Wheeler Real Estate Investment Trust, Inc.
Form 424B3
July 17, 2015
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File No. 333-204957

PROSPECTUS

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

Offer to Exchange

Up to 20,853,250 Shares of Wheeler Real Estate Investment Trust, Inc. Common Stock for Any and All Issued and Outstanding Shares of Wheeler Real Estate Investment Trust, Inc. Series A Preferred Stock and Series B Preferred Stock, Subject to the Terms and Conditions Described in This Prospectus.

The Exchange Offer will expire at 11:59 p.m., New York City time, on July 20, 2015 unless extended or earlier terminated by us (the Expiration Date). You must validly tender your shares of preferred stock for exchange in the Exchange Offer on or prior to the Expiration Date to receive the Exchange Offer Consideration (as defined herein). You should carefully review the procedures for tendering shares of preferred stock beginning on page 99 of this prospectus. You may withdraw shares of preferred stock tendered in the Exchange Offer at any time prior to the Expiration Date.

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and in the related letter of transmittal (the Exchange Offer), up to 20,853,250 newly issued shares of our common stock, par value $0.01 per share (the common stock), for all properly tendered and accepted shares of our Series A Preferred Stock (the Series A Preferred Stock) and Series B Preferred Stock (the Series B Preferred Stock). As used herein, the shares of Series A Preferred Stock and Series B Preferred Stock are collectively referred to as preferred stock.

For each share of preferred stock that we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our common stock having the aggregate dollar value (the Exchange Value) set forth in the table below. The table below sets forth certain information regarding the series of preferred stock that are the subject of the Exchange Offer:

Exchange Offer Consideration Per Share

CUSIP	Title of Security

		Liquidation Preference Per Share	Aggregate Liquidation Preference Outstanding	Common Shares Offered for Exchange Therefor (1)	Exchange Value (1)	Consideration as % of Liquidation Preference
N/A	Series A Preferred Stock	$ 1,000	$ 1,809,000	904,500	$ 1,809,000	100%
963025 309	Series B Preferred Stock	$ 25	$ 39,897,500	19,948,750	$ 39,897,500	100%

(1) The Exchange Value is equal to the number of shares of common stock offered per share of preferred stock multiplied by the last reported sale price of our common stock. Because the maximum number of shares of common stock to be issued in the Exchange Offer is fixed, changes in the trading prices of the common stock will result in the market value of the common stock you receive in exchange for tendering your shares being different than the value reflected in the table above. The last reported sale price of our common stock on the Nasdaq Capital Market on July 15, 2015 was $2.00 per share.

The Exchange Offer is subject to a number of conditions that must be satisfied or waived by us. The Exchange Offer is not conditioned on any minimum number or aggregate liquidation preference of preferred stock being tendered.

We urge you to carefully read the Risk Factors section of this prospectus beginning on page 14 before you make any decision regarding the Exchange Offer.

You must make your own decision whether to tender shares of preferred stock in the Exchange Offer, and, if so, the number of shares of preferred stock to tender. You should rely only on the information contained in this prospectus. Neither we nor the Dealer Managers have authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely upon it. Neither we, the Dealer Managers, the Information Agent, the Exchange Agent (each as defined herein) nor any other person is making any recommendation as to whether or not you should tender your preferred stock for exchange in the Exchange Offer.

Neither the Securities and Exchange Commission (the Commission or the SEC), any state securities commission nor any other regulatory body has approved or disapproved of this transaction or these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Dealer Managers for the Exchange Offer are:

Compass Point Research & Trading, LLC

and

Maxim Group LLC

The Information Agent for the Exchange Offer is:

Georgeson, Inc.

The Exchange Agent for the Exchange Offer is:

Computershare Trust Company, N.A.

The date of this prospectus is July 15, 2015.

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WHERE YOU CAN FIND MORE INFORMATION ABOUT

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

We have filed with the Commission a registration statement on Form S-4 under the Securities Act of 1933, as amended (the Securities Act), to register the shares of common stock offered by this prospectus. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This prospectus does not contain all of the information included in the registration statement and the exhibits to the registration statement. We strongly encourage you to read carefully the registration statement and the exhibits to the registration statement.

Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual contract, agreement or other document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

We file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any document we file with the Commission at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. Copies of such materials also can be obtained by mail from the Public Reference Section of the Commission, at 100 F Street, N.E., Washington, D.C. 20549, at the prescribed rates. You may also obtain these materials from us at no cost by directing a written request to our Corporate Secretary, Robin Hanisch, at Wheeler Real Estate Investment Trust, Inc., Riversedge North, 2529 Virginia Beach Blvd., Suite 200, Virginia Beach, Virginia 23452 or at our website at www.whlr.us. Except for the documents described below, information on our website is not otherwise incorporated by reference into this prospectus. In addition, the Commission maintains a website, http://www.sec.gov, which contains reports, proxy and information statements and other information pertaining to us.

In order to ensure timely delivery of such documents, holders of our preferred stock must request this information no later than five business days before the date they must make their investment decision. Accordingly, any request for documents should be made by July 13, 2015 to ensure timely delivery of the documents prior to the Expiration Date.

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IMPORTANT CONSIDERATIONS

Certain shares of preferred stock were issued in book-entry form, and such shares are represented by global certificates issued to Cede & Co., as nominee of The Depository Trust Company (DTC). If your securities are book-entry securities, you may tender your shares of preferred stock by transferring them through DTC s Automated Tender Offer Program (ATOP) or following the other procedures described under The Exchange Offer Procedures for Tendering.

If you hold certificated shares of preferred stock and wish to tender such shares for exchange, you must deliver to Computershare Trust Company, N.A. (the Exchange Agent) (1) the preferred stock certificates to be exchanged, and (2) a properly completed letter of transmittal.

To tender shares of preferred stock, the Exchange Agent must receive, prior to the Expiration Date, a timely confirmation of book-entry transfer of such shares of preferred stock and an agent s message through ATOP according to the procedure for book-entry transfer described in this prospectus. If you tender shares of preferred stock under ATOP, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. If you wish to tender shares of preferred stock that you hold in street name and are legally held in the name of a broker or other nominee, you should instruct your broker or other nominee to tender on your behalf.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC on or prior to the Expiration Date. We describe the procedures for tendering shares of preferred stock in more detail in the section of this prospectus entitled The Exchange Offer Procedures for Tendering.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus. We are not making an offer of the common stock in any jurisdiction where such offer is not permitted.

In this prospectus, except as otherwise specified, the words Wheeler, the Company, we, our, ours, and us coll refer to Wheeler Real Estate Investment Trust, Inc. and its subsidiaries, including Wheeler REIT, L.P., a Virginia limited partnership for which Wheeler serves as sole general partner (the Operating Partnership).

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, including discussion and analysis of our financial condition, anticipated capital expenditures required to complete projects, amounts of anticipated cash distributions to our stockholders in the future and other matters. These forward-looking statements are not historical facts but are the intent, belief or current expectations of our management based on its knowledge and understanding of our business and industry. Forward-looking statements are typically identified by the use of terms such as may, will, should, potential, predicts, anticipates, expects, intends, plans, believes, seeks, estimates, or the negative of s variations of these words and similar expressions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. You are cautioned to not place undue reliance on forward-looking statements, which reflect our management s view only as of the date of this confidential placement memorandum. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results, except as required by applicable law. Factors that could cause actual results to differ materially from any forward-looking statements made in this prospectus include, among others:

- our business and investment strategy;
- our projected operating results;
- actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies;
- the state of the U.S. economy generally or in specific geographic areas;
- economic trends and economic recoveries;
- our ability to obtain and maintain financing arrangements;
- financing and advance rates for our target assets;
- our expected leverage;
- availability of investment opportunities in real estate-related investments;

changes in the values of our assets;

our ability to make distributions to our stockholders in the future;

our expected investments and investment decisions;

changes in interest rates and the market value of our target assets;

our ability to renew leases at amounts and terms comparable to existing lease agreements;

our ability to proceed with potential development opportunities for us and third-parties;

effects of hedging instruments on our target assets;

the degree to which our hedging strategies may or may not protect us from interest rate volatility;

impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;

our ability to maintain our qualification as a real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended (the Code);

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended (the 1940 Act);

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- availability of qualified personnel and management team;

- the ability of our Operating Partnership and each of our other subsidiaries organized as partnerships and limited liability companies to be classified as partnerships or disregarded entities for U.S. federal income tax purposes;

- our ability to amend our charter to increase or decrease the aggregate number of authorized shares of stock and to classify or reclassify unissued shares of our preferred stock;

- our understanding of our competition; and

- market trends in our industry, interest rates, real estate values or the general economy.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described in this prospectus under the sections entitled Risk Factors, Business, and in Management s Discussion and Analysis of Financial Condition and Results of Operations as included in our latest Annual Report on Form 10-K, as filed on March 25, 2015 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, as filed on May 15, 2015, each of which is incorporated by reference into this prospectus. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

These answers to questions that you may have as a holder of our preferred stock are highlights of selected information included elsewhere in this prospectus. To fully understand the Exchange Offer and the other considerations that may be important to your decision about whether to participate in it, you should carefully read this prospectus in its entirety.

Why are we making the Exchange Offer?

We are making this offer to improve our capital structure. Assuming a sufficient number of holders of preferred stock tender their shares at the proposed Exchange Offer Consideration (as defined below), we believe that consummation will allow us to record an increase to our tangible common stockholders equity, which we define as our common stockholders equity less our intangible assets. Assuming the transactions described in this prospectus are consummated, we believe that the increase in our tangible common equity capitalization and preservation of liquidity as a result of this Exchange Offer will improve our ability to operate in the current economic environment and enhance our long-term financial stability.

What shares of preferred stock are being sought in the Exchange Offer?

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and in the related letter of transmittal, any and all properly tendered and accepted shares of Series A Preferred Stock and Series B Preferred Stock for newly issued shares of our common stock. If all shares of the Series A Preferred Stock and the Series B Preferred Stock are exchanged, we will issue 20,853,250 shares of our common stock in order to settle the Exchange Offer.

What will I receive in the Exchange Offer if I tender my shares of preferred stock and they are accepted?

For each share of preferred stock of a particular series tendered and accepted for exchange we are offering the Exchange Offer Consideration set forth in the table below (the Exchange Offer Consideration). We are offering to exchange 500 shares of common stock for each share of Series A Preferred Stock tendered and 12.5 shares of common stock for each share of Series B Preferred Stock tendered.

Exchange Offer Consideration Per Share

CUSIP	Title of Security	Liquidation Preference Per Share	Aggregate Liquidation Preference Outstanding	Common Shares Offered for Exchange Therefor (1)	Exchange Value (1)	Consideration as % of Liquidation Preference
N/A	Series A Preferred Stock	$ 1,000	$ 1,809,000	904,500	$ 1,809,000	100%
963025 309	Series B Preferred Stock	$ 25	$ 39,897,500	19,948,750	$ 39,897,500	100%

(1) The Exchange Value is equal to the number of shares of common stock offered per share of preferred stock multiplied by the last reported sale price of our common stock. Because the number of shares of common stock to be issued in the Exchange Offer is fixed, changes in the trading prices of the common stock will result in the market value of the common stock you receive in exchange for tendering your shares being different than the value

reflected in the table above. The last reported sale price of our common stock on July 15, 2015, was $2.00 per share.

