

NEWS update

New Acquisition



SR Realty Trust is pleased to announce the successful acquisition of Lee Lofts Apartments, a 24-unit multifamily complex in Minneapolis' Warehouse District.

Lee Lofts was originally built in

1906 and converted to loft-style apartments in the 1960's. The seller of the property also completed a full renovation of the property in 2015, which includes new stainless-steel appliances, quartz island countertops, new lighting fixtures and new windows. The property has historically operated at or near full occupancy, and was 96% percent occupied at the time of closing.

The acquisition closed on September 22, 2017 and was contributed by a long-term owner through an UPREIT transaction.

New Acquisition



SR Realty Trust is pleased to announce the successful acquisition of 1301 Industrial Blvd, a 350,000 sq. ft. industrial building located on a 20.45 acre parcel in the heart of the Mid-City Industrial Park,

Northeast Minneapolis. The building was built in 1970 and features 22' – 26' clear heights, 33 loading docks, and less than 5% office finish. Additionally, the site contains approximately 300,000 sq. ft. of outdoor storage area.

1301 Industrial Blvd was acquired in a sale-lease back transaction. The seller signed a 10 year NNN lease covering 100% of the property. The acquisition closed on October 12, 2017 and was contributed by the owner through an UPREIT transaction.

HARDING REPOSITION: A Case Study



401 Harding is a 38,128 sq. ft. building located in Northeast Minneapolis. SR Realty Trust acquired the building in 2015, while it was 100% leased to a light industrial user. The user vacated the building in 2017 upon lease expiration and SR Realty Trust is repositioning the asset into creative office.

401 Harding is an example of SR Realty Trust's assertive asset management and leasing strategy. The property was purchased as a light industrial building; however, rising rents for creative office in the Northeast Minneapolis office submarket, created an opportunity to enhance the value of the building.

Following notice the user was vacating the building, SR Realty Trust implemented a renovation plan to transform the building into a creative office building. The first step involved finding a tenant that would occupy a large portion of the building. A health care start up backed by Blue Cross and Blue Shield, Livio Group, signed a five year lease for 30,000 sq. ft., with rent nearly three times higher than the rate paid by the previous tenant. Once the lease was executed, SR Realty Trust implemented a \$2 million dollar renovation plan.

Q3 | 2017

16
PROPERTIES

1,188,033
TOTAL SQUARE FEET

6
JOINT VENTURE INVESTMENTS

2
ACQUISITIONS

0
DISPOSITIONS

94%
OCCUPANCY

\$8,274,000
GROSS REVENUE⁽¹⁾

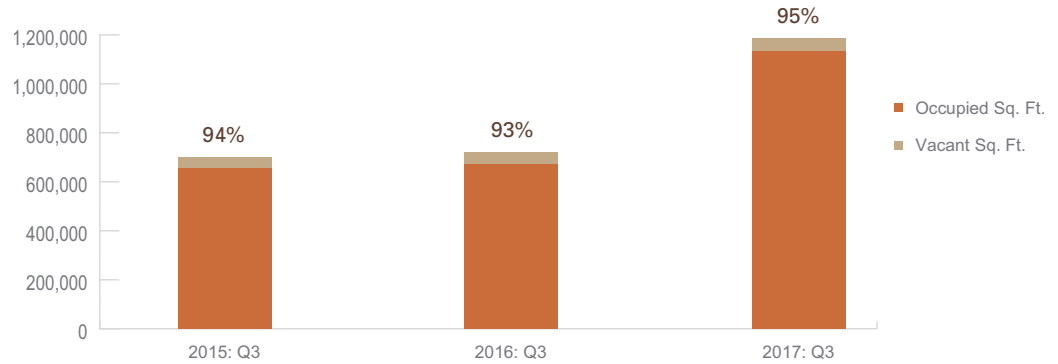
\$4,840,000
NOI⁽¹⁾

(1) NINE MONTHS ENDED SEPT. 30, 2017

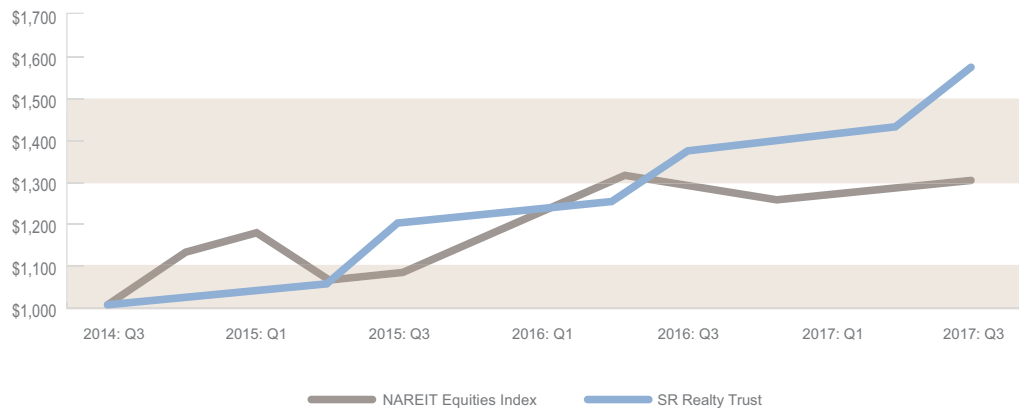
SR REALTY TRUST / SRRT PROPERTIES

Portfolio Summary

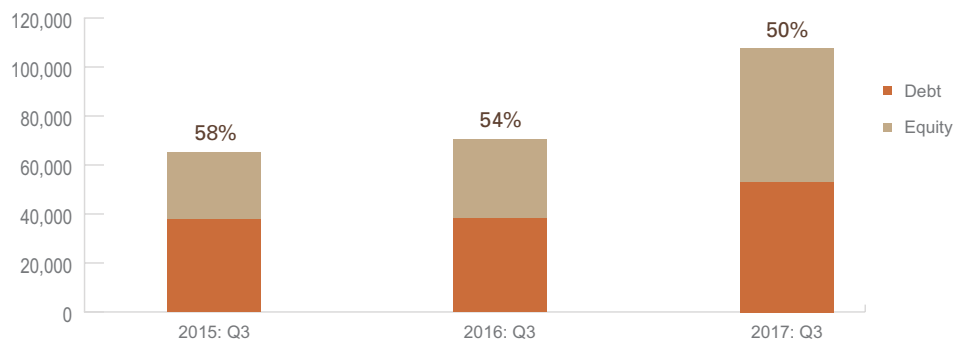
PORTFOLIO SIZE & OCCUPANCY
(By Square Feet)



\$1,000 INVESTED AT INCEPTION
Total Shareholder Return



VALUE & LOAN TO VALUE
(Rounded to the Nearest \$000s)



1301 Industrial Blvd closed in early October but is included in the portfolio statistics where applicable.