7%	\$13,200
Cypress Shores	December	Coconut Creek, FL	300	23	\$44,250	5.4%	12.4%	\$32,400
Total / Average			1,209	22	\$216,400	5.4%	16.2%	\$133,300



Committed Acquisitions: Best-in-Class Portfolio

1,026 units under contract in various stages of development and lease-up



Varela Westshore (350 units)
Tampa, FL (Westshore Submarket)

- Property under contract in Q3 2013; currently 32% leased
- Expected to close Q2 2015, once construction is complete



1160 Hammond (345 units)
Atlanta, GA (Perimeter Submarket)

- Property under contract in Q3 2013; currently 42% leased
- Expected to close Q1 2015, once construction is complete



The Edge at Flagler Village (331 units)
Fort Lauderdale, FL (Downtown Fort Lauderdale)

- Property under contract in Q4 2012; currently 73% leased
- Expected to close in Q1 2016

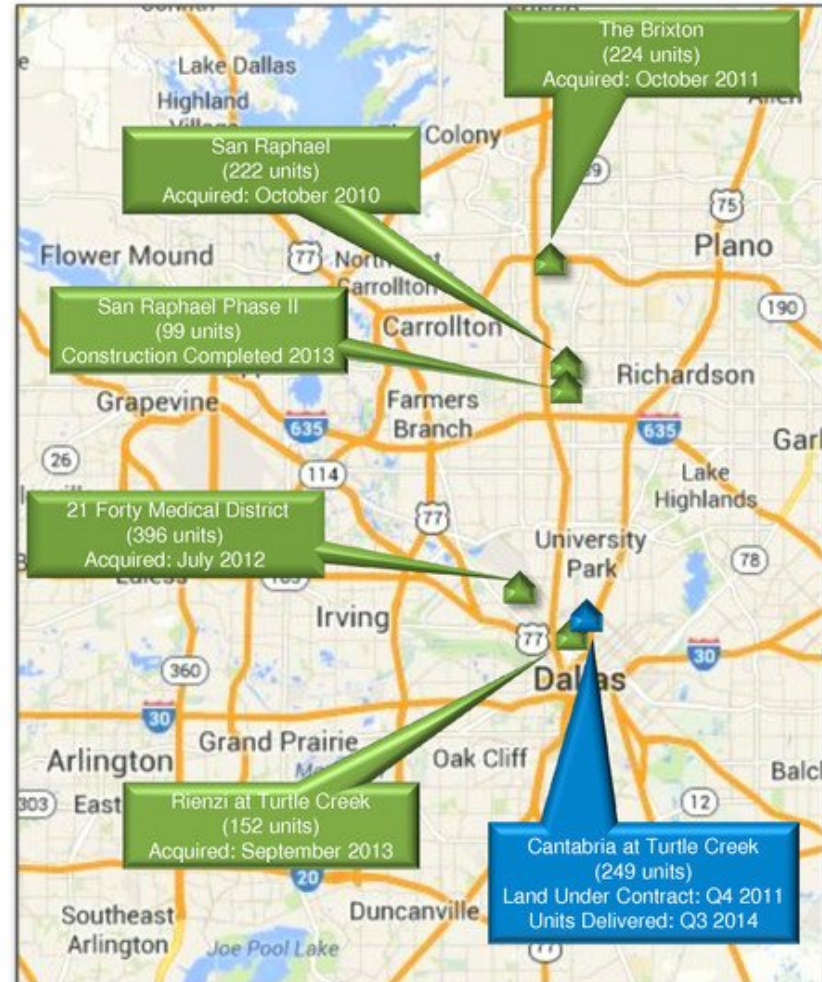


Improving Efficiencies By Creating Scale in Strategic Markets

Raleigh-Durham, North Carolina – 5 Properties / 1,109 Units



Dallas, Texas – 5 Properties / 1,342 Units



■ Operating Property
 ■ Current Development

Class A Portfolio Across All Markets