The Exchange Offer is not subject to any minimum number of shares or liquidation preference of preferred stock being tendered. We will not issue fractional shares of common stock upon exchange of the preferred stock in the Exchange Offer. Instead, we will pay cash for all fractional shares based upon a price per share of common stock of $2.38. See The Exchange Offer Fractional Shares. Your right to receive the Exchange Offer Consideration in the Exchange Offer is subject to all of the conditions set forth in this prospectus and the related letter of transmittal.

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What happens to tendered shares of preferred stock that are not accepted for exchange?

If your tendered shares of preferred stock are not accepted for exchange for any reason pursuant to the terms and conditions of the Exchange Offer, such shares will be returned without expense to you or, in the case of shares of preferred stock tendered by book-entry transfer, such shares will be credited to an account maintained at DTC, designated by the participant who delivered such shares, in each case, promptly following the Expiration Date or the termination of the Exchange Offer.

Do I have a choice in whether to tender my preferred stock?

Yes. Holders of preferred stock are not required to tender their preferred stock pursuant to this prospectus. All rights and obligations under the certificates of designation pursuant to which each series of preferred stock was issued will continue with respect to the preferred stock that remains outstanding after the Expiration Date.

May I tender only a portion of the preferred stock that I hold?

Yes. You do not have to tender all of your preferred stock to participate in the Exchange Offer. You may choose to tender in the Exchange Offer all or any portion of the preferred stock that you hold.

Will the common stock to be issued in the Exchange Offer be listed for trading?

Yes. The shares of our common stock to be issued in the Exchange Offer are listed on the Nasdaq Capital Market under the symbol WHLR.

What other rights will I lose if I tender my shares of preferred stock in the Exchange Offer?

If you validly tender your shares of preferred stock and we accept them for exchange, you will lose the rights of a holder of preferred stock with respect to those shares, which are described below in this prospectus. For example, you would lose the right to receive any accumulated and unpaid dividends in respect of the tendered shares of preferred stock as well as any dividends that in the future may be declared in respect of tendered shares of each series of preferred stock that are accepted. You would also lose the right to receive, out of assets available for distribution to our stockholders and before any distribution is made to the holders of stock ranking junior to the preferred stock (including common stock), a liquidation preference on the preferred stock, and accumulated and unpaid dividends, upon any voluntary or involuntary liquidation, winding up or dissolution of the Company. See Description of Capital Stock.

What happens to any warrants that I own if I tender preferred stock in the Exchange Offer?

Tendering your shares of preferred stock in the Exchange Offer will not impact the amount or any other terms of the warrants you own. Your warrants will remain outstanding after the Expiration Date.

What does the Company intend to do with the shares of preferred stock that are tendered in the Exchange Offer?

Shares of preferred stock accepted for exchange by us in the Exchange Offer will be restored to the status of authorized but unissued shares of preferred stock undesignated as to series.

If I participate in the Exchange Offer, will I receive any dividends that become payable on my preferred stock prior to the settlement date, assuming I hold such preferred stock on the applicable record date?

If you hold shares of preferred stock on their applicable record dates prior to the Settlement Date, you will be issued dividends on your preferred stock in accordance with their terms.

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Will I receive any accrued and unpaid dividends on shares of preferred stock that I tendered in the Exchange Offer?

Upon tendering your shares of preferred stock, you will not receive any accumulated and unpaid dividends with respect to such tendered shares of preferred stock.

Are we making a recommendation regarding whether you should tender in the Exchange Offer?

We are not making any recommendation regarding whether you should tender or refrain from tendering your preferred stock in the Exchange Offer. Accordingly, you must make your own determination as to whether to tender your preferred stock in the Exchange Offer and, if so, the number of shares of preferred stock to tender. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the preferred stock for purposes of negotiating the Exchange Offer or preparing a report concerning the fairness of the Exchange Offer. Before making your decision, we urge you to carefully read this prospectus in its entirety, including the information set forth in the Risk Factors section of this prospectus.

When does the Exchange Offer expire?

Unless earlier terminated by us, the Exchange Offer will expire at 11:59 p.m., New York City time, on July 20, 2015, or at such other time if this date is extended by us, unless earlier terminated by us pursuant to the terms further described below. Preferred stock tendered may be validly withdrawn at any time before the Expiration Date, and, if the preferred stock has not been accepted for payment, after the expiration of forty business days from the commencement of the Exchange Offer (August 11, 2015). If a broker, dealer, commercial bank, trust company or other nominee holds your preferred stock, such nominee may have an earlier deadline for accepting the Exchange Offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your preferred stock to determine its deadline.

What are the conditions to the Exchange Offer?

The Exchange Offer is conditioned upon the closing conditions described in The Exchange Offer Conditions of the Exchange Offer. The Exchange Offer is not conditioned upon any minimum number or aggregate liquidation preference of shares of preferred stock being tendered. We may waive certain conditions of the Exchange Offer described in this prospectus prior to the Expiration Date. If any of the conditions are not satisfied or waived, we will not complete the Exchange Offer.

Under what circumstances can the Exchange Offer be extended, amended or terminated?

We reserve the right to extend the Exchange Offer for any reason or no reason at all. We also expressly reserve the right, at any time or from time to time, to amend the terms of the Exchange Offer in any respect prior to the Expiration Date. Further, we may be required by law to extend the Exchange Offer if we make a material change in the terms of the Exchange Offer or in the information contained in this prospectus or waive a material condition to the Exchange Offer. During any extension of the Exchange Offer, preferred stock that was previously tendered and not validly withdrawn will remain subject to the Exchange Offer. We reserve the right, in our sole and absolute discretion, but subject to applicable law, to terminate the Exchange Offer at any time prior to the Expiration Date if any condition to the Exchange Offer is not met. If the Exchange Offer is terminated, no shares of preferred stock will be accepted for exchange, and any shares of preferred stock that have been tendered will be promptly returned to the holder. For more information regarding our right to extend, amend or terminate the Exchange Offer, see The Exchange Offer Expiration Date; Extensions; Termination; Amendment.

How will I be notified if the Exchange Offer is extended, amended or terminated?

If the Exchange Offer is extended, amended or terminated, we will promptly make a public announcement thereof. For more information regarding notification of extensions, amendments or the termination of the Exchange Offer, see The Exchange Offer Expiration Date; Extensions; Termination; Amendment.

How do I tender shares of preferred stock in the Exchange Offer?

Please refer to The Exchange Offer Procedures for Tendering, beginning on page 99 of the prospectus, for a detailed description of the procedures you may follow to tender your shares of preferred stock.

Should you have any questions as to the procedures for tendering your shares of preferred stock, please call your bank, broker, custodian, trust company or other nominee or call the Information Agent (as defined below).

If I change my mind, can I withdraw my tender of preferred stock?

You may withdraw previously tendered preferred stock at any time until the Expiration Date. See The Exchange Offer Withdrawal of Tenders.

Will I have to pay any fees or commissions if I tender my preferred stock?

Tendering holders are not obligated to pay brokerage fees or commissions to us or to Compass Point Research & Trading, LLC and Maxim Group LLC (collectively, the Dealer Managers), Georgeson, Inc. (the Information Agent) or Computershare Trust Company, N.A. (the Exchange Agent). If your shares of preferred stock are held through a broker or other nominee who tenders the preferred stock on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply. See The Exchange Offer.

What risks should I consider in deciding whether or not to tender any or all of my preferred stock?

In deciding whether to participate in the Exchange Offer, you should carefully consider the discussion of risks and uncertainties pertaining to the Exchange Offer and those affecting our businesses and an investment in our common stock, described in this section entitled Questions and Answers About the Exchange Offer and in the section entitled Risk Factors.

What are the U.S. federal income tax considerations of participating in the Exchange Offer?

Please see the section of this prospectus entitled Material U.S. Federal Income Tax Considerations . You should consult your own tax advisor for a full understanding of the tax considerations of participating in the Exchange Offer.

How will the Exchange Offer affect the trading market for the shares of preferred stock that are not acquired by the Company?

The Series A Preferred Stock is not listed on any securities exchange. The Series B Preferred Stock is listed on the Nasdaq Capital Market under the symbol WHLRP. Depending on the number of shares of tendered preferred stock in the Exchange Offer, the trading market for the remaining preferred stock may become less liquid and more sporadic, and market prices may fluctuate significantly depending on the volume of trading in the preferred stock. In such an event, your ability to sell your preferred stock not tendered in the Exchange Offer may be impaired. See Risk Factors Shares of preferred stock that you continue to hold after the Exchange Offer are expected to become less liquid following the Exchange Offer.

Are any shares of preferred stock held by the Company s directors or officers?

None of our directors or executive officers beneficially holds preferred stock other than Jeffrey Zwerdling, one of our directors, who holds 14,000 shares of Series B Preferred Stock. See Material Interests of Affiliates.

Will the Company receive any cash proceeds from the Exchange Offer?

No. The Company will not receive any cash proceeds from the Exchange Offer.

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With whom may I talk if I have questions about the Exchange Offer?

If you have questions regarding the procedures for tendering in the Exchange Offer or require assistance in tendering your preferred stock, please contact the Dealer Managers, the Information Agent or the Exchange Agent listed on the back cover of this prospectus. If you would like additional copies of this prospectus, our annual, quarterly, and current reports or proxy statement, please contact either the Information Agent or our Secretary. The contact information for our Secretary is set forth in the section of this prospectus entitled Where You Can Find More Information About Wheeler Real Estate Investment Trust, Inc. The contact information for the Dealer Managers is: Compass Point Research & Trading, LLC, 1055 Thomas Jefferson Street NW, Suite 303, Washington, DC 20007, Phone: 202-540-7300. Maxim Group LLC, 405 Lexington Avenue, 2nd Floor, New York, NY 10174, Phone: 212-895-3500. The contact information for the Exchange Agent is: Computershare Trust Company, N.A., P.O. Box 43011, Providence, RI 02940-3011, Phone: 781-575-2332, and the contact information for the Information Agent is: Georgeson, Inc., 480 Washington Blvd., 26th Floor, Jersey City, New Jersey, 07310, Phone: 866 391-7007 (toll-free), Email: Wheeler@Georgeson.com. Holders of preferred stock may also contact their brokers, dealers, commercial banks, trust companies or other nominees through whom they hold their preferred stock with questions and requests for assistance.

WE ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES, AND THEREFORE YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC ON OR PRIOR TO THE EXPIRATION DATE. IF YOU HOLD YOUR PREFERRED STOCK THROUGH A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE, YOU SHOULD KEEP IN MIND THAT SUCH ENTITY MAY REQUIRE YOU TO TAKE ACTION WITH RESPECT TO THE EXCHANGE OFFER A NUMBER OF DAYS BEFORE THE EXPIRATION DATE IN ORDER FOR SUCH ENTITY TO TENDER PREFERRED STOCK ON YOUR BEHALF ON OR PRIOR TO THE EXPIRATION DATE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND HAVE NO EFFECT. IF YOUR INTEREST AS A HOLDER OF PREFERRED STOCK IS IN CERTIFICATED FORM, YOU MUST DELIVER THE PREFERRED STOCK CERTIFICATE TO BE EXCHANGED IN THE MANNER SPECIFIED IN THE ACCOMPANYING LETTER OF TRANSMITTAL AND A PROPERLY COMPLETED LETTER OF TRANSMITTAL.

