



**Associated Estates Realty Corporation****AEC NYSE****Real Estate Operations**

Market Capitalization USD:

\$642.12 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year. 
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Jeffrey I. Friedman**Age: 60****CEO Since: 1993**

	2009	2010	2011
Base Salary	\$487,479	\$487,479	\$500,000
Discretionary Bonus	\$690,758	\$874,537	\$795,200
Annual Cash Incentive	\$0	\$0	\$101,977
Benefits and Perquisites	\$127,655	\$130,871	\$151,730
TOTAL ANNUAL COMPENSATION	\$1,305,892	\$1,492,887	\$1,548,907
Increase in Post-Retirement Benefits	\$72,918	\$84,313	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$971,267	\$1,724,116	\$1,050,000
TOTAL COMPENSATION	\$2,350,077	\$3,301,316	\$2,598,907
Median of Other Named Executive Officers Total Compensation	\$723,700	\$925,798	\$845,671
Value Realized on Exercise of Stock Option	\$0	\$4,051,944	\$0
Value Realized on Vesting of Stock	\$457,764	\$1,261,299	\$1,597,108
TOTAL REALIZED EQUITY COMPENSATION	\$457,764	\$5,313,243	\$1,597,108

Proxy Date: 26 Mar 2012

Annual Meeting Date: 9 May 2012

Equity Reserves: 5.65%

Stock Option Run Rate: 0.06%

Associated Estates Realty Corporation

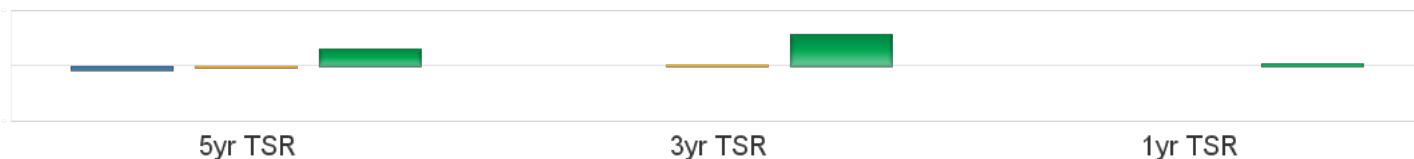
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Performance Comparison

■ S&P500 ■ Industry ■ AEC



Peer Comparisons (TRBC) =Real Estate Operations

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AEC	Associated Estates Realty Corporation	\$2,350,077	\$3,301,316	\$2,598,907	\$642,119,705
FCEA	Forest City Enterprises, Inc.	\$1,088,472	\$1,633,136		\$1,600,413,046
HHC	Howard Hughes Corporation (The)		\$110,256		\$1,597,362,704
JOE	St. Joe Company (The)	\$2,808,270	\$4,508,249		\$1,383,312,756
MGRC	McGrath RentCorp	\$1,188,481	\$1,378,504		\$579,547,309
LOOP	LoopNet, Inc.	\$1,646,056	\$1,376,493		\$571,789,807
KW	Kennedy-Wilson Holdings, Inc.	\$17,063,674	\$5,894,500		\$476,731,883

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Apartment Investment and Management Company, Avalon Bay Communities, Inc., BRE Properties, Inc., Camden Property Trust, Colonial Properties Trust, Equity Residential, Essex Property Trust, Inc., Home Properties, Inc., Mid-America Apartment Communities, Inc., Post Properties, Inc., and UDR, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Richard T. Schwarz	Chairman	60	Male	18	Outside Related
James A. Schoff	Member	66	Male	6	Outside
James J. Sanfilippo	Member	60	Male	0	Outside

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