



SECOND QUARTER 2014

Supplemental Operating & Financial Data



Starwood Waypoint Residential Trust ("SWAY") acquires, renovates, leases, maintains and manages single family homes. We also invest in non-performing loans to supplement growth and seek optimal resolutions for each loan.

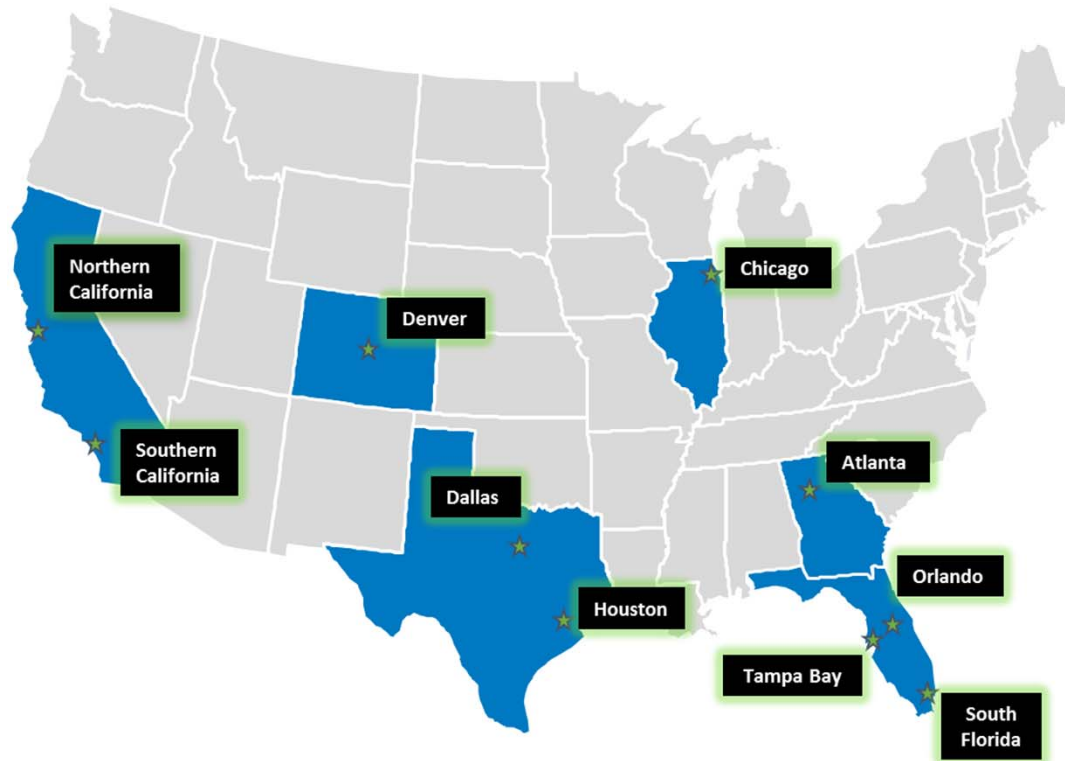
Our mission is to reinvent the home rental experience by providing quality homes, great service and rewarding lease programs that offer valuable benefits to our residents while generating attractive returns for our investors.

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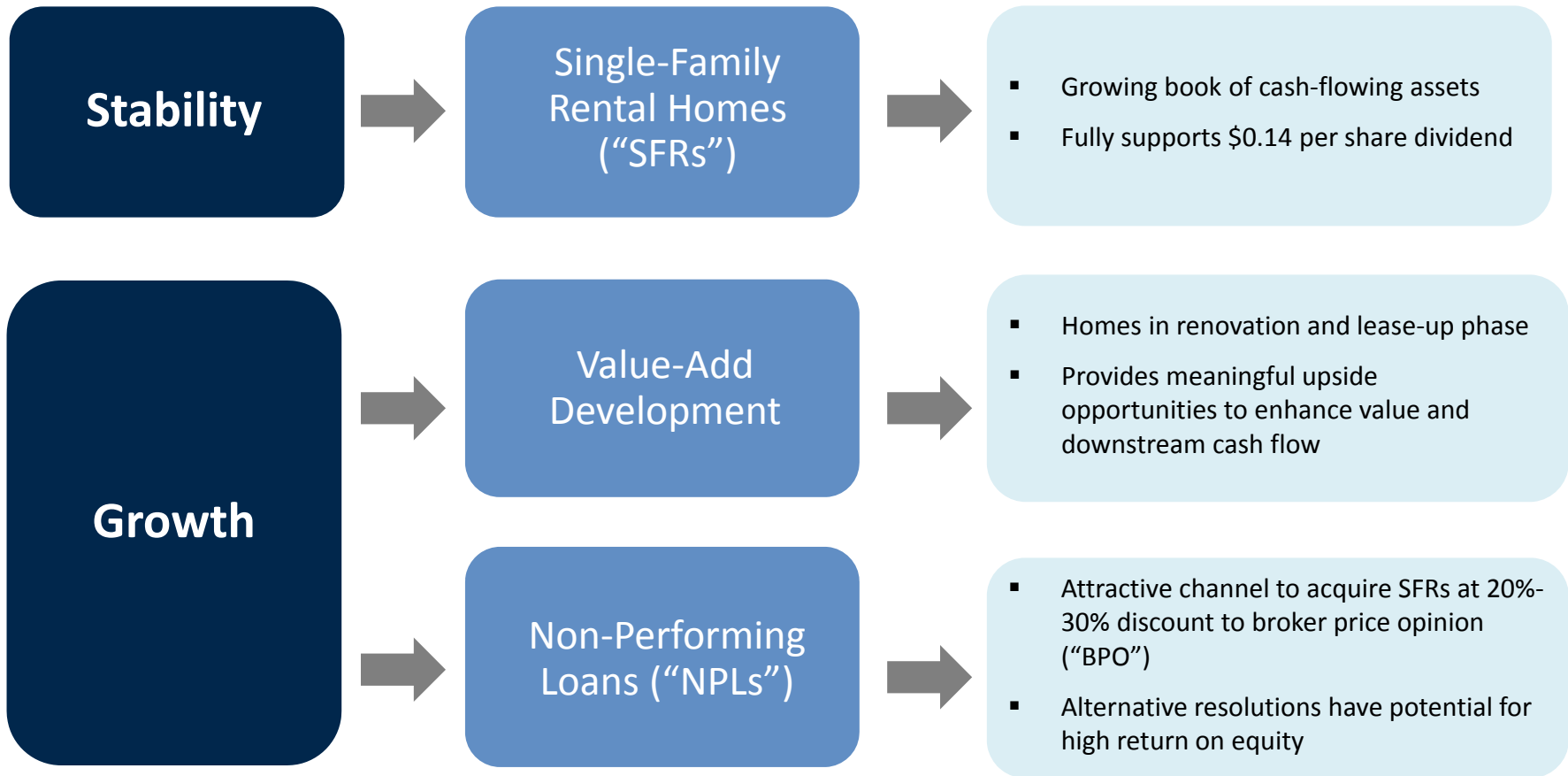
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Attractive Markets for Growth



- 9,122 Single-Family Rental Homes
- 3,080 Non-Performing Loans
- Ten Core Markets for Growth
- Highly Focused on Target Neighborhoods
- Experienced Management Team
- Proven Vertically-Integrated Operating Platform

Hybrid Business Model



Stable cash flow from a growing SFR portfolio and income generated from our NPL business supports our Board’s approval of an initial dividend.