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SUMMARY

This summary highlights material information related to the Exchange Offer contained in this prospectus. It does not contain all of the information that you should consider before making a decision as to whether or not to participate in the Exchange Offer and is qualified in its entirety by the more detailed information included in this prospectus. You should carefully read this entire prospectus and the related letter of transmittal, before making your decision. For a more complete description of our business, see the Business section in this prospectus.

We are a fully-integrated, self-managed commercial real estate investment company focused on acquiring and managing income-producing retail properties with a primary focus on grocery-anchored centers. Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns, with a particular emphasis on grocery-anchored retail centers. We target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. We generally lease our properties to national and regional retailers that offer consumer goods and generate regular consumer traffic. We believe our tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers disposable income, generating more predictable property level cash flows.

Summary of Terms of the Exchange Offer

Exchange Offer

We are offering to exchange up to 20,853,250 newly issued shares of our common stock for properly tendered and accepted shares of our Series A Preferred Stock and Series B Preferred Stock. For each share of preferred stock that we accept for exchange in accordance with the terms of the Exchange Offer, we will issue a number of shares of our common stock having the Exchange Value set forth in the table below:

Exchange Offer Consideration Per Share

CUSIP	Title of Security	Liquidation Preference Per Share	Aggregate Liquidation Preference Outstanding	Common Shares Offered for Exchange Therefor	Exchange Value	Consideration as % of Liquidation Preference
N/A	Series A Preferred Stock	$ 1,000	$ 1,809,000	904,500	$ 1,809,000	100%
963025 309	Series B Preferred Stock	$ 25	$ 39,897,500	19,948,750	$ 39,897,500	100%

The Exchange Value is equal to the number of shares of common stock multiplied by the last reported sale price of our common stock on the Nasdaq Capital Market on July 15, 2015 of $2.00 per share. Because the number of shares of common stock to be issued in the Exchange Offer is fixed, changes in the trading price of the common stock will result in the market value of the common stock you receive in exchange for tendering your shares being different than the value reflected above.

	We will not issue fractional shares in the Exchange Offer, and we will issue cash in lieu of any fractional shares of our common stock.
Expiration Date	The Exchange Offer will expire at 11:59 p.m., New York City time, on July 20, 2015, unless extended or earlier terminated by us. If a broker, dealer, commercial bank, trust company or other nominee

	legally owns preferred stock, such nominee may have an earlier deadline for accepting the offer. You should promptly contact the broker, dealer, commercial bank, trust company or other nominee that holds your shares of preferred stock to determine its deadline.
Settlement Date	The settlement date in respect of any shares of preferred stock that are validly tendered prior to the Expiration Date will be approximately three business days following the Expiration Date and is anticipated to be on or about July 23, 2015. See The Exchange Offer Settlement Date.
Certain Consequences to Non-Tendering Holders	Shares of preferred stock not exchanged in the Exchange Offer will remain outstanding after the consummation of the Exchange Offer. The Series A Preferred Stock is not listed on any securities exchange, and there is no established trading market for the Series A Preferred Stock. The Series B Preferred Stock is listed on the Nasdaq Capital Market under the symbol WHLRP. Depending on the number of shares of tendered preferred stock in the Exchange Offer, the trading market for the remaining preferred stock may become less liquid and more sporadic, and market prices may fluctuate significantly depending on the volume of trading in the preferred stock. See Risk Factors Shares of preferred stock that you continue to hold after the Exchange Offer are expected to become less liquid following the Exchange Offer.
Conditions to the Exchange Offer	The Exchange Offer is conditioned upon the closing conditions described in The Exchange Offer Conditions of the Exchange Offer. Our offer to exchange is not subject to any minimum tender condition.
No Appraisal Rights	Holders of preferred stock will not possess appraisal rights in connection with the Exchange Offer.
Procedures for Tendering Shares of Preferred Stock	Certain shares of preferred stock were issued in book-entry form, and are currently represented by one or more global certificates held for the account of DTC. If your securities are book-entry securities, you may tender your shares of preferred stock by transferring them through ATOP or following the other procedures described under The Exchange Offer Procedures for Tendering.
	If you hold your shares of preferred stock through a bank, broker or other nominee, in order to validly tender your shares of preferred stock in the Exchange Offer, you must follow the instructions provided by your bank, broker, custodian, commercial bank, trust company or other nominee with regard to procedures for tendering, in order to enable your bank,

broker, custodian, commercial bank, trust company or other nominee to comply with the procedures described below.

Beneficial owners are urged to appropriately instruct their bank, broker, custodian, commercial bank, trust company or other

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nominee at least five business days prior to the Expiration Date in order to allow adequate processing time for their instruction.

In order for a bank, broker, custodian, commercial bank, trust company or other nominee to validly tender your shares of preferred stock in the Exchange Offer, such bank, broker, custodian, commercial bank, trust company or other nominee must deliver to the Exchange Agent an electronic message that will contain:

- your acknowledgment and agreement to, and agreement to be bound by, the terms of the accompanying letter of transmittal; and

- a timely confirmation of book-entry transfer of all your shares of preferred stock into the Exchange Agent s account.

Should you have any questions as to the procedures for tendering your shares of preferred stock, please call your bank, broker, custodian, trust company or other nominee or call the Information Agent.

On the date of any tender for exchange, if your interest in shares of preferred stock is in certificated form, you must do each of the following in order to validly tender for exchange:

- complete and manually sign the accompanying letter of transmittal provided by the Exchange Agent, or a facsimile of the conversion notice, and deliver the signed letter to the Exchange Agent;

- surrender the certificates for your shares of preferred stock to the Exchange Agent;

- if required, furnish appropriate endorsements and transfer documents; and

- if required, pay all transfer or similar taxes.

You may obtain copies of the required form of the letter of transmittal from the Exchange Agent. We describe the procedures for tendering shares of preferred stock in more detail in the section of this prospectus entitled The Exchange Offer Procedures for Tendering.

WE ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES AND THEREFORE YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC ON OR PRIOR TO THE EXPIRATION DATE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND WILL HAVE NO EFFECT.

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	IF YOUR INTEREST AS A HOLDER OF PREFERRED STOCK IS IN CERTIFICATED FORM, YOU MUST DELIVER THE PREFERRED STOCK CERTIFICATES TO BE EXCHANGED IN THE MANNER SPECIFIED IN THE ACCOMPANYING LETTER OF TRANSMITTAL AND A PROPERLY COMPLETED LETTER OF TRANSMITTAL.
Withdrawal Rights	You may withdraw any preferred stock tendered in the Exchange Offer at any time prior to the Expiration Date, and, if the preferred stock has not been accepted for payment, after the expiration of forty business days from the commencement of the Exchange Offer (August 11, 2015). If we decide for any reason not to accept any preferred stock tendered for exchange, the preferred stock will be returned to the registered holder at our expense promptly after the expiration or termination of the Exchange Offer. For further information regarding the withdrawal of tendered preferred stock, see The Exchange Offer Withdrawal of Tenders.
Return of Unaccepted Tenders	If any tendered shares of preferred stock are not accepted for payment for any reason pursuant to the terms and conditions of the Exchange Offer, such shares will be returned without expense to the tendering holder promptly following the Expiration Date or termination of the Exchange Offer.
Risk Factors	You should carefully consider all of the information set forth in this prospectus, and, in particular, you should evaluate the specific factors set forth under Risk Factors before deciding whether to participate in the Exchange Offer.
United States Federal Income Tax Considerations for Preferred Stockholders	For U.S. federal income tax purposes, the exchange of preferred stock for common stock will qualify as a recapitalization under Section 368(a)(1)(E) of the Code.
	For a discussion of the U.S. federal income tax considerations of participating preferred stockholders in the Exchange Offer, please see the section titled Material U.S. Federal Income Tax Considerations.
Use of Proceeds	We will not receive any cash proceeds from the tender of the preferred stock pursuant to the Exchange Offer.
Brokerage Commissions	If your shares of preferred stock are held through a broker or other nominee who tenders shares of preferred stock on your behalf, your

	broker may charge you a commission for doing so.
Dealer Managers	Compass Point Research & Trading, LLC and Maxim Group LLC
Information Agent and Exchange Agent	Georgeson, Inc. and Computershare Trust Company, N.A., respectively
Market-Trading	The Series A Preferred Stock is not listed on any exchange. The Series B Preferred Stock is listed on the Nasdaq Capital Market under

the symbol WHLRP. The common stock is listed on the Nasdaq Capital Market under the symbol WHLR.

Further Information

If you have questions regarding the procedures for tendering in the Exchange Offer or require assistance in tendering your shares of preferred stock, please contact the Dealer Managers, the Exchange Agent or the Information Agent. If you would like additional copies of this prospectus, our annual, quarterly, and current reports, proxy statement or other information, please contact either the Information Agent or our Secretary. The contact information for the Dealer Managers, the Exchange Agent and the Information Agent is set forth on the back cover of this prospectus. The contact information for our Secretary is set forth above under Where You Can Find More Information About Wheeler Real Estate Investment Trust, Inc.

Regulatory Compliance

We are not aware of any material regulatory approvals necessary to complete the Exchange Offer. However, we may not complete the Exchange Offer until the registration statement, of which this prospectus forms a part, is declared effective by the Commission. See The Exchange Offer Regulatory Matters.

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RISK FACTORS

You should carefully consider the risk factors set forth below and all of the information contained in this prospectus before deciding whether to participate in the Exchange Offer. Any of the following risks could materially and adversely affect our business, financial condition, operating results or cash flow; however, the following risks are not the only risks facing us. Additional risks that we do not yet know of or that we currently judge to be immaterial may also impair our business operations. You may lose all or part of your investment, particularly if any of the events or circumstances described in the aforementioned risks or other material event actually occurs, as our business, financial condition, or results of operations could be materially adversely affected.

Risks Related to Our Business and Operations

Construction and development projects are subject to risks that materially increase the costs of completion.

In the event that we decide to develop and construct new properties or redevelop existing properties, we will be subject to risks and uncertainties associated with construction and development. These risks include, but are not limited to, risks related to obtaining all necessary zoning, land-use, building occupancy and other governmental permits and authorizations, risks related to the environmental concerns of government entities or community groups, risks related to changes in economic and market conditions between development commencement and stabilization, risks related to construction labor disruptions, adverse weather, acts of God or shortages of materials which could cause construction delays and risks related to increases in the cost of labor and materials which could cause construction costs to be greater than projected and adversely impact the amount of our development fees or our results of operations or financial condition.

Our portfolio of properties is dependent upon regional and local economic conditions and is geographically concentrated in the Northeast, Mid-Atlantic, Southeast and Southwest, which may cause us to be more susceptible to adverse developments in those markets than if we owned a more geographically diverse portfolio.

Our properties are located in Alabama, Virginia, North Carolina, Florida, Georgia, South Carolina, West Virginia, Kentucky, Oklahoma, Tennessee and New Jersey, which exposes us to greater economic risks than if we owned a more geographically diverse portfolio. If there is a downturn in the economy in our markets, our operations and our revenue and cash available for distribution, including cash available to pay distributions to our stockholders, could be materially adversely affected. We cannot assure you that our markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of retail properties. Our operations may also be affected if competing properties are built in our markets. Moreover, submarkets within any of our markets may be dependent upon a limited number of industries. Any adverse economic or real estate developments in the Mid-Atlantic, Northeast, Southeast or Southwest markets, or any decrease in demand for retail space resulting from the regulatory environment, business climate or energy or fiscal problems, could adversely impact our financial condition, results of operations, cash flow, our ability to satisfy our debt service obligations and our ability to pay distributions to our stockholders.