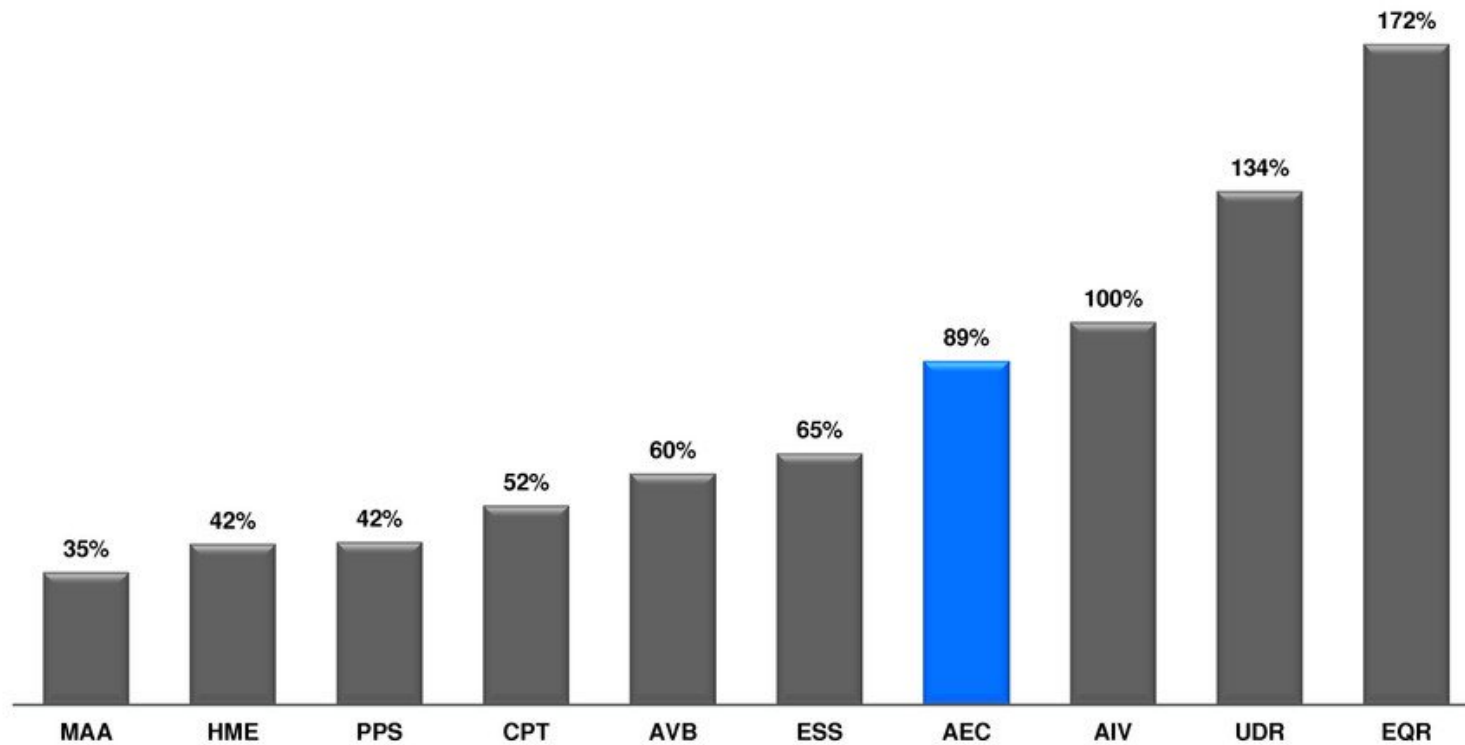
Region	Units	Property Grade	AEC Revenue / Occupied Unit Q4 2014
Indianapolis	836	A- / A	\$994
Central Ohio	1,581	A- / A	\$1,039
Northeast Ohio	1,303	B+ / A-	\$1,243
Southeast Michigan	1,778	B+ / A-	\$1,043
Western Michigan	438	B ⁽¹⁾	\$954
Total Midwest	5,936		\$1,072
Metro DC	250	B / B+	\$2,094
Charlotte	562	A+	\$1,342
Raleigh-Durham	1,109	A+ / A++	\$1,284
Northern Virginia	1,272	B / B+	\$1,648
Southeast Virginia	864	A- / A	\$1,246
Total Mid-Atlantic	4,057		\$1,448
Southeast Florida	1,294	B+	\$1,616
Atlanta	354	A / A+	\$1,210
Total Southeast	1,648		\$1,529
Dallas	1,093	A / A+	\$1,429
Total Southwest	1,093		\$1,429
Total Portfolio	12,734	A- / A	\$1,282



Attractive Same Store Rent / Unit Growth in Multifamily Sector

Associated Estates has achieved above average Rent / Unit growth in the Multifamily sector over the past 10 years.

10 Year Same Store Rent / Unit Growth⁽¹⁾



Associated Estates' Transformation Into a Class A Portfolio

Associated Estates' portfolio transformation will be complete once our development pipeline stabilizes.