Portfolio Overview



SWAY has a high quality and diverse portfolio of SFRs and NPLs

SFRs (77% of portfolio)⁽¹⁾

Number of Homes ⁽²⁾	9,122
Aggregate Investment (\$mm) ⁽⁴⁾	\$1,345
Aggregate Investment per Home ⁽⁴⁾	\$147,434
Average Monthly Rent per Leased Home ⁽⁵⁾	\$1,416
Percent of Total Homes That Are Leased (%)	77.5%
Percent of Homes Owned 180 Days or Longer That Are Leased (%) ⁽⁷⁾	94.9%
Percent of 90+ Days Rent Ready Homes That Are Leased (%) ⁽⁷⁾	98.8%

NPLs (23% of portfolio)⁽¹⁾

Number of Loans ⁽³⁾	3,080
Total Purchase Price (\$mm)	\$397.0
Total Unpaid Principal Balance ("UPB") (\$mm)	\$681.7
Total BPO (\$mm)	\$635.3
Weighted Average Loan-to-Value ("LTV") ⁽⁶⁾	135.8%
Purchase Price as a Percentage of UPB	58.2%
Purchase Price as a Percentage of BPO	62.5%

Note: As of June 30, 2014.

- (1) Based on aggregate investment for SFRs and purchase price for NPLs.
- (2) Excludes 285 homes that we did not intend to hold for the long term.
- (3) Excludes 277 unsecured, second and third liens with an aggregate purchase price of \$1.9 million.
- (4) Includes acquisition costs and actual and estimated upfront renovation costs. Actual renovation costs may exceed estimated renovation costs, and we may acquire homes in the future with different characteristics that result in higher renovation costs.
- (5) Represents average monthly contractual cash rent as of June 30, 2014. Average monthly cash rent is presented before rent concession and credits ("Waypoints"). To date, rent concessions and Waypoints have been utilized on a limited basis and have not had a significant impact on our average monthly rent. If the use of rent concessions and Waypoints or other leasing incentives increases in the future, they may have a greater impact by reducing the average monthly rent we receive from leased homes.
- (6) Weighted average LTV is based on the ratio of UPB to BPO weighted by UPB as of the respective acquisition dates.
- (7) References to "rent ready homes" refer to homes that have both completed renovations and been deemed, pursuant to an inspection from one of our agents, to be in a condition to be rented. Our policy is to have the agent perform this inspection promptly after the renovations have been completed.

Q2 Highlights and Recent Developments⁽¹⁾

Positive Results

- Achieved positive Q2 Core Funds from Operations (“FFO”) of \$3.0 million or \$0.08 per share, an \$8.5 million or \$0.22 per share increase over reported Q1
- SWAY Board approves initial dividend of \$0.14 per share
- Achieved stabilized net operating income (“NOI”) margin of 65.1%

Expanded Capacity

- Upsized our two credit facilities by a total of \$650 million in Q2
- Raised \$230 million in gross proceeds from convertible note offering (July)
- Total financing capacity now \$1.73 billion with convertible debt as of July 2014

Portfolio Growth

- Increased SFR portfolio by 27% to 9,122 homes
- Acquired a \$117 million portfolio of 1,441 NPLs at 68.2% of BPO
- Purchased 1,294 NPLs in August for \$202 million at 72.2% of BPO
- Estimated Net Asset Value (“NAV”) per share increased to \$31.84; book value per share of \$27.97 as of June 30, 2014

Leasing Momentum

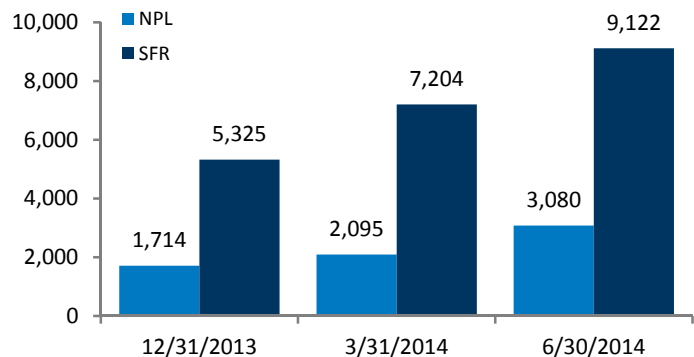
- 180-Day Owned Portfolio: 94.9% up from 90.4% in Q1
- 90-Day Rent-Ready Portfolio: 98.8% up from 96.3% in Q1
- Portfolio-wide lease percentage: 77.5% up from 76.6% in Q1
- Grew SFR revenue 74% quarter-over-quarter

(1) Core FFO, NOI and Estimated NAV are non-GAAP measures. For a definition of these non-GAAP measures, please refer to pages 18 and 19.

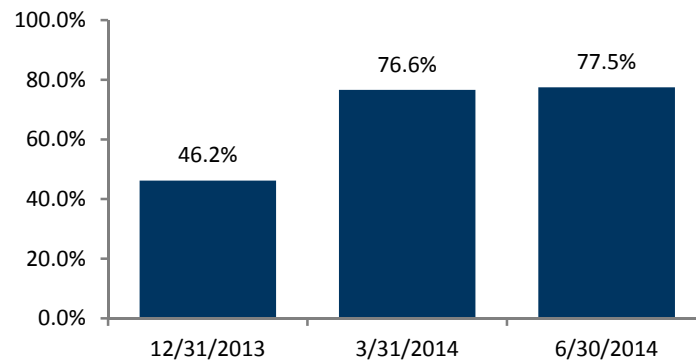
Robust Growth, Well Executed



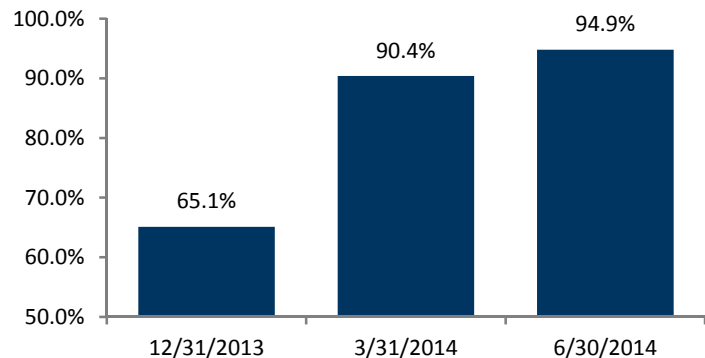
Total SFRs and NPLs^{(1),(2)}



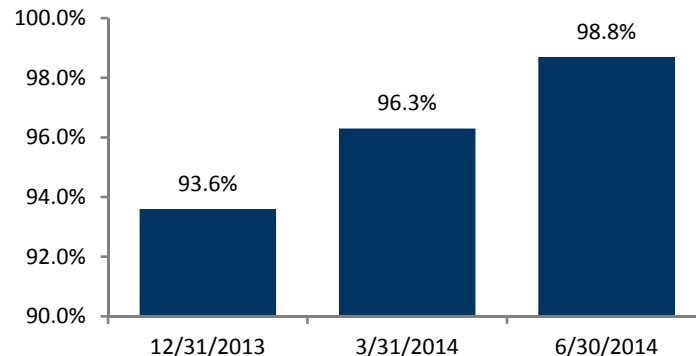
% Leased: Total Rental Portfolio



% Leased: Homes Owned 180 Days or Longer



% Leased: Homes 90 Days Past Rent Ready



(1) Excludes 285, 154, and 146 homes that we did not intend to hold for the long term as of June 30, 2014, March 30, 2014 and December 31, 2013, respectively.