As of March 31, 2015, we had approximately $147.6 million of indebtedness outstanding, which may expose us to the risk of default under our debt obligations.

As of March 31, 2015, our total indebtedness was approximately $147.6 million, a substantial portion of which is guaranteed by our Operating Partnership, and we may incur additional debt to finance future acquisition and development activities. Payments of principal and interest on borrowings may leave us with insufficient cash resources to operate our properties or to pay the dividends currently contemplated or necessary to maintain our

REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may violate financial covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

The majority of our properties are retail shopping centers and depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants.

Large, regionally or nationally recognized tenants typically anchor our properties. At any time, our tenants may experience a downturn in their business that may significantly weaken their financial condition. As a result, our tenants, including our anchor and other major tenants, may fail to comply with their contractual obligations to us, seek concessions in order to continue operations or declare bankruptcy, any of which could result in the termination of such tenants leases and the loss of rental income attributable to the terminated leases. In addition, certain of our tenants may cease operations while continuing to pay rent, which could decrease customer traffic, thereby decreasing sales for our other tenants at the applicable retail property. In addition to these potential effects of a business downturn, mergers or consolidations among large retail establishments could result in the closure of existing stores or duplicate or geographically overlapping store locations, which could include stores at our retail properties.

Loss of, or a store closure by, an anchor or major tenant could significantly reduce our occupancy level or the rent we receive from our retail properties, and we may not have the right to re-lease vacated space or we may be unable to re-lease vacated space at attractive rents or at all. Moreover, in the event of default by a major tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties. The occurrence of any of the situations described above, particularly if it involves an anchor tenant with leases in multiple locations, could seriously harm our performance and could adversely affect the value of the applicable retail property.

Some of the leases at our retail properties contain co-tenancy or go-dark provisions, which, if triggered, may allow tenants to pay reduced rent, cease operations or terminate their leases, any of which could adversely affect our performance or the value of the applicable retail property.

Some of the leases at our retail properties contain co-tenancy provisions that condition a tenant s obligation to remain open, the amount of rent payable by the tenant or the tenant s obligation to continue occupancy on certain conditions, including: (1) the presence of a certain anchor tenant or tenants; (2) the continued operation of an anchor tenant s store; and (3) minimum occupancy levels at the applicable retail property. If a co-tenancy provision is triggered by a failure of any of these or other applicable conditions, a tenant

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could have the right to cease operations, to terminate its lease early or to a reduction of its rent. In periods of prolonged economic decline, there is a higher than normal risk that co-tenancy provisions will be triggered as there is a higher risk of tenants closing stores or terminating leases during these periods. In addition to these co-tenancy provisions, certain of the leases at our retail properties contain go-dark provisions that allow the tenant to cease operations while continuing to pay rent. This could result in decreased customer traffic at the applicable retail property, thereby decreasing sales for our other tenants at that property, which may result in our other tenants being unable to pay their minimum rents or expense recovery charges. These provisions also may result in lower rental revenue generated under the applicable leases. To the extent co-tenancy or go-dark provisions in our retail leases result in lower revenue or tenant sales or tenants rights to terminate their leases early or to a reduction of their rent, our performance or the value of the applicable retail property could be adversely affected.

We may be unable to renew leases, lease vacant space or re-let space as leases expire, thereby increasing or prolonging vacancies, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

As of March 31, 2015, leases representing approximately 10.51% of the square footage and approximately 10.52% of the annualized base rent of the properties in our portfolio will expire during the twelve months ending March 31, 2016, and an additional 4.20% of the square footage of the properties in our portfolio was available. We cannot assure you that leases will be renewed or that our properties will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. If the rental rates for our properties decrease, our existing tenants do not renew their leases or we do not re-let a significant portion of our available space and space for which leases will expire, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth and ability to pay dividends as expected.

Our business strategy involves the acquisition of income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers, free-standing retail properties and development properties. These activities require us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategies. We continue to evaluate the market of available properties and may attempt to acquire properties when strategic opportunities exist. However, we may be unable to acquire properties identified as potential acquisition opportunities. Our ability to acquire properties on favorable terms, or at all, may be exposed to the following significant risks:

- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete;
- even if we enter into agreements for the acquisition of properties, these agreements are subject to conditions to closing, which we may be unable to satisfy; and
- we may be unable to finance the acquisition on favorable terms or at all.

If we are unable to finance property acquisitions or acquire properties on favorable terms, or at all, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected. In addition, failure to identify or complete acquisitions of suitable properties could slow our growth and hinder our ability to pay dividends as expected.

We face significant competition for acquisitions of real properties, which may reduce the number of acquisition opportunities available to us and increase the costs of these acquisitions.

The current market for acquisitions continues to be extremely competitive. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. We also face significant competition for attractive acquisition opportunities from an indeterminate number of investors, including publicly traded and privately held REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Competition for investments may reduce the number of suitable investment opportunities available to us and may have the effect of increasing prices paid for such acquisition properties and/or reducing the rents we can charge and, as a result, adversely affecting our operating results.

Our future acquisitions may not yield the returns we expect, and we may otherwise be unable to operate these properties to meet our financial expectations, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our future acquisitions and our ability to successfully operate the properties we acquire in such acquisitions may be exposed to the following significant risks:

- even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price;

- we may acquire properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;

- our cash flow may be insufficient to meet our required principal and interest payments;

- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;

- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and as a result our results of operations and financial condition could be adversely affected;

- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and

- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for cleanup of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we cannot operate acquired properties to meet our financial expectations, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may not be able to control our operating costs or our expenses may remain constant or increase, even if our revenues do not increase, causing our results of operations to be adversely affected.

Factors that may adversely affect our ability to control operating costs include the need to pay for insurance and other operating costs, including real estate taxes, which could increase over time, the need periodically to repair, renovate and re-lease space, the cost of compliance with governmental regulation, including zoning, environmental and tax laws, the potential for liability under applicable laws, interest rate levels and the availability of financing. If our operating costs increase as a result of any of the foregoing factors, our results of operations may be adversely affected.

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The expense of owning and operating a property is not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. As a result, if revenues decline, we may not be able to reduce our expenses accordingly. Costs associated with real estate investments, such as real estate taxes, insurance, loan payments and maintenance, generally will not be reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. If we are unable to decrease operating costs when demand for our properties decreases and our revenues decline, our financial condition, results of operations and our ability to make distributions to our stockholders may be adversely affected.

High mortgage interest rates and/or unavailability of mortgage debt may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income and the amount of cash distributions we can make.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we may be unable to refinance the properties when the loans become due, or to refinance on favorable terms. If interest rates are higher when we refinance our properties, our income could be reduced. If any of these events occur, our cash flow could be reduced. This, in turn, could reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

Incurring mortgage and other secured debt obligations increases our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

Failure to hedge effectively against interest rate changes may adversely affect financial condition, results of operations, cash flow and per share trading price of our common stock.

Subject to maintaining our qualification as a REIT, we may enter into hedging transactions to protect us from the effects of interest rate fluctuations on floating rate debt. We currently do not have any hedges in place. Our hedging transactions may include entering into interest rate cap agreements or interest rate swap agreements. These agreements involve risks, such as the risk that such arrangements would not be effective in reducing our exposure to interest rate changes or that a court could rule that such an agreement is not legally enforceable. In addition, interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates. Hedging could reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes could materially adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock. In addition, while such agreements would be intended to lessen the impact of rising interest rates on us, they could also expose us to the risk that the other parties to the agreements would not perform, we could incur significant costs associated with the settlement of the agreements or that the underlying transactions could fail to qualify as highly-effective cash flow hedges under generally accepted accounting principles in the United States of America.

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Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, including the recent dislocations in the credit markets and general global economic downturn. These conditions, or similar conditions existing in the future, may adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock as a result of the following potential consequences, among others:

- decreased demand for retail space, which would cause market rental rates and property values to be negatively impacted;

- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans; and

- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from our acquisition and development activities and increase our future interest expense.

In addition, the economic downturn adversely affected, and may continue to adversely affect, the businesses of many of our tenants. As a result, we may see increases in bankruptcies of our tenants and increased defaults by tenants, and we may experience higher vacancy rates and delays in re-leasing vacant space, which could negatively impact our business and results of operations.

We are subject to risks that affect the general retail environment, such as weakness in the economy, the level of consumer spending, the adverse financial condition of large retailing companies and competition from discount and internet retailers, any of which could adversely affect market rents for retail space and the willingness or ability of retailers to lease space in our shopping centers.

With the exception of our Riversedge North property, which houses our offices, all of our improved properties are in the retail real estate market. This means that we are subject to factors that affect the retail sector generally, as well as the market for retail space. The retail environment and the market for retail space have been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the level of consumer spending and consumer confidence, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing competition from discount retailers, outlet malls, internet retailers and other online businesses. Increases in consumer spending via the Internet may significantly affect our retail tenants ability to generate sales in their stores. In addition, some of our retail tenants face competition from the expanding market for digital content and hardware. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants.

Any of the foregoing factors could adversely affect the financial condition of our tenants and the willingness of retailers to lease space in our shopping centers. In turn, these conditions could negatively affect market rents for retail space and could materially and adversely affect our financial condition, results of operations, cash flow, the trading price of our common shares and our ability to satisfy our debt service obligations and to pay distributions to our stockholders.

We face significant competition in the leasing market, which may decrease or prevent increases of the occupancy and rental rates of our properties.

We compete with numerous developers, owners and operators of real estate, many of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants leases expire. As a result, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, causing our financial condition, results of operations, cash flow and per share trading price of our common stock to be adversely affected.

To the extent adverse economic conditions continue in the real estate market and demand for retail space falls, we expect that, upon expiration of leases at our properties, we may be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by tenants upon expiration of their leases, which could cause an adverse effect to our financial condition, results of operations, cash flow and per share trading price of our common stock.

The actual rents we receive for the properties in our portfolio may be less than our asking rents, which could negatively impact our ability to generate cash flow growth.

As a result of various factors, including competitive pricing pressure in our submarkets, adverse conditions in the Northeast, Mid-Atlantic, Southeast and Southwest real estate markets, a general economic downturn and the desirability of our properties compared to other properties in our submarkets, we may be unable to realize the asking rents across the properties in our portfolio. In addition, the degree of discrepancy between our asking rents and the actual rents we are able to obtain may vary both from property to property and among different leased spaces within a single property. If we are unable to obtain rental rates that are on average comparable to our asking rents across our portfolio, then our ability to generate cash flow growth will be negatively impacted. In addition, depending on asking rental rates at any given time as compared to expiring leases in our portfolio, from time to time rental rates for expiring leases may be higher than starting rental rates for new leases.

We have and may continue to acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

We have and in the future we may continue to acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our Operating Partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Our real estate development activities are subject to risks particular to development, such as unanticipated expenses, delays and other contingencies, any of which could adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock.

We may engage in development and redevelopment activities with respect to certain of our properties. To the extent that we do so, we will be subject to the following risks associated with such development and redevelopment activities:

- unsuccessful development or redevelopment opportunities could result in direct expenses to us;

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- construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;

- time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;

- contractor and subcontractor disputes, strikes, labor disputes or supply disruptions;

- failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all;

- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;

- occupancy rates and rents of a completed project may not be sufficient to make the project profitable;

- our ability to dispose of properties developed or redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and

- the availability and pricing of financing to fund our development activities on favorable terms or at all.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Our success depends on key personnel whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception in the capital markets.