Associated Estates only owns 1 property from time of IPO and has disposed of over \$800 million of assets over the past 10 years.

	Portfolio 10 Years Ago ⁽¹⁾	Portfolio 5 Years Ago ⁽¹⁾	Portfolio Today ⁽²⁾	Portfolio in 2 Years ⁽³⁾
Total # of Units	16,903	12,108	12,734	~14,100
Total Revenue / Occupied Unit	\$757	\$935	\$1,282	~\$1,550
Average Occupancy	91.9%	93.5%	94.4%	~95.0%
Portfolio Quality	B- / C+ ⁽⁴⁾	B+ ⁽⁴⁾	A- / A ⁽⁴⁾	A
Operating Margins	53.6%	58.4%	63.6%	~65.0%
Average Age	14	15	15	~14
Top 5 Markets % of NOI				

Source: SEC Filings

(1) Information is as of Q4 2004 and 2009

(2) Information is as of Q4 2014, excludes assets disposed of throughout year

(3) Assumes rent growth of 3.0% per year on SS portfolio, announced acquisitions and dispositions and stabilization of current active development pipeline

(4) Per Green Street Advisors

Experienced Associated Estates Regional Development Team



Cindy Harris

VP of Development - Central

- ❑ Joined Associated Estates in 2012
- ❑ Senior Project Manager at Huffines Communities from February 2011 until 2012
- ❑ VP of Development at Post Properties and Columbus Realty Trust from February 1994 until June 2003
- ❑ More than 30 years of property management and development experience



Kevin Hampton

VP of Development - West

- ❑ Joined Associated Estates in 2013
- ❑ VP of Development at Western National Realty Advisors from 2003 until 2013
- ❑ Senior VP and Executive Director at Ameriton Properties, subsidiary of Archstone Communities, from 1996 - 2000
- ❑ More than 26 years of multifamily and construction experience



Frank Poli

VP of Development - East

- ❑ Joined Associated Estates in 2012
- ❑ VP of Development at Keating Partners from 2004 until 2012
- ❑ Senior VP of Development at Charles E. Smith (acquired by Archstone) from 1997 - 2004
- ❑ 36 years of residential and commercial project development and management experience



Tony Duplisse

VP of Acquisitions and Development

- ❑ Joined Associated Estates in 2014
- ❑ Senior VP of Asset Management and of Investments for Equity Residential from 1998 and 2008, respectively, until 2014
- ❑ 24 years of property management, acquisitions and development experience

Market Leading Value Creation Through Development

Stabilized yield on current developments is 6.75%, which is 260 bps higher than current market cap rates.

Active Development	# of Units	Estimated Stabilized Date	Stabilized Rent per Square Foot	Total Estimated Cost ⁽¹⁾	Market Cap Rate ⁽²⁾	Estimated Stabilized Yield	Spread
Cantabria at Turtle Creek Dallas, TX	249	Q2 2015	\$2.27	\$56,800	4.50%	7.19%	2.69%
7001 Arlington at Bethesda Bethesda, MD	140	Q3 2015	\$3.48	\$53,400	4.25%	7.20%	2.95%
The Desmond on Wilshire Los Angeles, CA	175	Q1 2016	\$4.02	\$76,300	4.00%	6.30%	2.30%
350 8 th (50/50 JV) San Francisco, CA	410 ⁽³⁾	Q1 2017	\$4.50	\$122,500 ⁽⁴⁾	4.00%	6.60%	2.60%
950 East Third (50/50 JV) Los Angeles, CA	472 ⁽³⁾	Q4 2017	\$3.22	\$82,000 ⁽⁴⁾	4.25%	6.80%	2.55%
Total	1,446		\$3.68	\$391,000	4.15%	6.75%	2.60%

(1) \$'s in thousands

(2) Assumes 3% management fee

(3) Units reflect 100% of JV's units

(4) Total estimated cost is based on Associated Estates portion of the unconsolidated joint venture

Well Endorsed JV Development Pipeline

Associated Estates has received the endorsement of a leading institutional partner for our exciting development project at 350 8th in San Francisco.