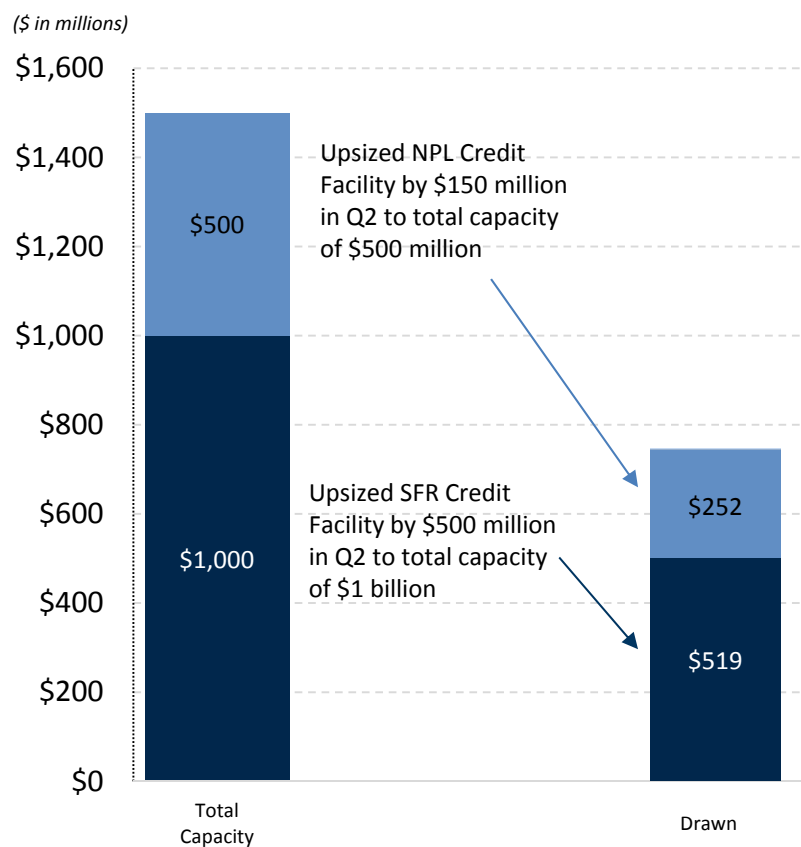
(2) Excludes 277 unsecured, second and third liens as of June 30, 2014.

Financing Overview

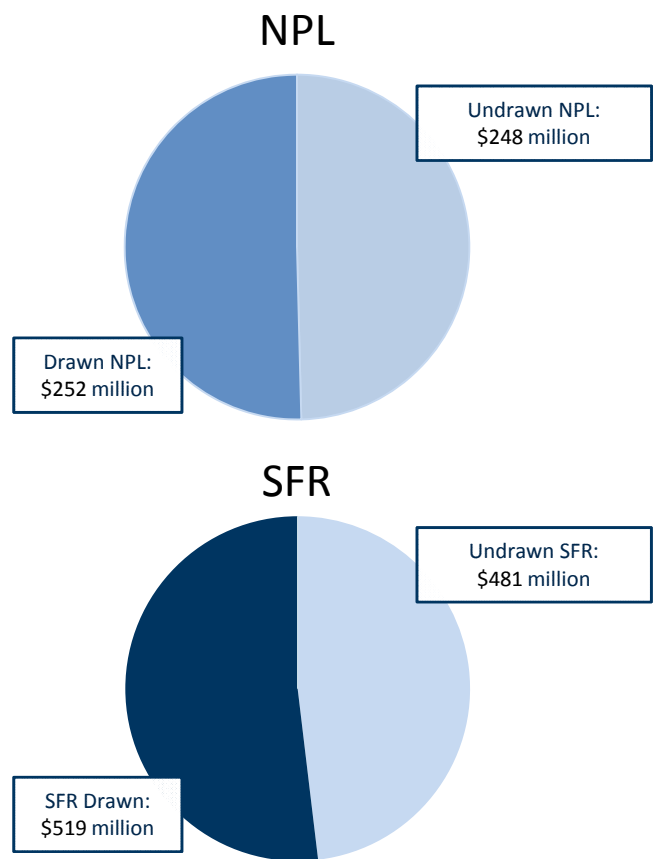


Added \$650 million of capacity, with \$729 million undrawn as of June 30, 2014

2014 Financing Activity⁽¹⁾



Capacity⁽¹⁾



(1) As of June 30, 2014.

Selected Financial & Other Information



(\$ in thousands, except share and per share data)	Three Months Ended	Six Months Ended	
	June 30, 2014 (unaudited)	June 30, 2014 (unaudited)	
Total revenues	\$ 34,332	\$ 55,833	
Net loss attributable to common shareholders	\$ (12,116)	\$ (27,424)	
Core FFO ⁽¹⁾	\$ 2,978	\$ (2,734)	
Per common share - diluted			
Net earnings attributable to common shareholders	\$ (0.31)	\$ (0.70)	
Core FFO ⁽¹⁾	\$ 0.08	\$ (0.07)	
Weighted Average Shares Outstanding, Basic and Diluted	39,079,365	39,091,796	
Stabilized Portfolio NOI Margin ⁽²⁾	65.1%	62.3%	
Leased Home Portfolio NOI Margin ⁽²⁾	66.0%	63.9%	
	As of		
	June 30, 2014	March 31, 2014	December 31, 2013
Home Count:			
Stabilized homes ⁽³⁾	7,076	5,142	2,666
Non-stabilized homes	2,046	2,062	2,659
Total Homes ⁽⁴⁾	9,122	7,204	5,325
Leased Percentages			
Stabilized homes ⁽⁵⁾	95.0%	96.4%	91.6%
Homes 90 days past rent ready	98.8%	96.3%	93.6%
Homes owned 180 days or longer	94.9%	90.4%	65.1%
Total rental portfolio ⁽⁴⁾	77.5%	76.6%	46.2%

(1) Please refer to page 18 for a definition of Core FFO. Core FFO is a non-generally accepted accounting principle ("GAAP") measure. For a reconciliation of Core FFO to net loss attributable to common shareholders determined in accordance with GAAP, please refer to page 10.

(2) Stabilized portfolio NOI margin and Leased home portfolio NOI are non-GAAP measures. For a reconciliation of stabilized portfolio NOI margin and leased home portfolio NOI to net loss attributable to common shareholders determined in accordance with GAAP, please refer to page 19.

(3) Please refer to page 18 for a definition of stabilized homes.

(4) Excludes 285, 154, and 146 homes that we did not intend to hold for the long term as of June 30, 2014, March 30, 2014 and December 31, 2013, respectively.

(5) SWAY targets leased percentages on stabilized homes to be in the range of 94% to 96%.