Our ability to manage anticipated future growth depends, in large part, upon the efforts of key personnel, particularly Mr. Wheeler, who has experience with the market, beneficial relationships and exercises substantial influence over our operational, financing, acquisition and disposition activity. Among the reasons that Mr. Wheeler is important to our success is that he has a national and regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential tenants and industry personnel. If we lose his services, our relationships with such persons could diminish.

We may be subject to on-going or future litigation, including existing claims relating to the entities that own the properties described in this prospectus and otherwise in the ordinary course of business, which could have a material adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

We may be subject to on-going litigation, including existing claims relating to the entities that own the properties and operate the businesses described in this prospectus and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves; however, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

On July 10, 2008, one of our subsidiaries, Perimeter Associates, LLC (Perimeter), sued a tenant for breach of contract, guaranty of the contract and fraud related to an executed lease. In response, on August 22, 2008, the defendant filed a counterclaim against Perimeter for breach of contract, unjust enrichment, reliance and fraud. On April 8, 2013, the court found in favor of the defendant and assessed damages against Perimeter in the amount of $13,300. On or about May 8, 2013, Perimeter appealed the judgment of the lower court to the Oklahoma Supreme Court. Subsequent to the initial judgment, the defendant s attorney applied to the court to be reimbursed for approximately $368,000 in legal fees incurred by the defendant during litigation. On July 9, 2013, the lower court awarded the defendant approximately $267,000 of the defendant s legal fees. Perimeter expects to amend its appeal with the Oklahoma Supreme Court to include the issue of the award of legal fees. We have posted bonds for both judgments and have accrued for the judgments in our financial statements as of March 31, 2015. We will continue to vigorously litigate the issues raised upon appeal.

We may not be able to rebuild our existing properties to their existing specifications if we experience a substantial or comprehensive loss of such properties.

In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications. Further, reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. Environmental and legal restrictions could also restrict the rebuilding of our properties.

Potential losses may not be covered by insurance or may exceed policy limits and we could incur significant costs and lose our equity in the damaged properties.

We carry comprehensive liability insurance policies, covering all of our properties. Our insurance coverage contains policy specifications and insured limits customarily carried for similar properties and business activities. If a loss or damages are suffered at one or more of our properties, our insurer may attempt to limit or void our coverage by arguing that the loss resulted from facts or circumstances not covered by our policy. Furthermore, if we experience a loss that is uninsured or that exceeds our policy limits, we could incur significant costs and lose the capital invested in the damaged or otherwise adversely affected properties as well as the anticipated future cash flows from those properties.

We have a limited operating history as a REIT and a publicly traded company. We have limited financing sources, and we may not be able to successfully operate as a REIT or a publicly traded company.

We have a limited operating history as a REIT and a publicly traded company. We cannot assure you that the past experience of Mr. Wheeler and our management team will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements of the SEC, and comply with the Sarbanes-Oxley Act of 2002 and REIT requirements imposed by the Code. Failure to operate successfully as a public company or maintain our qualification as a REIT would have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

Additionally, we have limited financing sources. If our capital resources are insufficient to support our operations, we will not be successful. You should consider our prospects in light of the risks, uncertainties and difficulties frequently encountered by companies that are, like us, in the early stages of development. To be successful in this market, we must, among other things:

identify and acquire additional investments that further our investment strategies;

increase awareness of our REIT within the investment products market;

attract, integrate, motivate and retain qualified personnel to manage our day-to-day operations; and respond to competition for our targeted real estate properties and other investment as well as for potential investors.

We cannot guarantee that we will succeed in achieving these goals, and our failure to do so could cause you to lose all or a portion of your investment.

Our estimated cash available for distribution is insufficient to cover our anticipated annual dividends and distributions paid from sources other than our cash flow from operations will result in us having fewer funds available for the acquisition of properties, which may adversely affect our ability to fund future distributions with cash flow from operations and may adversely affect your overall return.

Our operating cash flow currently is insufficient to cover our anticipated monthly and quarterly distributions to common stockholders and preferred stockholders. We have paid distributions from sources other than from our cash flow from operations. Until we acquire additional properties, we will not generate sufficient cash flow from operations to pay our anticipated monthly and quarterly distributions. Moreover, our board of directors may change this policy, in its sole discretion, at any time.

By funding distributions from our cash on hand or borrowings we will have less funds available for acquiring properties. As a result, the return you realize on your investment may be reduced. Funding distributions from borrowings could restrict the amount we can borrow for investments, which may affect our profitability. Funding distributions with the sale of assets or the proceeds of offerings may affect our ability to generate cash flows. Funding distributions from the sale of securities could dilute your interest in us if we sell shares of our common stock or securities convertible or exercisable into shares of our common stock to third party investors. Payment of distributions from the mentioned sources could restrict our ability to generate sufficient cash flow from operations, affect our profitability and/or affect the distributions payable to you, any or all of which may have an adverse effect on your investment.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers financial condition and disputes between our co-venturers and us.

We may co-invest in the future with other third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. Consequently, with respect to any such arrangement we may enter into in the future, we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflict of interest issues. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability to dispose of our interest in the joint venture. Where we are a limited partner or non-managing member in any partnership or limited liability company, if such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, in the current volatile credit market, the refinancing of such debt may require equity capital calls.

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Site Applications, LLC (Site Applications), owned by Mr. Wheeler, will face conflicts of interest caused by its arrangement with us, which could result in actions that are not in the long-term best interests of our stockholders.

We use Site Applications, an entity owned by Mr. Wheeler, for smaller property improvements in exchange for a fee. As a result, we do not have the benefit of arm s length negotiations of the type normally conducted between unrelated parties with regards to fees we pay to Site Applications. Accordingly, fees we pay to Site Applications may be higher than to third-parties. We do not have an exclusive arrangement with Site Applications as they perform work for other third-parties.

Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability, among other things, to meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

In order to maintain our qualification as a REIT, we are required under the Code, among other things, to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we intend to rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms or at all and any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;
- the market s perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

Recently, the capital markets have been subject to significant disruptions. If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

Failure by any major tenant to make rental payments to us, because of a deterioration of its financial condition, a termination of its lease, a non-renewal of its lease or otherwise, could seriously harm our results of operations.

Approximately 35% of the base rental revenue of our properties was derived from our ten largest tenants. Our largest tenant is Food Lion, which accounted for approximately 8% of base rental revenue of our properties as of March 31, 2015. At any time, our tenants may experience a downturn in their businesses that may significantly weaken their financial condition, whether as a result of general economic conditions or otherwise. As a result, our tenants may fail to make rental payments when due, delay lease commencements, decline to extend or renew leases upon expiration or declare bankruptcy. Any of these actions could result in the termination of the tenants leases or the failure to renew a lease and the loss of rental income attributable to the terminated leases. The occurrence of any of the situations described above could materially adversely affect our results of operations.

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Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

In providing financing to us, a lender may impose restrictions on us that would affect our ability to incur additional debt, make certain investments, reduce liquidity below certain levels, make distributions to our stockholders and otherwise affect our distribution and operating policies. In general, we expect that our loan agreements will restrict our ability to encumber or otherwise transfer our interest in the respective property without the prior consent of the lender. Such loan documents may contain other negative covenants that may limit our ability to discontinue insurance coverage or impose other limitations. Any such restriction or limitation may limit our ability to make distributions to you. Further, such restrictions could make it difficult for us to satisfy the requirements necessary to qualify as a REIT.

Certain events may expose us to the risk of default under our debt obligations.

Portions of the documentation for certain of the loans secured by properties in our portfolio are vaguely drafted and subject to multiple interpretations, and certain of our financing activities could be interpreted to violate covenants in some of our loan agreements. To the extent a court or arbiter were to agree that those interpretations are accurate, the applicable lender could have the ability to accelerate such debt obligations. If any one of these events were to occur, our financial condition, results of operations, liquidity and trading price of our common stock could be adversely affected.

The federal government s green lease policies may adversely affect us.

In recent years, the federal government has instituted green lease policies that allow a government tenant to require leadership in energy and environmental design for commercial interiors, or LEED®-CI, certification in selecting new premises or renewing leases at existing premises. In addition, the Energy Independence and Security Act of 2007 allows the General Services Administration to prefer buildings for lease that have received an Energy Star label. Obtaining such certifications and labels may be costly and time consuming, but our failure to do so may result in our competitive disadvantage in acquiring new or retaining existing government tenants.

Technological developments may impact customer traffic at certain tenants stores and ultimately sales at such stores.

We may be adversely affected by developments of new technology that may cause the business of certain of our tenants to become substantially diminished or functionally obsolete, with the result that such tenants may be unable to pay rent, become insolvent, file for bankruptcy protection, close their stores or terminate their leases. Examples of the potentially adverse effects of new technology on retail businesses include, amongst other things, the advent of online movie rentals on video stores, the effect of e-books and small screen readers on book stores, and increased sales of many products online.

Substantial recent annual increases in online sales have also caused many retailers to sell products on line on their websites with pick-ups at a store or warehouse or through deliveries. With special reference to our principal tenants, online grocery orders are available and especially useful in urban areas, but have not yet become a major factor affecting grocers in our portfolio.

Natural disasters and severe weather conditions could have an adverse impact on our cash flow and operating results.

Some of our properties could be subject to potential natural or other disasters. In addition, we may acquire properties that are located in areas that are subject to natural disasters, such as earthquakes and droughts. Properties could also be affected by increases in the frequency or severity of tornados, hurricanes or other storms, whether such increases are caused by global climate changes or other factors. The occurrence of natural disasters or severe weather conditions can increase investment costs to repair or replace damaged properties, increase

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operating costs, increase future property insurance costs, and/or negatively impact the tenant demand for lease space. If insurance is unavailable to us, or is unavailable on acceptable terms, or if our insurance is not adequate to cover business interruption or losses from such events, our earnings, liquidity and/or capital resources could be adversely affected.

Risks Related to the Real Estate Industry

There are inherent risks associated with real estate investments and with the real estate industry, each of which could have an adverse impact on our financial performance and the value of our properties.

Real estate investments are subject to various risks and fluctuations and cycles in value and demand, many of which are beyond our control. Our financial performance and the value of our properties can be affected by many of these factors, including the following:

- adverse changes in financial conditions of buyers, sellers and tenants of our properties, including bankruptcies, financial difficulties or lease defaults by our tenants;

- the national, regional and local economy, which may be negatively impacted by concerns about increasing interest rates, inflation, deflation and government deficits, high unemployment rates, decreased consumer confidence, industry slowdowns, reduced corporate profits, liquidity concerns in our markets and other adverse business concerns;

- local real estate conditions, such as an oversupply of, or a reduction in, demand for retail space and the availability and creditworthiness of current and prospective tenants;

- vacancies or ability to rent retail space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options;

- changes in operating costs and expenses, including, without limitation, increasing labor and material costs, insurance costs, energy prices, environmental restrictions, real estate taxes and costs of compliance with laws, regulations and government policies, which we may be restricted from passing on to our tenants;

- fluctuations in interest rates, which could adversely affect our ability, or the ability of buyers and tenants of our properties, to obtain financing on favorable terms or at all;

- competition from other real estate investors with significant capital, including other real estate operating companies, publicly traded REITs and institutional investment funds;

- inability to refinance our indebtedness, which could result in a default on our obligation;

the convenience and quality of competing retail properties;

inability to collect rent from tenants;

our ability to secure adequate insurance;

our ability to secure adequate management services and to maintain our properties;

changes in, and changes in enforcement of, laws, regulations and governmental policies, including, without limitation, health, safety, environmental, zoning and tax laws, government fiscal policies and the Americans with Disabilities Act of 1990 (the ADA); and

civil unrest, acts of war, terrorist attacks and natural disasters, including earthquakes, wind damage and floods, which may result in uninsured and underinsured losses.