350 8th (410 units)
San Francisco, CA

- Off-market purchase in the South of Market “SoMa” submarket
- Formed a 50/50 joint venture with AIG Global Real Estate
- Development agreement with 4Terra Investments, who formerly led Archstone’s west coast development efforts



950 East Third (472 units)
Los Angeles, CA

- Off-market purchase in the Arts District of Downtown Los Angeles
- Formed a 50/50 joint venture with Legendary Development

Delivering Strong Value from Our Development Pipeline

Cantabria at Turtle Creek (249 units)

Dallas, TX

- Total Estimated Cost: \$56.8 million
- Cost Per Unit: \$228,000
- Stabilized Rent per Unit: \$2,286



7001 Arlington at Bethesda (140 units)

Bethesda, MD

- Total Estimated Cost: \$53.4 million
- Cost Per Unit: \$381,000
- Stabilized Rent per Unit: \$2,781



The Desmond on Wilshire (175 units)

Los Angeles, CA

- Total Estimated Cost: \$76.3 million
- Cost Per Unit: \$436,000
- Stabilized Rent per Unit: \$3,338



A Fully Funded Active Development Platform

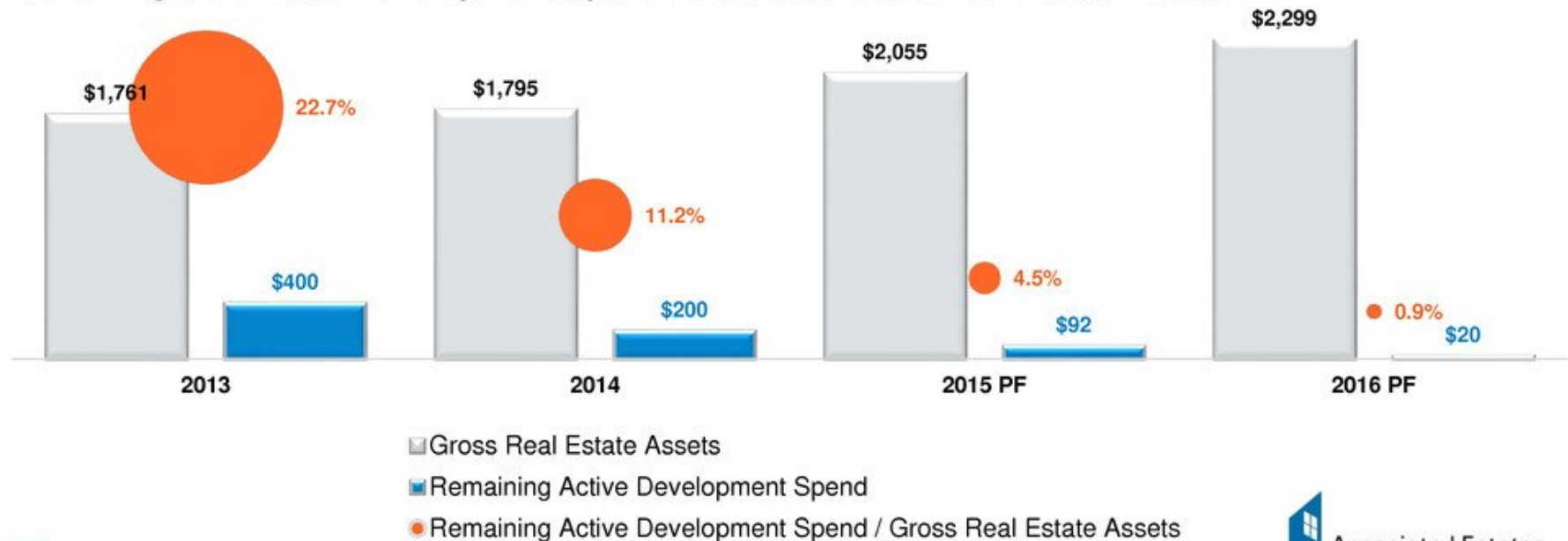
Associated Estates' active development pipeline will be funded via in-place construction loans and strategic asset dispositions.

Sources & Uses

Sources	
Construction Loan Draws	\$150
Forecasted Dispositions	\$50
Total Sources	\$200

Uses	
Remaining Development Spend	\$200
Total Uses	\$200

Remaining Committed Development Spend Relative to Gross Real Estate Assets⁽¹⁾





Corporate Governance Enhancements

Corporate Governance Enhancements

- Appointment of Douglas Crocker, former CEO of Equity Residential, as Independent Director and Chair of the Finance and Planning Committee
 - The Business Review will be headed by Douglas Crocker
- Appointment of Jon Fosheim, co-founder of Green Street Advisors, as Independent Director
 - Jon Fosheim joined the Finance and Planning Committee
- Jeff Friedman stepped down as a member of the Finance and Planning Committee, which is now comprised entirely of independent directors
- Plan to add additional Independent Director in 2015 and request shareholder approval to expand Board of Directors to eight members

"Our detailed work analyzing each of the activist's claims leads us to the view that with the recent corporate governance changes, keeping the current management and Board in place is likely to be the best scenario for maximizing shareholder value over time."