Consolidated Balance Sheets



<i>(\$ in thousands)</i>	As of	
	June 30, 2014 <i>(unaudited)</i>	December 31, 2013
ASSETS		
Investments in real estate		
Land	\$ 272,610	\$ 140,076
Building and improvements	1,170,016	604,839
Total investment in properties	1,442,626	744,915
Less: accumulated depreciation	(17,525)	(5,730)
Investment in real estate properties, net	1,425,101	739,185
Real estate held for sale, net	13,383	10,168
Total investments in real estate, net	1,438,484	749,353
Non-performing loans	178,311	214,965
Non-performing loans (fair value option)	218,797	-
Resident and other receivables, net	8,029	1,261
Cash and cash equivalents	17,151	44,613
Restricted cash	35,261	3,331
Deferred financing costs, net	13,318	-
Other assets	22,709	4,885
Total assets	\$ 1,932,060	\$ 1,018,408
LIABILITIES AND EQUITY		
Liabilities:		
Credit facilities	\$ 770,541	\$ -
Accounts payable and accrued expenses	58,199	22,434
Resident security deposits and prepaid rent	11,742	3,918
Total liabilities	840,482	26,352
Equity:		
Shareholders' equity:		
Common shares, at par	391	-
Additional paid-in capital	1,117,026	1,018,267
Accumulated deficit	(26,503)	(27,848)
Total shareholders' equity	1,090,914	990,419
Non-controlling interests	664	1,637
Total equity	1,091,578	992,056
Total liabilities and equity	\$ 1,932,060	\$ 1,018,408

Consolidated Statements of Operations

(\$ in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(unaudited)		(unaudited)	
Revenues:				
Rental revenues	\$ 23,602	\$ 2,889	\$ 37,367	\$ 4,013
Other property revenues	890	64	1,369	105
Realized gain on non-performing loans, net	3,357	1,114	5,200	1,473
Realized gain on loan conversions, net	6,483	-	11,897	-
Total revenues	34,332	4,067	55,833	5,591
Expenses:				
Property operating and maintenance	7,791	1,161	13,823	1,711
Real estate taxes and insurance	4,468	720	7,611	1,343
Mortgage loan servicing costs	5,139	2,378	10,021	2,378
Non-performing loan management fees and expenses	1,871	1,575	4,286	2,425
General and administrative	4,444	3,834	9,814	5,645
Share-based compensation	2,130	-	2,459	-
Investment management fees	3,993	-	6,750	-
Separation costs	-	-	3,543	-
Acquisition fees expensed and property management engagement costs	186	290	447	588
Interest expense, including amortization	5,191	-	6,691	-
Depreciation and amortization	7,243	767	12,716	1,424
Finance related expenses and write-off of loan costs	5,441	-	5,441	-
Impairment of real estate	1,233	192	2,067	247
Total expenses	49,130	10,917	85,669	15,761
Loss before other income, income tax expense and non-controlling interests	(14,798)	(6,850)	(29,836)	(10,170)
Other income (expense)				
Realized (loss) gain on sales of investments in real estate, net	(56)	578	(201)	665
Unrealized gain on non-performing loans, net	3,641	-	3,641	-
Loss on derivative financial instruments, net	(470)	-	(470)	-
Total other income (expense)	3,115	578	2,970	665
Loss before income tax expense and non-controlling interests	(11,683)	(6,272)	(26,866)	(9,505)
Income tax expense	350	46	485	208
Net loss	(12,033)	(6,318)	(27,351)	(9,713)
Net (income) loss attributable to non-controlling interests	(83)	10	(73)	16
Net loss attributable to common shareholders	\$ (12,116)	\$ (6,308)	\$ (27,424)	\$ (9,697)
Net loss per share - basic and diluted	\$ (0.31)	\$ (0.16)	\$ (0.70)	\$ (0.25)
Number of shares used in per share computations - basic and diluted	39,079,365	39,110,969	39,091,796	39,110,969

FFO & Core FFO ⁽¹⁾

<i>(\$ in thousands, except share and per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Reconciliation of net loss to FFO				
Net loss attributable to common shareholders	\$ (12,116)	\$ (6,308)	\$ (27,424)	\$ (9,697)
Add (deduct) adjustments to net loss to get to FFO:				
Depreciation and amortization on real estate assets	7,243	767	12,716	1,424
Non-controlling interests	83	(10)	73	(16)
Subtotal - FFO	<u>(4,790)</u>	<u>(5,551)</u>	<u>(14,635)</u>	<u>(8,289)</u>
Add (deduct) adjustments to FFO to get to Core FFO:				
Share-based compensation	2,130	-	2,459	-
Separation costs	-	-	3,543	-
Acquisition fees expensed and property management engagement costs	186	290	447	588
Write-off of loan costs	5,032	-	5,032	-
Loss on derivative financial instruments, net	470	-	470	-
Amortization of derivative financial instruments cost	(50)	-	(50)	-
Core FFO	<u>\$ 2,978</u>	<u>\$ (5,261)</u>	<u>\$ (2,734)</u>	<u>\$ (7,701)</u>
Core FFO per share - basic and diluted	\$ 0.08	\$ (0.13)	\$ (0.07)	\$ (0.20)
Weighted average shares - basic and diluted	39,079,365	39,110,969	39,091,796	39,110,969

(1) Please refer to page 18 for definitions of FFO and Core FFO. Commencing with the three months ended June 30, 2014, we have changed our definition of Core FFO to include adjustments related to share-based compensation and exclude adjustments related to acquisition pursuit costs.

	Three Months Ended June 30, 2014				Six Months Ended June 30, 2014			
	SFR		NPL	Total	SFR		NPL	Total
	Stabilized Portfolio	Non-Stabilized Portfolio			Stabilized Portfolio	Non-Stabilized Portfolio		
<i>(\$ in thousands, unaudited)</i>								
Revenues								
Rental revenues	\$ 23,602	\$ -	\$ -	\$ 23,602	\$ 37,367	\$ -	\$ -	\$ 37,367
Less: Allowance for doubtful accounts ⁽²⁾	(614)	-	-	(614)	(1,123)	-	-	(1,123)
Total rental revenues	22,988	-	-	22,988	36,244	-	-	36,244
Other property revenues	890	-	-	890	1,369	-	-	1,369
Realized gain on non-performing loans, net	-	-	3,357	3,357	-	-	5,200	5,200
Realized gain on loan conversions, net	-	-	6,483	6,483	-	-	11,897	11,897
Unrealized gain on non-performing loans, net	-	-	3,641	3,641	-	-	3,641	3,641
Total revenues as adjusted	23,878	-	13,481	37,359	37,613	-	20,738	58,351
Expenses								
Property operating expenses ⁽³⁾	8,919	2,726	-	11,645	15,022	5,289	-	20,311
Mortgage loan servicing costs	-	-	5,139	5,139	-	-	10,021	10,021
Total expenses	8,919	2,726	5,139	16,784	15,022	5,289	10,021	30,332
Total NOI	\$ 14,959	\$ (2,726)	\$ 8,342	\$ 20,575	\$ 22,591	\$ (5,289)	\$ 10,717	\$ 28,019
Stabilized portfolio NOI margin⁽⁴⁾	65.1%				62.3%			
	Leased Home Portfolio				Leased Home Portfolio			
Total stabilized portfolio NOI	\$ 14,959				\$ 22,591			
Add: Property operating expenses on vacant stabilized homes	221				576			
Total leased home portfolio NOI	\$ 15,180				\$ 23,167			
Leased home portfolio NOI margin⁽⁴⁾	66.0%				63.9%			

(1) Total Stabilized Portfolio NOI, Total Non-Stabilized Portfolio NOI, Total NPL NOI, Total NOI and Total Leased Home Portfolio NOI are non-GAAP measures. For a reconciliation of these non-GAAP measures to net loss attributable to common shareholders determined in accordance with GAAP, please refer to Page 19.