In addition, because the yields available from equity investments in real estate depend in large part on the amount of rental income earned, as well as property operating expenses and other costs incurred, a period of economic slowdown or recession, or declining demand for real estate, or the public perception that any of these events may

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occur, could result in a general decline in rents or an increased incidence of defaults among our existing leases, and, consequently, our properties, including any held by joint ventures, may fail to generate revenues sufficient to meet operating, debt service and other expenses. As a result, we may have to borrow amounts to cover fixed costs, and our financial condition, results of operations, cash flow, per share market price of our common stock and ability to satisfy our principal and interest obligations and to make distributions to our stockholders may be adversely affected.

Our performance and value are subject to risks associated with real estate assets and the real estate industry, including local oversupply, reduction in demand or adverse changes in financial conditions of buyers, sellers and tenants of properties, which could decrease revenues or increase costs, which would adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Our ability to pay expected dividends to our stockholders depends on our ability to complete future acquisitions as well as our ability to generate revenues in excess of expenses, scheduled principal payments on debt and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include many of the risks set forth above under Risks Related to Our Business and Operations, as well as the following:

- local oversupply or reduction in demand for retail space;
- adverse changes in financial conditions of buyers, sellers and tenants of properties;
- vacancies or our inability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options, and the need to periodically repair, renovate and re-let space;
- increased operating costs, including insurance premiums, utilities, real estate taxes and state and local taxes;
- civil unrest, acts of war, terrorist attacks and natural disasters, including earthquakes and floods, which may result in uninsured or underinsured losses;
- decreases in the underlying value of our real estate;
- changing submarket demographics; and
- changing traffic patterns.

In addition, periods of economic downturn or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and to be made, by us are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, our ability to dispose of one or more properties within a specific time period is subject to weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, such as the current economic downturn, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located.

In addition, the Code imposes restrictions on a REIT s ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our property taxes could increase due to property tax rate changes or reassessment, which would adversely impact our cash flows.

Although we believe we qualify as a REIT for U.S. federal income tax purposes, we will be required to pay some state and local taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as our properties are assessed or reassessed by taxing authorities. The amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our cash flow would be adversely impacted, and our ability to pay any expected dividends to our stockholders could be adversely affected.

Our properties may contain asbestos or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem, which could adversely affect the value of the affected property and our ability to make distributions to our stockholders.

We are required by federal regulations with respect to our properties to identify and warn, via signs and labels, of potential hazards posed by workplace exposure to installed asbestos-containing materials (ACMs), and potential ACMs. We may be subject to an increased risk of personal injury lawsuits by workers and others exposed to ACMs and potential ACMs at our properties as a result of these regulations. The regulations may affect the value of any of our properties containing ACMs and potential ACMs. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and disposal of ACMs and potential ACMs when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a property.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions.

The presence of ACMs or significant mold at any of our properties could require us to undertake a costly remediation program to contain or remove the ACMs or mold from the affected property. In addition, the presence of ACMs or significant mold could expose us to claims of liability to our tenants, their or our employees, and others if property damage or health concerns arise.

Acquired properties may be located in new markets where we may face risks associated with investing in an unfamiliar market.

We may acquire properties in markets that are new to us. When we acquire properties located in new markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. We work to mitigate such risks through extensive diligence and research and associations with experienced service providers. However, there can be no guarantee that all such risks will be eliminated.

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We may acquire properties with lock-out provisions, or agree to such provisions in connection with obtaining financing, which may prohibit us from selling or refinancing a property during the lock-out period.

We may acquire properties in exchange for common units of our Operating Partnership and agree to restrictions on sales or refinancing, called lock-out provisions, which are intended to preserve favorable tax treatment for the owners of such properties who sell them to us. In addition, we may agree to lock-out provisions in connection with obtaining financing for the acquisition of properties. Lock-out provisions could materially restrict us from selling, otherwise disposing of or refinancing properties. These restrictions could affect our ability to turn our investments into cash and thus affect cash available for distributions to our stockholders. Lock-out provisions could impair our ability to take actions during the lock-out period that would otherwise be in the best interests of our stockholders and, therefore, could adversely impact the market value of our common stock. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control even though that disposition or change in control might be in the best interests of our stockholders.

As an owner of real estate, we could incur significant costs and liabilities related to environmental matters.

Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, including costs to investigate, clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines or other costs could exceed the value of the property and/or our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for costs of remediation and/or personal or property damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures.

Additionally, we possess Phase I Environmental Site Assessments for all of the properties in our portfolio. However, the assessments are limited in scope (e.g., they do not generally include soil sampling, subsurface investigations, hazardous materials surveys or lead-based paint inspections or asbestos inspections) and may have failed to identify all environmental conditions or concerns. Furthermore, the Phase I Environmental Site Assessment reports for all of the properties in our portfolio are limited to the information available to the licensed site professional at the time of the investigation, and, as such, may not disclose all potential or existing environmental contamination liabilities at the properties in our portfolio arising after the date of such investigation. As a result, we could potentially incur material liability for these issues, which could adversely impact our financial condition, results of operations, cash flow and the per share trading price of our common stock. Some of the Phase I Environmental Site Assessments in our possession indicate the possibility of lead-based paint and asbestos containing materials located on and within buildings on some of our properties and polychlorinated biphenyl-containing electrical transformers located or adjacent to some of our properties. However, management believes that the potential liabilities resulting from removing these items would be immaterial.

As the owner of the buildings on our properties, we could face liability for the presence of hazardous materials (e.g., asbestos or lead) or other adverse conditions (e.g., poor indoor air quality) in our buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if we do not comply with such laws, we could face fines for such noncompliance. Also, we could be liable to third parties (e.g., occupants of the buildings) for damages related to exposure to hazardous materials or adverse

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conditions in our buildings, and we could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in our buildings. In addition, some of our tenants routinely handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject us or our tenants to liability resulting from these activities. Environmental liabilities could affect a tenant s ability to make rental payments to us, and changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect our operations, or those of our tenants, which could in turn have an adverse effect on us.

We cannot assure you that costs or liabilities incurred as a result of environmental issues will not affect our ability to make distributions to you or that such costs or other remedial measures will not have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. If we do incur material environmental liabilities in the future, we may face significant remediation costs, and we may find it difficult to sell any affected properties.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties.

The properties in our portfolio are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

In addition, federal and state laws and regulations, including laws such as the ADA and the Fair Housing Amendment Act of 1988 (the FHAA), impose further restrictions on our properties and operations. Under the ADA and the FHAA, all public accommodations must meet federal requirements related to access and use by disabled persons. Some of our properties may currently be in non-compliance with the ADA or the FHAA. If one or more of the properties in our portfolio is not in compliance with the ADA, the FHAA or any other regulatory requirements, we may be required to incur additional costs to bring the property into compliance and we might incur governmental fines or the award of damages to private litigants. In addition, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations, cash flow and per share trading price of our common stock.

Risks Related to Our Organization Structure

Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our Operating Partnership, which may impede business decisions that could benefit our stockholders.

Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our Operating Partnership, have fiduciary duties and obligations

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to our Operating Partnership and its limited partners under Virginia law and the partnership agreement of our Operating Partnership (the Partnership Agreement) in connection with the management of our Operating Partnership. Our fiduciary duties and obligations as the general partner of our Operating Partnership may come into conflict with the duties of our directors and officers to our company.

Under Virginia law, a general partner of a Virginia limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the Partnership Agreement or Virginia law consistently with the obligation of good faith and fair dealing. The Partnership Agreement provides that, in the event of a conflict between the interests of our Operating Partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our Operating Partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the Operating Partnership under its Partnership Agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our Operating Partnership, owe to the Operating Partnership and its partners.

Additionally, the Partnership Agreement provides that we will not be liable to the Operating Partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Operating Partnership or any limited partner, except for liability for our intentional harm or gross negligence. Our Operating Partnership must indemnify us, our directors and officers, officers of our Operating Partnership and our designees from and against any and all claims that relate to the operations of our Operating Partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the person actually received an improper personal benefit in violation or breach of the Partnership Agreement or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our Operating Partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person s good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our Operating Partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person s right to indemnification under the Partnership Agreement) or if the person is found to be liable to our Operating Partnership on any portion of any claim in the action.

We may pursue less vigorous enforcement of terms of the contribution and subscription agreements or purchase and sale agreements with members of our management and our affiliates because of our dependence on them and conflicts of interest.

Mr. Wheeler has in the past and may in the future be a party, whether directly or indirectly, to contribution and subscription agreements or purchase and sale agreements with us pursuant to which we acquired or will acquire interests in properties and assets. In addition, our other executive officers are parties to employment agreements with us. We may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationships with members of our management and their affiliates, which could negatively impact our stockholders.

Our board of directors may change our investment and financing policies without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Our investment and financing policies are exclusively determined by our board of directors. Accordingly, our stockholders do not control these policies. Further, while our board of directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our board of directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged, which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regard to the foregoing could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

As permitted by Maryland law, our charter eliminates the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or

- a final judgment based upon a finding of active and deliberate dishonesty by the director or officer that was material to the cause of action adjudicated.

As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist. Accordingly, in the event that actions taken in good faith by any of our directors or officers impede the performance of our company, your ability to recover damages from such director or officer will be limited.

We are a holding company with no direct operations and, as such, we will rely on funds received from our Operating Partnership to pay liabilities, and the interests of our stockholders will be structurally subordinated to all liabilities and obligations of our Operating Partnership and its subsidiaries.

We are a holding company and will conduct substantially all of our operations through our Operating Partnership. We do not have, apart from an interest in our Operating Partnership, any independent operations. As a result, we will rely on distributions from our Operating Partnership to pay any dividends we might declare on shares of our common stock. We will also rely on distributions from our Operating Partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from our Operating Partnership. In addition, because we are a holding company, your claims as stockholders will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our Operating Partnership and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and our Operating Partnership s and our other subsidiaries liabilities and obligations have been paid in full.

Our Operating Partnership may issue additional partnership units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our Operating Partnership and would have a dilutive effect on the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders.

As of March 31, 2015, we own 83.47% of the outstanding common units of our Operating Partnership, and we may, in connection with our acquisition of properties or otherwise, issue additional partnership units to third parties. Such issuances would reduce our ownership percentage in our Operating Partnership and affect the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders. Because you will not directly own partnership units, you will not have any voting rights with respect to any such issuances or other partnership level activities of our Operating Partnership.

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Loss of our exemption from regulation pursuant to the 1940 Act would adversely affect us.