– MLV & Co.
January 6, 2015

"Management has improved corporate governance and allowed the stock to trade closer to if not above NAV."

– Compass Point
December 29, 2014

Corporate Governance Enhancements

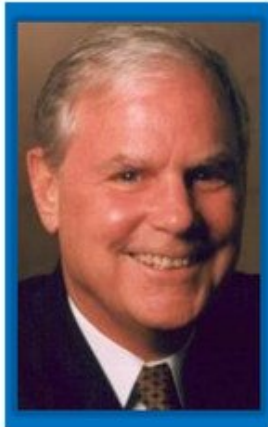
- The Associated Estates Board of Directors has approved the following actions to further enhance the Company's governance standards:
 - Eliminated the Executive Committee of the Board, which the Company has used in the past to declare dividends in between regular meetings of the Board of Directors
 - Terminated the shareholder rights plan
 - Recommending shareholder approval at the 2015 Annual Meeting of Shareholders to eliminate the Company's 4.0% common share ownership limit
- Additional actions that have further enhanced the Company's governance standards:
 - Added a "clawback" provision to the equity based award plan
 - Added a "double trigger" change-in-control feature to the equity based award plan
 - Eliminated the evergreen provision and the tax gross up provision in the CEO's contract
 - Adopted robust minimum share ownership requirements for Directors and Section 16 officers
 - Modified the Directors' deferred compensation plan to facilitate payment of deferred compensation (including cash) and related earnings in shares upon distribution
 - Reduced the cash retainer portion and increased the equity based component of Directors' compensation
 - Increased the percentage of independent directors to 86% (100% of non-employee directors), each of whom is elected annually

Highly Qualified and Experienced Board of Directors

The Board of Directors and Management continue to work together to build long-term value for shareholders with 3 Directors joining since 2012.

<p>Douglas Crocker II <i>Finance & Planning Chairman</i> <i>Joined Board in 2014</i></p>	<ul style="list-style-type: none"> • Currently serves as a Director / Trustee for Acadia Realty Trust, Ventas, Inc., and CYS Investments, Inc. • Former Director of Post Properties • Former Vice Chairman and CEO of Equity Residential
<p>Jon A. Fosheim <i>Joined Board in 2015</i></p>	<ul style="list-style-type: none"> • Co-founder and Principal of Green Street Advisors from 1985 to 2005 • CEO of Oak Hill REIT Management from 2005 to 2011 • Formerly worked at Bear Stearns & Co. and Touche Ross and Co. (now Deloitte LLP)
<p>Jeffrey I. Friedman <i>Chairman, President & CEO</i> <i>Joined Board in 1993</i></p>	<ul style="list-style-type: none"> • Chairman, President and CEO of Associated Estates • Ernst & Young "Entrepreneur of the Year" in 2011 • Has served as Chairman and CEO since 1993
<p>Michael E. Gibbons <i>Joined Board in 2004</i></p>	<ul style="list-style-type: none"> • Senior Managing Director and Principal, Brown Gibbons Lang & Co. L.P. • Former President and CEO of Underwood, Neuhaus & Company, and SVP of McDonald & Company Securities • Instrumental in the development of a new long term strategic plan which has helped the Company obtain investment grade ratings
<p>James J. Sanfilippo <i>Audit Committee Chairman</i> <i>Joined Board in 2012</i></p>	<ul style="list-style-type: none"> • Retired Managing Partner, Grant Thornton LLP • Served as Office Managing Partner for Grant Thornton LLP, Cleveland, Ohio from 1988 to 2007 • Sarbanes Oxley 404 compliance expert
<p>James A. Schoff <i>Nominating & Corporate Governance</i> <i>Chairman</i> <i>Joined Board in 2006</i></p>	<ul style="list-style-type: none"> • Former DDR senior executive, roles included Special Advisor to the Chairman, EVP & COO, Vice Chairman & CIO • Serves on the board of Quasar Energy Group • Former Board member and Audit Committee member of American Industrial Properties REIT
<p>Richard T. Schwarz <i>Lead Independent Director</i> <i>Executive Compensation Chairman</i> <i>Joined Board in 1994</i></p>	<ul style="list-style-type: none"> • Limited Partner of Edgewater Capital Partners since 2003 • Former Director and President of Laurel Industries and co-founder of Sycamore Partners LLC • Served on more than 10 Board of Directors including previous terms as Chairman of the Board for Nine Sigma and Director for Enpath