(2) Allowance for doubtful accounts ("bad debt") is included in property operating and maintenance in the consolidated statements of operations in accordance with GAAP. However, we believe bad debt represents revenue lost and not an operating expense to the portfolio so for purposes of calculating margins we treat bad debt as a reduction of revenue.

(3) Property operating expenses is defined as property operating and maintenance expense plus real estate taxes and insurance less bad debt.

(4) Margin is calculated as total stabilized portfolio NOI or total leased home portfolio NOI divided by total rental revenues.

Capital Markets



As of June 30, 2014 (\$ in thousands, except share and per share data)

Debt Maturities ⁽¹⁾	Debt			Market equity			
	Credit Facility - SFR	Credit Facility - NPL	Total	Security	Shares	Price	Value
2014	\$ -	\$ -	\$ -	Common shares	39,007,239	\$ 26.21	\$ 1,022,380
2015	-	-	-				
2016	-	251,599	251,599				
2017	-	-	-				
2018	518,942	-	518,942				
Thereafter	-	-	-				
Total	\$ 518,942	\$ 251,599	\$ 770,541				
				Debt Metrics			
				Total debt to enterprise value ⁽²⁾			43.4%
				Total debt to total assets			39.9%
Weighted average interest rate	3.14%	3.15%	3.14%				
Weighted average remaining maturity in years	3.6	2.2	3.1				

(1) Maturity dates include extension terms.

(2) Please refer to page 18 for a definition of enterprise value.

Total Rental Homes Portfolio – June 30, 2014



Markets	Stabilized Homes	Non-Stabilized Homes	Total Homes ⁽¹⁾	Total Homes Leased (%)	Average Acquisition Cost per Home	Average Investment per Home ⁽²⁾	Aggregate Investment (\$ in millions)	Average Home Size (sq. ft.)	Weighted Average Age (year)	Average Monthly Rent Per Leased Home ⁽³⁾
Atlanta	1,698	601	2,299	71.1%	\$ 95,551	\$ 117,265	\$ 269.6	1,909	22	\$ 1,155
South Florida	1,429	320	1,749	82.1%	\$ 133,741	\$ 158,740	277.7	1,588	44	\$ 1,557
Houston	959	190	1,149	79.5%	\$ 126,273	\$ 140,974	162.0	2,060	28	\$ 1,489
Tampa	763	209	972	83.2%	\$ 106,884	\$ 124,699	121.2	1,476	40	\$ 1,250
Dallas	662	253	915	70.5%	\$ 127,312	\$ 146,091	133.7	2,050	22	\$ 1,457
Chicago	316	139	455	76.0%	\$ 121,385	\$ 148,162	67.4	1,555	41	\$ 1,662
Denver	211	130	341	63.9%	\$ 183,932	\$ 212,859	72.6	1,512	31	\$ 1,708
Southern California	267	73	340	82.9%	\$ 235,913	\$ 247,210	84.1	1,617	36	\$ 1,791
Orlando	264	63	327	83.8%	\$ 118,158	\$ 137,110	44.8	1,644	37	\$ 1,295
Phoenix	206	42	248	83.9%	\$ 140,329	\$ 158,213	39.2	1,543	39	\$ 1,190
Northern California	218	26	244	89.3%	\$ 216,462	\$ 230,903	56.3	1,494	45	\$ 1,727
Las Vegas	42	-	42	95.2%	\$ 155,717	\$ 167,481	7.0	1,966	27	\$ 1,296
California Valley	41	-	41	100.0%	\$ 226,226	\$ 227,085	9.3	1,728	25	\$ 1,612
Total/Average	7,076	2,046	9,122	77.5%	\$ 127,087	\$ 147,434	\$ 1,344.9	1,760	32	\$ 1,416

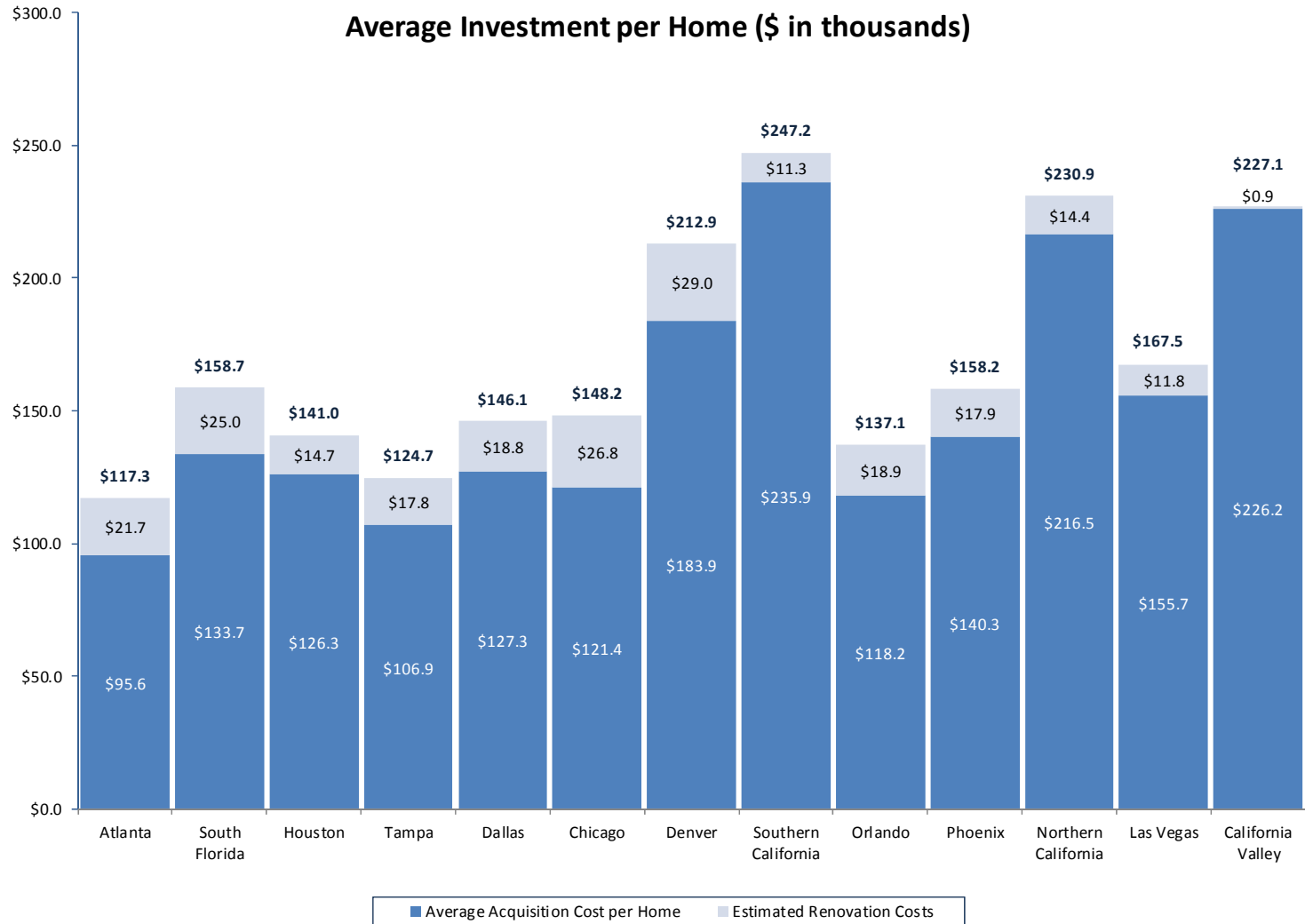
Status	Total Homes ⁽¹⁾	Total Homes Leased (%)	Average Acquisition Cost	Average Investment per Home ⁽²⁾	Aggregate Investment (\$ in millions)	Average Home Size (sq. ft.)	Weighted Average Age (year)	Leased Rent
Stabilized	7,076	95.0%	\$ 127,126	\$ 146,053	\$ 1,033.5	1,746	32	\$ 1,413
Non-Stabilized	2,046	16.6%	\$ 126,952	\$ 152,210	311.4	1,811	32	\$ 1,482
Total/Average	9,122	77.5%	\$ 127,087	\$ 147,434	\$ 1,344.9	1,760	32	\$ 1,416