We conduct our business so as not to become regulated as an investment company under the 1940 Act in reliance on the exemption provided by Section 3(c)(5)(C) of the 1940 Act. Section 3(c)(5)(C), as interpreted by the staff of the SEC, requires that: (i) at least 55% of our investment portfolio consist of mortgages and other liens on and interest in real estate, or qualifying real estate interests, and (ii) at least 80% of our investment portfolio consist of qualifying real estate interests plus real estate-related assets. If we fail to qualify for an exemption from registration as an investment company or an exclusion from the definition of an investment company, our ability to use leverage would be substantially reduced. Our business will be materially and adversely affected if we fail to qualify for this exemption from regulation pursuant to the 1940 Act.

Upon the sale of any individual property, holders of preferred stock do not have a priority over holders of our common stock regarding return of capital.

Holders of our preferred stock do not have a right to receive a return of capital prior to holders of our common stock upon the individual sale of a property. Depending on the price at which such property is sold, it is possible that holders of our common stock will receive a return of capital prior to the holders of our preferred stock, provided that any accrued but unpaid dividends have been paid in full to holders of preferred stock. It is also possible that holders of our common stock will receive additional distributions from the sale of a property (in excess of their capital attributable to the asset sold) before the holders of preferred stock receive a return of their capital.

Shares of our common stock are subordinate to shares of our preferred stock as to dividend rights, and rights upon liquidation.

Our preferred stock ranks senior to our common stock with regards to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs. In the event our business fails to generate sufficient cash flow from operations or future borrowings are not available to us, we may not have sufficient proceeds to make distributions to our common stock holders after distributions have been made to holders of our preferred stock. In addition, if we are forced to liquidate our assets to pay our creditors, we may not have sufficient assets to make distributions on any or all of the common stock then outstanding.

Risks Related to Our Status as a REIT

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock.

We have elected to be taxed, and we operate in a manner that will allow us to qualify, as a REIT for U.S. federal income tax purposes. We have not requested, and do not plan to request, a ruling from the Internal Revenue Service (the IRS) that we qualify as a REIT, and the statements in this prospectus are not binding on the IRS or any court. Therefore, we cannot assure you that we qualify as a REIT, or that we will remain qualified as such in the future. If we lose our REIT status, we will face serious tax consequences that would substantially reduce the funds available for distribution to you for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates;

we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for five taxable years following the year during which we were disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions to stockholders. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and could materially and adversely affect the value of our common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury regulations that have been promulgated under the Code, or the Treasury Regulations, is greater in the case of a REIT that, like us, holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the ownership of our stock, requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year must be derived from qualifying sources, such as rents from real property. Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, excluding net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may materially adversely affect our investors, our ability to qualify as a REIT for U.S. federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we continue to qualify as a REIT for U.S. federal income tax purposes, we may be subject to some federal, state and local income, property and excise taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer. In addition, our taxable REIT subsidiaries will be subject to tax as regular corporations in the jurisdictions they operate.

If our Operating Partnership fails to continue to qualify as a partnership for U.S. federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.

We believe that our Operating Partnership will continue to be treated as a partnership for U.S. federal income tax purposes. As a partnership, our Operating Partnership will not be subject to U.S. federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our Operating Partnership s income. We cannot assure you, however, that the IRS will not challenge the status of our Operating Partnership or any other subsidiary partnership in which we own an interest as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our Operating Partnership or any such other subsidiary partnership as an entity taxable as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to continue to qualify as a REIT. Also, the failure of our Operating Partnership or any subsidiary partnerships to continue to qualify as a partnership could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions, and the unavailability of such capital on favorable terms at the desired times, or at all, may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

To continue to qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, excluding net capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our REIT taxable income each year. In addition, we will be subject to a 4%

nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. In order to maintain our REIT status and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, differences in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market s perception of our growth potential, our current debt levels, the market price of our common stock, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, and could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

We may in the future choose to pay dividends in our common stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in our common stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of the cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. For more information on the tax consequences of distributions with respect to our common stock, see Material U.S. Federal Income Tax Considerations. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, such sales may have an adverse effect on the per share trading price of our common stock.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to income from qualified dividends payable to U.S. stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs, however, generally are not eligible for the 20% rate. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, to the extent that the 20% rate continues to apply to regular corporate qualified dividends, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the per share trading price of our common stock.

The tax imposed on REITs engaging in prohibited transactions may limit our ability to engage in transactions that would be treated as sales for U.S. federal income tax purposes.

A REIT s net income from prohibited transactions is subject to a 100% excise tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could have an adverse effect on our business results, profitability and ability to execute our business plan. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

Legislative or other actions affecting REITs could have a negative effect on us, including our ability to qualify as a REIT or the U.S. federal income tax consequences of such qualification.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the U.S. federal income tax consequences of such qualification.

Risks Related to the Exchange Offer

The number of shares of common stock offered per share of preferred stock in the Exchange Offer is fixed and will not be adjusted. The market price of our common stock may fluctuate, and the market price of the shares of common stock upon settlement of the Exchange Offer could be less than the market price at the time you tender your preferred stock.

The number of shares of common stock offered for each share of preferred stock accepted for exchange is fixed at the amounts specified on the cover of this prospectus and will not be adjusted regardless of any increase or decrease in the market price of our common stock or the preferred stock between the date of this prospectus and the settlement date. Therefore, the market price of the common stock at the time you receive your common stock on the settlement date, when we deliver common stock in exchange for preferred stock, could be less than the market price at the time you tender your preferred stock. The market price of our common stock has recently been subject to significant fluctuations and volatility. The market price of our common stock could continue to fluctuate and be subject to volatility during the period of time between when we accept preferred stock for exchange in the Exchange Offer and the settlement date, when we deliver common stock in exchange for preferred stock, or any extension of the Expiration Date.

The market price of our common stock may decline due to the number of shares of common stock to be issued in exchange for the preferred stock.

The market price of our common stock could decline as a result of the issuance of a large number of shares of common stock in the market after the Exchange Offer or the perception that such an issuance could occur. This issuance, or the possibility that such issuance may occur, also might make it more difficult for holders of shares of our common stock to sell such shares in the future at a time and at a price they would deem appropriate.

Assuming a sufficient number of shares of outstanding preferred stock subject to the offer to exchange are validly tendered and accepted for exchange so that we issue all 20,853,250 shares of our common stock being offered under this prospectus, we would have 75,291,972 shares of our common stock outstanding, an increase of 20,853,250 shares from the amount outstanding on the date of this prospectus.

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Additional issuances of common stock or securities convertible into common stock, the conversion of our outstanding shares of convertible notes, Series B Preferred Stock and/or exercise of our warrants may further dilute existing holders of our common stock.

We may determine that it is advisable, or we may encounter circumstances where we determine it is necessary, to issue additional shares of our common stock, securities convertible into or exchangeable for shares of our common stock, or securities effectively equivalent to our common stock to fund strategic initiatives or other business needs or to raise additional capital. Depending on our capital needs, we may make such a determination in the near future or in subsequent periods. The market price of our common stock could decline as a result of any such future offering, as well as other sales of a large block of shares of our common stock or similar securities in the market thereafter, or the perception that such sales could occur.

Further, we have issued convertible notes, Series B Preferred Stock and warrants in prior offerings. The convertible notes and Series B Preferred Stock are convertible into shares of our common stock, and the warrants are each exercisable for a share of our common stock. In the event you exchange your shares of Series A or Series B Preferred Stock for shares of our common stock, you may experience dilution in your holdings if, subsequently, shares of our convertible notes, Series A Preferred Stock or Series B Preferred Stock are converted into common stock and/or our warrants are exercised.

In addition, such additional equity issuances would reduce any earnings available to the holders of our common stock and the return thereon unless our earnings increase correspondingly. We cannot predict the timing or size of future equity issuances, if any, or the effect that they may have on the market price of the common stock. The issuance of substantial amounts of equity, or the perception that such issuances may occur, could adversely affect the market price of our common stock.

The market price of our common stock may fluctuate.

The market price of our common stock could be subject to significant fluctuations because of factors specifically related to our businesses and general market conditions. Factors that could cause such fluctuations, many of which could be beyond our control, include the following:

- changes or perceived changes in the condition, operations, results or prospects of our businesses and market assessments of these changes or perceived changes;

- announcements of strategic developments, acquisitions and other material events by us or our competitors;

- changes in governmental regulations or proposals, or new government regulations or proposals, affecting us, including those relating to the current financial crisis and global economic downturn and those that may be specifically directed to us;

- the continued decline, failure to stabilize or lack of improvement in general market and economic conditions in our principal markets;

- the departure of key personnel;
- changes in the credit, mortgage and real estate markets;
- operating results that vary from expectations of management, securities analysts and investors; and
- operating and stock price performance of companies that investors deem comparable to us.

All of our debt obligations and our preferred stock will have priority over our common stock with respect to payment in the event of a liquidation, dissolution or winding up.

In any event of our liquidation, dissolution or winding up, our common stock would rank below all debt claims against us and all of our outstanding shares of preferred stock. As a result, holders of our common stock

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will not be entitled to receive any payment or other distribution of assets upon the liquidation or dissolution until after our obligations to our debt holders and holders of preferred stock have been satisfied.

By tendering your shares of preferred stock, you will lose your right to receive certain cash payments and other rights associated with the preferred stock.

Holders of our preferred stock are entitled to cumulative quarterly dividends, which are paid when, if and as declared by our board of directors. In addition, our charter currently requires us to pay dividends on our preferred stock before we pay any dividends on our common stock. If your shares of preferred stock are validly tendered and accepted for exchange, you will lose the right to receive any dividend payments that may be made in the future on such shares after completion of the Exchange Offer including dividends on the preferred stock that will accumulate until the shares of preferred stock are converted as described in Description of Capital Stock Preferred Stock. Similarly, you will lose other rights associated with preferred stock, such as the liquidation preference.

Shares of preferred stock that you continue to hold after the Exchange Offer are expected to become less liquid following the Exchange Offer.

The Series A Preferred Stock is not listed in any securities exchange. The Series B Preferred Stock is listed on the Nasdaq Capital Market under the symbol WHLRP. If a sufficiently large number of shares of either series of preferred stock do not remain outstanding after the Exchange Offer, the trading market for the remaining outstanding shares of that series of preferred stock may be less liquid and market prices may fluctuate significantly depending on the volume of trading in shares of that series of preferred stock. Furthermore, a security with a smaller float or market capitalization, may command a lower price and trade with greater volatility or much less frequently than would a comparable security with a greater float. This decreased liquidity may also make it more difficult for holders of shares of preferred stock that do not tender to sell their shares of preferred stock. In addition, if a significant number of shares of Series B Preferred Stock do not remain outstanding after the Exchange Offer, we may not continue to meet the Nasdaq continued listing standards for such securities. Under such circumstances, Nasdaq may opt to pursue delisting of the Series B Preferred Stock, and you would no longer have a public market to sell such securities.

The trading price for the Series B Preferred Stock that remain outstanding after the Exchange Offer will continue to be directly affected by the trading prices of our common stock.

Because the Series B Preferred Stock is convertible into shares of our common stock, the trading price of the Series B Preferred Stock in the secondary market is directly affected by the trading prices of our common stock. It is impossible to predict whether the price of the common stock will rise or fall. Trading prices of the common stock will be influenced by the factors described in the section of this prospectus entitled Risks Related to the Exchange Offer. The value of the common stock that you receive may fluctuate and Risks Related to Our Business.

We may fail to realize all of the anticipated benefits of the Exchange Offer.