Addition of Douglas Crocker to Associated Estates' Board of Directors



- Currently serves as a Director / Trustee for the following companies: Acadia Realty Trust (NYSE: AKR), Ventas, Inc. (NYSE: VTR), and CYS Investments, Inc. (NYSE: CYS)
- Former Director of Post Properties
- Previously, Mr. Crocker was Vice Chairman of Equity Residential ("EQR"), and served as its CEO from 1992 to 2003
 - EQR under Mr. Crocker outperformed the SNL US REIT Equity Index by 2.0x
- Prior to EQR, Mr. Crocker was Managing Director of Real Estate Finance at Prudential Securities, CEO of McKinley Financial Group and President of American Invesco
- Harvard College graduate

"Doug's leadership, vision and drive have made Equity Residential the paradigm of the multifamily industry."

– Sam Zell, Chairman of Equity Residential
February 1, 2003

Douglas Crocker Total Return Track Record

As CEO of EQR

(1993 – 2002)



As Director of Ventas

(1998 – Current)



As Director of Acadia

(2003 – Current)



Addition of Jon Fosheim to Associated Estates' Board of Directors

The appointment of Jon Fosheim to Associated Estates' Board of Directors adds a REIT industry veteran that we believe will enhance Associated Estates' operations going forward.



- Currently serves on the Board of Directors of Apple Hospitality REIT as of January 2015
- CEO of Oak Hill REIT Management, an investment firm specializing in REIT investments, from 2005 to 2011
- Co-founder and Principal of Green Street Advisors, an industry leader in real estate and REIT research, from 1985 to 2005
- Prior to founding Green Street Advisors, Mr. Fosheim worked at Bear Stearns & Co. and Touche Ross and Co. (now Deloitte LLP)
- Received his BA, MBA and JD degrees from the University of South Dakota

"Associated Estates has an impressive portfolio of diversified properties and a strong development team with an exciting opportunity to deliver value to its investors. I look forward to working together with the entire Board and management team and talking directly to the Company's shareholders about how we can further strengthen the Company and deliver superior value to shareholders."

– Jon Fosheim
February 19, 2015



Alexander at Ghent – Norfolk, VA
268 Units

Undergoing Thorough Review of the Business

Associated Estates is Undertaking a Thorough Business Review With Citigroup

- The Company has engaged Citigroup Global Markets Inc. as a financial advisor to assist the Board in conducting a thorough review of the Company's business
 - Mr. Crocker, in his capacity as Chairman of the fully independent Finance and Planning Committee of the Board, has been tasked with overseeing this review of the Company's strategy, portfolio and business

"As we begin our review with the help of our financial advisors, our intention is to analyze the Company's strategy, assets and opportunities to optimize shareholder value. We will continue to develop and refine our business plan with a singular focus on maximizing value for all Associated Estates shareholders, and I am confident we will achieve our objective."

– Douglas Crocker
December 29, 2014

"While our review of the Company's assets, operations and business strategy is ongoing, I am confident that, together with the Company's financial advisors and other committee members, we will successfully determine the best path forward for the Company. I am taking a very objective and dispassionate approach to this review, and I want to assure shareholders that everything is on the table.

The Board's only objective is to continue to do what's right for all shareholders. We look forward to updating you on all of our progress in the months ahead. I plan to be actively engaged in discussions with shareholders, and I look forward to meeting those investors in Associated Estates whom I do not already know."

– Douglas Crocker
February 3, 2015

Associated Estates: Focused on Shareholder Returns

**Leading Multifamily
REIT with Demonstrated
Performance**

**Late Stages of a
Complete Portfolio
Transformation**

**Corporate Governance
Enhancements**

**Undergoing Thorough
Review of the Business**



**Attractive Total
Shareholder
Returns**



The Truth About Land & Buildings

Shifting Land & Buildings Requests

"L&B's suggested 10% Blue Chip premium is far from obtainable in the foreseeable future."

- Green Street Advisors
January 28, 2015

"First, we believe that Associated Estates is not as mismanaged as purported. While there are certainly items of concern, the portfolio quality has been improved, the balance sheet strengthened, and core performance has been "reasonable" given market exposure and cyclical trends. Second, we believe the activist investor's subjective portfolio value estimate to be inflated."