(1) Excludes 285 homes that we did not intend to hold for the long-term.

(2) Includes acquisition costs and actual and estimated upfront renovation costs. Actual renovation costs may exceed estimated renovation costs, and we may acquire homes in the future with different characteristics that result in higher renovation costs.

(3) Represents average monthly contractual cash rent. Average monthly cash rent is presented before rent concession and Waypoints. To date, rent concessions and Waypoints have been utilized on a limited basis and have not had a significant impact on our average monthly rent. If the use of rent concessions and Waypoints or other leasing incentives increases in the future, they may have a greater impact by reducing the average monthly rent we receive from leased homes.

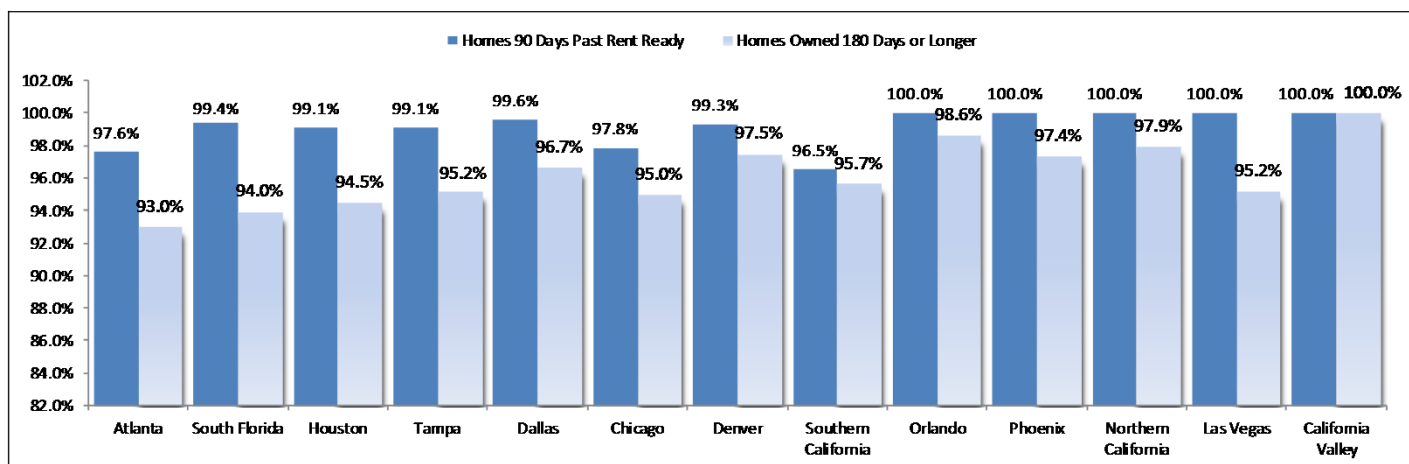
Total Rental Homes Portfolio – June 30, 2014 (cont'd)



Leasing Statistics – June 30, 2014



Markets	Total Number of Homes ⁽¹⁾	Homes 90 Days Past Rent Ready			Homes Owned 180 Days or Longer		
		Number of Homes	Percent Leased	Average Monthly Rent per Leased Home ⁽²⁾	Number of Homes	Percent Leased	Average Monthly Rent per Leased Home ⁽²⁾
Atlanta	2,299	1,292	97.6%	\$ 1,140	1,213	93.0%	\$ 1,138
South Florida	1,749	1,143	99.4%	\$ 1,552	1,430	94.0%	\$ 1,553
Houston	1,149	759	99.1%	\$ 1,478	823	94.5%	\$ 1,470
Tampa	972	573	99.1%	\$ 1,229	654	95.2%	\$ 1,218
Dallas	915	481	99.6%	\$ 1,436	484	96.7%	\$ 1,422
Chicago	455	278	97.8%	\$ 1,653	261	95.0%	\$ 1,651
Denver	341	149	99.3%	\$ 1,700	161	97.5%	\$ 1,704
Southern California	340	230	96.5%	\$ 1,799	231	95.7%	\$ 1,814
Orlando	327	199	100.0%	\$ 1,308	222	98.6%	\$ 1,314
Phoenix	248	176	100.0%	\$ 1,181	152	97.4%	\$ 1,186
Northern California	244	192	100.0%	\$ 1,714	195	97.9%	\$ 1,706
Las Vegas	42	36	100.0%	\$ 1,309	42	95.2%	\$ 1,296
California Valley	41	37	100.0%	\$ 1,589	41	100.0%	\$ 1,612
Total/Average	9,122	5,545	98.8%	\$ 1,406	5,909	94.9%	\$ 1,413



(1) Excludes 285 homes that we did not intend to hold for the long-term.

(2) Represents average monthly contractual cash rent. Average monthly cash rent is presented before rent concession and Waypoints. To date, rent concessions and Waypoints have been utilized on a limited basis and have not had a significant impact on our average monthly rent. If the use of rent concessions and Waypoints or other leasing incentives increases in the future, they may have a greater impact by reducing the average monthly rent we receive from leased homes.

Non-Performing Loan Portfolio – June 30, 2014



State	Loan Count ^{(1),(2)}	Total		Total BPO (\$ in millions)	Purchase Price as % of UPB	Purchase Price as % of BPO	Weighted Average LTV ⁽³⁾
		Purchase Price (\$ in millions)	Total UPB (\$ in millions)				
Florida	762	\$ 94.4	\$ 187.5	\$ 149.0	50.3%	63.3%	152.9%
Illinois	373	47.8	76.0	74.3	62.8%	64.3%	141.0%
Arizona	230	19.9	33.8	29.4	58.7%	67.5%	198.0%
Wisconsin	207	17.4	24.2	27.7	71.6%	62.8%	114.0%
New York	165	32.6	62.8	64.6	51.8%	50.4%	114.0%
California	148	42.9	60.8	68.6	70.6%	62.6%	100.4%
Indiana	152	10.8	15.1	17.1	71.9%	63.5%	109.8%
New Jersey	144	20.7	44.0	37.7	47.2%	54.9%	141.6%
Maryland	100	17.9	31.3	26.6	57.1%	67.1%	132.3%
Pennsylvania	74	6.9	11.7	10.5	58.8%	65.2%	137.7%
Georgia	65	8.0	13.2	12.2	60.8%	66.0%	131.0%
Other	660	77.7	121.3	117.6	64.1%	66.0%	124.4%
Total/Average	3,080	\$ 397.0	\$ 681.7	\$ 635.3	58.2%	62.5%	135.8%

Status	Loan Count ^{(1),(2)}	Total		Total BPO (\$ in millions)	Purchase Price as % of UPB	Purchase Price as % of BPO	Weighted Average LTV ⁽³⁾
		Purchase Price (\$ in millions)	Total UPB (\$ in millions)				
Foreclosure	2,146	\$ 285.5	\$ 506.5	\$ 457.2	56.4%	62.4%	137.4%
Delinquent	557	61.8	95.9	96.4	64.5%	64.1%	144.4%
Performing	377	49.7	79.3	81.7	62.6%	60.8%	115.3%
Total/Average	3,080	\$ 397.0	\$ 681.7	\$ 635.3	58.2%	62.5%	135.8%

(1) Represents first liens on 2,920 homes and 160 parcels of land.

(2) Excludes 277 unsecured, second and third liens with an aggregate purchase price of \$1.9 million.

(3) Weighted average LTV is based on the ratio of UPB to BPO weighted by UPB for each state as of the respective acquisition dates.

Acquisitions – Three Months Ended June 30, 2014



Rental Homes:

<u>Markets</u>	<u>Homes</u>	<u>Average Home Size (sq. ft.)</u>	<u>Average Acquisition Cost per Home</u>	<u>Average Estimated Upfront Renovation Cost per Home</u>	<u>Average Estimated Investment per Home⁽¹⁾</u>	<u>Aggregate Investment (\$ in millions)</u>	<u>Estimated Average Monthly Rent per Home⁽²⁾</u>
Atlanta	514	2,013	\$ 104,084	\$ 24,404	\$ 128,489	\$ 66.0	\$ 1,220
Dallas	298	2,198	\$ 138,546	\$ 21,444	\$ 159,990	47.7	\$ 1,594
South Florida	272	1,685	\$ 149,994	\$ 32,316	\$ 182,310	49.6	\$ 1,730
Houston	219	2,044	\$ 126,776	\$ 22,095	\$ 148,872	32.6	\$ 1,572
Tampa	200	1,486	\$ 106,847	\$ 19,773	\$ 126,619	25.3	\$ 1,297
Denver	120	1,703	\$ 206,201	\$ 31,644	\$ 237,845	28.5	\$ 1,781
Chicago	109	1,528	\$ 114,382	\$ 35,399	\$ 149,781	16.3	\$ 1,664
Orlando	86	1,422	\$ 101,497	\$ 23,979	\$ 125,476	10.8	\$ 1,241
Southern California	52	1,649	\$ 225,980	\$ 18,514	\$ 244,494	12.7	\$ 1,888
Phoenix	45	1,475	\$ 128,498	\$ 28,740	\$ 157,237	7.1	\$ 1,202
Northern California	28	1,525	\$ 226,929	\$ 18,552	\$ 245,481	7.0	\$ 1,866
Total/Average	1,943	1,843	\$ 131,007	\$ 25,224	\$ 156,231	\$ 303.6	\$ 1,490

Non-Performing Loans:

<u>Number of Loans</u>	<u>Total Purchase Price (\$ in millions)</u>	<u>Total UPB (\$ in millions)</u>	<u>Total BPO (\$ in millions)</u>	<u>Purchase Price as % of UPB</u>	<u>Purchase Price as % of BPO</u>
1,441	\$ 117.0	\$ 189.4	\$ 171.6	61.8%	68.2%

- (1) Includes acquisition costs and actual and estimated upfront renovation costs. Actual renovation costs may exceed estimated renovation costs, and we may acquire homes in the future with different characteristics that result in higher renovation costs.
- (2) Estimated average monthly rent per home represents (1) for vacant homes, management's estimates of what rent would be generated if such homes were leased based on rents estimated by examining multiple rent data sources (such as realized rents for comparable homes in neighborhood, a proprietary rent setting algorithm, third-party vendors, etc.) and using localized knowledge to establish rent for a given property and (2) for leased homes, average monthly contractual rent. No assurance can be given that these estimates will prove to be accurate, and you should not place undue reliance on them.

Definitions and Reconciliations



Enterprise Value. We define enterprise value as market value of equity plus debt plus non-controlling interests less cash and cash equivalents.

Estimated NAV. We define Estimated NAV as the estimated value of all assets net of liabilities. To calculate the Estimated NAV, the historical net investments in real estate and NPLs at carrying value are deducted from total shareholders' equity and the Estimated SFR Value and NPL Value are added (see table below). The costs of selling properties in the portfolio, including commissions and other related costs are not deducted for the purpose of calculating the Estimated SFR Value and Estimated NAV. Further, future promoted interests on the NPL portfolio are not deducted for the purpose of calculating Estimated SFR & NPL Value and Estimated NAV. We consider Estimated NAV to be an appropriate supplemental measure as it illustrates the estimated imbedded value in our SFR portfolio and NPL portfolio that is carried on our balance sheet primarily at cost. The Estimated SFR Value, Estimated NPL Value and Estimated NAV are non-GAAP financial measures. However, they are provided for informational purposes to be used by investors in assessing the value of the assets. A reconciliation of total shareholders' equity to Estimated NAV is provided below.

	June 30, 2014	
	Amount	Per Share
	(unaudited)	
<i>(\$ in thousands, except share and per share data)</i>		
Investments in real estate properties, gross	\$ 1,442,626	\$ 36.98
Less: Accumulated depreciation	(17,525)	(0.44)
Add: Real estate held for sale, net	13,383	0.34
Investments in real estate, net	1,438,484	36.88
Add: Increase in estimated fair value of investments in real estate	250,459	6.42
Less: Estimated renovation reserve	(155,551)	(3.99)
Estimated SFR Value	1,533,392	39.31
Non-performing loans	178,311	4.57
Non-performing loans (fair value option)	218,797	5.61
Add: Increase in estimated fair value of non-performing loans	56,076	1.44
Estimated NPL Value	453,184	11.62
Estimated SFR & NPL Value	\$ 1,986,576	\$ 50.93
Total shareholders' equity	\$ 1,090,914	\$ 27.97
Less: Investments in real estate, net	(1,438,484)	(36.88)
Less: Non-performing loans	(178,311)	(4.57)
Less: Non-performing loans (fair value option)	(218,797)	(5.61)
Add: Estimated SFR & NPL Value	1,986,576	50.93
Estimated NAV	\$ 1,241,898	\$ 31.84
Number of Shares		39,007,239

These metrics should be considered along with other available information in valuing and assessing us, including our GAAP financial measures and other cash flow and yield metrics. These metrics should not be viewed as a substitute for book value, net investments in real estate, equity, net income or cash flows from operations prepared in accordance with GAAP, or as measures of profitability or

liquidity. Further, not all real estate investment trusts ("REITs") compute the same non-GAAP measure; therefore, there can be no assurance that our basis for computing this non-GAAP measure is comparable with that of other REITs.

Funds From Operations ("FFO") and Core FFO.