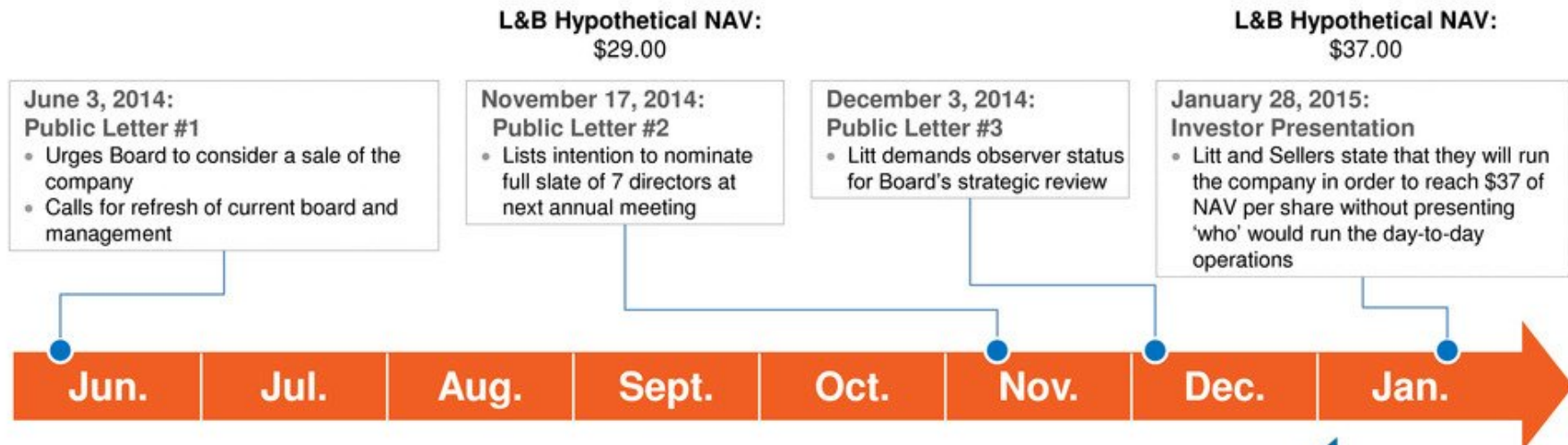
- Cantor Fitzgerald
February 3, 2015

"In our view, the 900bps of NOI recapture seems aggressive given that AEC's net rents are already ~10% above market and the company's NOI margin is 2% below coastal peers."

- Sandler O'Neill
January 29, 2015

"We doubt the AEC portfolio can generate the NOI needed to support Litt's lofty valuation estimates (current NAV of \$31/sh; fair value with Litt's board nominees \$37/sh)."

- Jefferies
February 3, 2015



Associated Estates: Committed to Good Governance and A Fair Settlement

- Associated Estates has made numerous good-faith attempts at a settlement agreement
- Land & Buildings continues to mislead shareholders by contending that Associated Estates is unwilling to reach a settlement agreement

Land & Buildings Myths

"Land and Buildings is disappointed that AEC is unwilling to consider adding to its Board any of the seven highly qualified nominees that Land and Buildings intends to nominate."

- Land & Buildings Press Release
February 9, 2015

Associated Estates Facts

"...The Company indicated its willingness to have two of Land and Buildings' director nominees join the Board and participate in the business review."

- Associated Estates Press Release
December 29, 2014

"I want to again convey to you that we are willing to have two of Land and Buildings' director nominees - specifically, Charles M. Elson and Gregory F. Hughes - join the Associated Estates Board – which is consistent with what you suggested when we met this past Sunday (2/8/2015)."

- Associated Estates letter to Land & Buildings
February 11, 2015
(filed 2/19/2015)

Associated Estates Has Always Been – and Remains – Open to a Fair Settlement Agreement.

Setting the Record Straight – The Edge at Flagler Village

Despite the misleading characterization of Land & Buildings, Associated Estates does not currently own The Edge at Flagler Village and the property is not on LRO.

- Associated Estates began managing the property in April 2014 but the current owner still exercises full control over most of the decisions that significantly impact the economics of the entity, including the setting of rents
- Associated Estates does not currently derive any FFO from this property apart from property management fees
- Associated Estates is recognizing any concessions in the month given versus amortizing it over the life of the lease, thus having no impact on Associated Estates' cash flow upon closing



A minimum level of due diligence on the property would indicate who owns the property and who has control rights.

Upgrading of Doral West Property Almost Complete

Associated Estates' Doral West property in South Florida is undergoing an extensive renovation to upgrade the interior and exterior of the property.