FFO is used by industry analysts and investors as a supplemental performance measure of an equity REIT. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income or loss (computed in accordance with GAAP) excluding gains or losses from sales of previously depreciated real estate assets, plus depreciation and amortization of real estate assets and adjustments for unconsolidated partnerships and joint ventures.

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

We believe that Core FFO is a meaningful supplemental measure of our operating performance for the same reasons as FFO and adjusting for non-routine items that when excluded allows for more comparable periods. Our Core FFO begins with FFO as defined by the NAREIT White Paper and is adjusted for: share-based compensation, non-recurring costs associated with the separation, acquisition fees expensed and property management engagement costs, write-off of loan costs, loss on derivative financial instruments, amortization of derivative financial instruments cost and other non-comparable items as applicable.

Management also believes that FFO/Core FFO, combined with the required GAAP presentations, is useful to investors in providing more meaningful comparisons of the operating performance of a company's real estate between periods or as compared to other companies. FFO/Core FFO does not represent net income or cash flows from operations as defined by GAAP and is not intended to indicate whether cash flows will be sufficient to fund cash needs. It should not be considered an alternative to net income as an indicator of the REIT's operating performance or to cash flows as a measure of liquidity. Our FFO/Core FFO may not be comparable to the FFO of other REITs due to the fact that not all REITs use the NAREIT or similar Core FFO definition. For a reconciliation of FFO and Core FFO to net loss attributable to common shareholders determined in accordance with GAAP, please refer to page 10.

Stabilized Homes. We define the stabilized home portfolio to include homes from the first day of initial occupancy or subsequent occupancy after a renovation. Homes are considered stabilized even after subsequent resident turnover. However, homes may be removed from the stabilized home portfolio and placed in the non-stabilized home portfolio due to renovation during the home lifecycle.

Definitions and Reconciliations (cont'd)



Total NOI, Total NPL NOI, Total Non-Stabilized Portfolio NOI, Total Stabilized Portfolio NOI and Total Leased Home Portfolio NOI. We define Total NOI as total revenues less property operating and maintenance expenses and real estate taxes and insurance expenses (“property operating expenses”) and mortgage loan servicing costs. We define Total NPL Portfolio NOI as gains on NPLs, net and gains on loan conversions, net less mortgage loan servicing costs. We define Total Non-Stabilized Portfolio NOI as total revenues on the non-stabilized portfolio less property operating expenses on the non-stabilized portfolio. We define Total Stabilized Portfolio NOI as total revenues on the stabilized portfolio less property operating expenses on the stabilized portfolio. We define Total Leased Home Portfolio NOI as the Total Stabilized Portfolio NOI less property operating expenses on vacant stabilized homes. We consider these NOI measures to be appropriate supplemental measures of operating performance to net income attributable to common shareholders because they reflect the operating performance of our homes without allocation of corporate level overhead or general and administrative costs and reflect the operations of the segments and sub-segments of our business. A reconciliation of net loss attributable to common shareholders to these NOI measures is provided below:

These NOI measures should not be considered alternatives to net loss or net cash flows from operating activities, as determined in accordance with GAAP, as indications of our performance or as measures of liquidity. Although we use these non-GAAP measures for comparability in assessing their performance against other REITs, not all REITs compute the same non-GAAP measures. Accordingly, there can be no assurance that our basis for computing these non-GAAP measures are comparable with that of other REITs.

Total Rental Portfolio. We define total rental portfolio to exclude homes designated as non-rental. Non-rental homes are homes we do not intend to hold for the long term.

<i>(\$ in thousands, unaudited)</i>	Three Months Ended June 30, 2014	Six Months Ended June 30, 2014
Reconciliation of net loss to stabilized portfolio NOI and leased home portfolio NOI		
Net loss attributable to common shareholders	\$ (12,116)	\$ (27,424)
Add (deduct) adjustments to get to total NOI		
Non-performing loan management fees and expenses	1,871	4,286
General and administrative	4,444	9,814
Share-based compensation	2,130	2,459
Investment management fees	3,993	6,750
Separation costs	-	3,543
Acquisition fees expensed and property management engagement costs	186	447
Interest expense, including amortization	5,191	6,691
Depreciation and amortization	7,243	12,716
Finance related expenses and write-off of loan costs	5,441	5,441
Impairment of real estate	1,233	2,067
Realized loss (gain) on sales of investments in real estate, net	56	201
Loss on derivative financial instruments, net	470	470
Income tax expense	350	485
Net income attributable to non-controlling interests	83	73
Total NOI	20,575	28,019
Add (deduct) adjustments to get to total stabilized home portfolio NOI		
NPL portfolio NOI components:		
Realized gain on non-performing loans, net	(3,357)	(5,200)
Realized gain on loan conversions, net	(6,483)	(11,897)
Mortgage loan servicing costs	5,139	10,021
Unrealized gain on non-performing loans, net	(3,641)	(3,641)
Deduct: Total NPL portfolio NOI	(8,342)	(10,717)
Non-stabilized portfolio NOI components:		
Property operating expenses on non-stabilized homes	2,726	5,289
Add: Total Non-stabilized portfolio NOI	2,726	5,289
Total stabilized portfolio NOI	14,959	22,591
Add (deduct) adjustments to get to total leased home portfolio NOI		
Property operating expenses on vacant stabilized homes	221	576
Total leased home portfolio NOI	\$ 15,180	\$ 23,167

Forward-Looking Statements



The statements herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve significant risks and uncertainties, which are difficult to predict, and are not guarantees of future performance. Such statements can generally be identified by words such as “anticipates,” “expects,” “intends,” “will,” “could,” “believes,” “estimates,” “continue,” and similar expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in, or implied by, the forward-looking statements. Factors that could materially and adversely affect our business, financial condition, liquidity, results of operations and prospects, as well as our ability to make distributions to our shareholders, include, but are not limited to: expectations regarding the timing of generating revenues; changes in our business and growth strategies; volatility in the real estate industry, interest rates and spreads, the debt or equity markets, the economy generally or the rental home market specifically; events or circumstances that undermine confidence in the financial markets or otherwise have a broad impact on financial markets; declines in the value of homes, and macroeconomic shifts in demand for, and competition in the supply of, rental homes; the availability of attractive investment opportunities in homes that satisfy our investment objective and business and growth strategies; the impact of changes to the supply of, value of and the returns on distressed and non-performing residential mortgage loans; our ability to convert the homes and distressed and non-performing residential mortgage loans we acquire into rental homes generating attractive returns; our ability to successfully modify or otherwise resolve distressed and non-performing residential mortgage loans; our ability to lease or re-lease our rental homes to qualified residents on attractive terms or at all; the failure of residents to pay rent when due or otherwise perform their lease obligations; our ability to manage our portfolio of rental homes; the concentration of credit risks to which we are exposed; the availability, terms and deployment of short-term and long-term capital; the adequacy of our cash reserves and working capital; our relationships with Starwood Capital Group and our manager and their ability to retain qualified personnel; potential conflicts of interest; unanticipated increases in financing and other costs; our expected leverage; changes in governmental regulations, tax laws and rates and similar matters; limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and estimates relating to our ability to make distributions to our shareholders in the future. You should not place undue reliance on any forward-looking statement and should consider all of the uncertainties and risks described above, as well as those more fully discussed in reports and other documents filed by us with the Securities and Exchange Commission from time to time. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements appearing herein, whether as a result of new information, future events or otherwise.