- Associated Estates acquired Doral West in July 2013 as a rehab opportunity with plans to upgrade all units as well as a complete exterior renovation; 35% of the property units were renovated at the time of close
- The exterior renovations, including full exterior paint and landscaping upgrades, were completed on 1/23/2015 and anticipate completing all unit renovations by the end of Q1 2015
- Two weeks prior to Land & Buildings' presentation on 1/28/2015, all signage had been replaced at Doral West as part of the exterior renovation

Photos Taken During Renovation Process⁽¹⁾



New Signage Throughout the Property Now Located on Buildings



Market-Leading Properties in Southeast Florida

Independent, third-party company confirms that Associated Estates' operating metrics are ahead of their market comparables.

Vista Lago



"When looking at both property level and floor plan level views, Vista Lago appears to be priced competitively and appropriately."

- Axiometrics

Waterstone at Wellington



"The fact that the Waterstone at Wellington has been able to maintain a high occupancy level while achieving strong rent growth suggests that, at this point in time, the subject is outperforming the comp set."

- Axiometrics

Windsor Pines



"With high rent growth and occupancy above 95%, Windsor Pines is outperforming its comp set."

- Axiometrics

	Vista Lago	Comps ⁽¹⁾
Year Built	2002	2006
Effective Rent (psf)	\$1.16	\$1.18
Annual Effective Rent Growth	8.9%	5.3%
Occupancy	96.8%	94.3%
Occupancy Change (2/14-2/15)	(1.2%)	(1.9%)

	Waterstone at Wellington	Comps ⁽¹⁾
Year Built	1998	2004
Effective Rent (psf)	\$1.28	\$1.25
Annual Effective Rent Growth	11.4%	9.8%
Occupancy	96.9%	96.3%
Occupancy Change (2/14-2/15)	(1.1%)	(1.0%)

	Windsor Pines	Comps ⁽¹⁾
Year Built	1998	2005
Effective Rent (psf)	\$1.41	\$1.46
Annual Effective Rent Growth	7.2%	2.9%
Occupancy	95.9%	95.0%
Occupancy Change (2/14-2/15)	(0.6%)	(1.5%)

Relative Performance – EQR Outperformed Archstone

Total Return Performance (1997 – 2002)

Overlapping Time Period When Douglas Crocker and Scot Sellers were CEOs of EQR and ASN, respectively



Relative Performance – EQR Outperformed Gables As Well As Archstone

Total Return Performance (1997 – April 1999)

Overlapping Time Period When Douglas Crocker, Scot Sellers and Marcus Bromley were CEOs of EQR, ASN and GBP respectively

EQR outperformed ASN by over 15% and GBP by over 20%



Executive Summary

Leading Multifamily REIT with Demonstrated Performance

- ❑ Management team and Board of Directors have delivered ~195% total return to shareholders as compared to ~138% average for the Multifamily sector and ~98% for the RMS over the last ten years⁽¹⁾
- ❑ Sustained NOI growth through Financial Crisis and has achieved NOI growth in line with peers since 2010

Late Stages of a Complete Portfolio Transformation

- ❑ Efficiently recycling capital to fund acquisitions and developments
- ❑ Developing to very attractive market yields with a pipeline of ~1,500 units
 - ❑ Two joint ventures with institutional investors reduce capital outlay and mitigate risk
- ❑ Building critical mass in strategic markets
- ❑ Average property age is 15 years, second youngest multifamily portfolio⁽²⁾

Corporate Governance Enhancements

- ❑ Douglas Crocker, former CEO of EQR joined the Associated Estates Board of Directors in December 2014 and heads the Finance and Planning Committee
- ❑ Jon Fosheim, Co-Founder and former Principal of Green Street Advisors, joined the Associated Estates Board of Directors in February 2015
- ❑ Associated Estates will seek approval from shareholders of various proposals to further enhance the Company's corporate governance during the Annual Shareholders Meeting

Undergoing Thorough Review of the Business

- ❑ With the assistance of Citigroup, Associated Estates is currently conducting a thorough review of the Company's assets, operations and business strategy led by a fully independent Finance and Planning Committee
- ❑ Sole focus of business review is to optimize shareholder value – “No options off the table”
- ❑ Associated Estates expects to update the market regarding the business review in advance of the Annual Shareholder Meeting

Source: SNL Financial

(1) Measured from 1/1/2005 to 5/30/2014

(2) Per Green Street Advisors Residential Sector Update, 11/26/2014



AssociatedEstates.com