The primary goal of the Exchange Offer is to improve our consolidated balance sheet and capital structure by increasing our tangible common stockholders equity. However, given the rapidly changing and uncertain financial environment, we may not achieve these objectives, and the benefits, if any, realized from the Exchange Offer may not be sufficient to restore market and public perception of our financial strength.

We have not obtained a third-party determination that the Exchange Offer is fair to holders of the preferred stock.

We are not making a recommendation as to whether you should exchange your preferred stock in the Exchange Offer. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the preferred stock for purposes of negotiating the Exchange Offer or preparing a report concerning the fairness of the Exchange Offer. You must make your own independent decision regarding your participation in the Exchange Offer.

Failure to successfully complete the Exchange Offer could negatively affect the price of our common stock and our preferred stock.

Several conditions must be satisfied or waived in order to complete the Exchange Offer, including that no event has occurred that in our reasonable judgment would materially impair the anticipated benefits to us of the Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects. See The Exchange Offer Conditions of the Exchange Offer. The foregoing conditions may not be satisfied, and if not satisfied or waived, the Exchange Offer may not be completed or the Expiration Date may be delayed.

If the Exchange Offer is not completed or is delayed, we may be subject to material risks, including:

- the market price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the Exchange Offer has been or will be completed; and

- the market price of our preferred stock may decline to the extent that the current market price of our preferred stock reflects a market assumption that the Exchange Offer has been or will be completed.

Offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities, which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock.

We may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both.

Our board of directors is authorized to issue one or more classes or series of preferred stock from time to time without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our common stock with respect to dividends or upon our dissolution, winding up and liquidation and other terms. If we issue preferred shares in the future that have a preference over our common stock with respect to the payment of dividends or upon liquidation, or if we issue preferred shares with voting rights that dilute the voting power of the common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

The Exchange Offer is subject to a number of conditions.

The Exchange Offer is subject to the satisfaction or waiver of a number of conditions as set forth in this prospectus. We may amend the Exchange Offer and, depending on the materiality of the change, we may not be required to extend withdrawal rights following the announcement of such change. In addition, we may terminate or withdraw the Exchange Offer if any of the applicable conditions are not satisfied or waived by the Expiration Date. Even if the

Exchange Offer is completed, it may not be completed on the time frame described in this prospectus. Accordingly, holders participating in the Exchange Offer may have to wait longer than expected to receive shares of our common stock during which time such holders will not be able to effect transfers or sales of either their shares of preferred stock tendered for exchange or their shares of common stock.

The failure to timely complete the Exchange Offer successfully could negatively affect the market price of our common stock and the trading price of our preferred stock.

Several conditions must be satisfied or waived before we may complete the Exchange Offer. The conditions that the registration statement be declared effective by the Commission, and that there be no stop orders suspending the effectiveness of such registration statement, cannot be waived by us. In addition, to the extent permitted by law, we reserve the right to extend the Exchange Offer in our sole discretion. If the Exchange Offer is not timely completed, the market price of our common stock and the trading price of our preferred stock may decline to the extent that such prices reflect the assumption that the Exchange Offer will be completed on the scheduled Expiration Date. In addition, to the extent that we extend the Exchange Offer, the risks described elsewhere in these Risks Related to the Exchange Offer may be exacerbated.

The acquisition of any shares of preferred stock that are not tendered in the Exchange Offer may be on terms more or less favorable than the terms of the Exchange Offer.

We may acquire shares of preferred stock that are not tendered in the Exchange Offer through open market purchases, privately negotiated transactions, other tender or exchange offers, redemptions under the existing indenture or such other means as we deem appropriate. Any such transactions will occur upon the terms and at prices as we may determine in our sole discretion, which may be more or less favorable than the terms of the Exchange Offer, and could be for cash or other consideration. We may choose to pursue any or none of these alternatives, or combinations thereof, in the future.

Shares of our common stock are or will be subordinate to shares of our Series A Preferred Stock and Series B Preferred Stock as to dividend rights, and rights upon liquidation.

Our Series A Preferred Stock and Series B Preferred Stock rank or will rank senior to our common stock with regards to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs. In the event our business fails to generate sufficient cash flow from operations or future borrowings are not available to us, we may not have sufficient proceeds to make distributions to our common stock holders after distributions have been made to holders of our Series A Preferred Stock and Series B Preferred Stock. In addition, if we are forced to liquidate our assets to pay our creditors, we may not have sufficient assets to make distributions on any or all of the common stock then outstanding.

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USE OF PROCEEDS

We will not receive any cash proceeds from the Exchange Offer. We will pay all fees and expenses related to the Exchange Offer, other than any commissions or concessions of any broker or dealer. Except as otherwise provided in the letter of transmittal, we will pay the transfer taxes, if any, on the exchange of any shares of preferred stock.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma consolidated balance sheet of the Company as of March 31, 2015 has been presented as if (i) the Series C Preferred Stock conversion and the Exchange Offer had been completed on March 31, 2015 and (ii) to give effect to the Exchange Offer. In giving effect to the Exchange Offer, we have shown the pro forma impact of the High Participation Scenario and a Low Participation Scenario of this Exchange Offer prepared using the assumptions set forth below.

The High Participation Scenario assumes the exchange of (i) 1,809 of the outstanding shares of Series A Preferred Stock ($1.809 million aggregate liquidation preference) for shares of our common stock at an exchange price of $2.00 per share of Series A Preferred Stock (100% of $1,000.00 liquidation preference per share) and a common stock price of $2.20 per share, and (ii) 1,595,900 of the outstanding shares of Series B Preferred Stock ($39.9 million aggregate liquidation preference) for shares of our common stock at an exchange price of $2.00 per share of Series B Preferred Stock (100% of $25.00 liquidation preference per share and a common stock price of $2.20 per share).

The Low Participation Scenario assumes the exchange of (i) 452 of the outstanding shares of Series A Preferred Stock ($452,000 aggregate liquidation preference) for shares of our common stock at an exchange price of $2.00 per share of Series A Preferred Stock (100% of $1,000.00 liquidation preference per share) and a common stock price of $2.20, and (ii) 398,975 of the outstanding shares of Series B Preferred Stock ($9.98 million aggregate liquidation preference) for shares of our common stock at an exchange price of $2.00 per share of Series B Preferred Stock (100% of $25.00 liquidation preference per share and a common stock price of $2.20 per share).

On March 19, 2015, the Company entered into securities purchase agreements dated as of March 19, 2015 (the Securities Purchase Agreements), with certain accredited investors (the Investors), pursuant to which, among other things, the Company sold an aggregate of 93,000 shares of the Series C Preferred Stock in a private placement to the Investors in exchange for aggregate consideration of $93,000,000, consisting of $90,000,000 in cash and $3,000,000 in debt reduction. Each share of Series C Preferred Stock was sold to the Investors at an offering price of $1,000 per share. The terms of the Series C Preferred Stock provided that each share of Series C Preferred Stock automatically converted into shares of common stock on the latter of (i) the close of business on the fifth business day following the approval by the requisite holders of the common stock of the conversion of the Series C Preferred Stock into common stock, which occurred on June 4, 2015 and (ii) the approval of our application to list such shares of common stock on the Nasdaq Stock Market. Accordingly, the Series C Preferred Stock converted into common stock on June 11, 2015. Each share of Series C Preferred Stock converted into 500 shares of common stock.

There can be no assurances that the foregoing assumptions will be realized.

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High Participation Scenario

	WHLR & Subsidiaries as of March 31, 2015 (actual and unaudited)	Series C Preferred Stock Conversion	Exchange Offer	WHLR & Subsidiaries March 31, 2015, as adjusted Pro Forma (unaudited)
ASSETS:				
Investment properties, net at cost	$ 163,265,867	$	$	$ 163,265,867
Cash and cash equivalents	80,958,326			80,958,326
Rents and other tenant receivables, net	2,114,898			2,114,898
Goodwill	7,004,072			7,004,072
Deferred costs and other assets	34,661,026			34,661,026
Total Assets	$ 288,004,189	$	$	$ 288,004,189
LIABILITIES:				
Mortgages and other indebtedness	$ 147,634,250	$	$	$ 147,634,250
Accounts payable, accrued expenses and other liabilities	7,211,725			7,211,725
Total Liabilities	154,845,975			154,845,975
Series C mandatorily convertible cumulative preferred stock (no par value, 100,000 shares authorized, 93,000 shares issued and outstanding, actual, and no shares issued and outstanding as adjusted)	87,510,354	(87,510,354)(6)		
EQUITY:				
Series A preferred stock (and par value, 4,500 shares authorized, 1,809 shares issued and outstanding)	1,458,050		(1,458,050)(1)	
Series B preferred stock ($25.00 liquidation preference, 3,000,000 shares	36,608,768		(36,608,768)(2)	

authorized, 1,595,900 shares issued and outstanding, actual, as adjusted)				
Common stock ($0.01 par value, 150,000,000 shares authorized, 7,841,196 shares issued and outstanding, actual and 75,194,446 shares issued and outstanding, as adjusted)	78,411	465,000[7]	208,532[3]	751,943
Additional paid-in capital	32,197,918	146,565,354[8]	67,989,536[4]	246,752,808
Accumulated deficit	(34,607,083)	(59,520,000)[9]	(30,131,250)[5]	(124,258,333)
Total Stockholders Equity	35,736,064	87,510,354		123,246,418
Noncontrolling interests	9,911,796			9,911,796
Total Equity	45,647,860	87,510,354		133,158,214
Total Liabilities and Equity	$ 288,004,189	$	$	$ 288,004,189
Book value per common share [10]	$ (0.30)			$ 1.64

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Low Participation Scenario

	WHLR & Subsidiaries as of March 31, 2015 (actual and unaudited)	Series C Preferred Stock Conversion	Exchange Offer	WHLR & Subsidiaries March 31, 2015, as adjusted Pro Forma (unaudited)
ASSETS:				
Investment properties, net at cost	$ 163,265,867	$	$	$ 163,265,867
Cash and cash equivalents	80,958,326			80,958,326
Rents and other tenant receivables, net	2,114,898			2,114,898
Goodwill	7,004,072			7,004,072
Deferred costs and other assets	34,661,026			34,661,026
Total Assets	$ 288,004,189	$	$	$ 288,004,189
LIABILITIES:				
Mortgages and other indebtedness	$ 147,634,250	$	$	$ 147,634,250
Accounts payable, accrued expenses and other liabilities	7,211,725			7,211,725
Total Liabilities	154,845,975			154,845,975
Series C mandatorily convertible cumulative preferred stock (no par value, 100,000 shares authorized, 93,000 shares issued and outstanding actual, and no shares issued and outstanding as adjusted)	87,510,354	(87,510,354)(6)		
EQUITY:				
Series A preferred stock (no par value, 4,500 shares authorized, 1,809 shares issued and outstanding)	1,458,050		(364,512)(1)	1,093,538
Series B preferred stock ($25.00 liquidation	36,608,768		(9,152,192)(2)	27,456,576

preference, 3,000,000 shares authorized, 1,595,900 shares issued and outstanding, actual and adjusted)							
Common stock ($0.01 par value, 150,000,000 shares authorized, 7,841,196 shares issued and outstanding, actual and 59,554,509 shares issued and outstanding, and adjusted)		78,411		465,000(7)		52,134(3)	595,545
Additional paid-in capital		32,197,918		146,565,354(8)		16,997,383(4)	195,760,655
Accumulated deficit		(34,607,083)		(59,520,000)(9)		(7,532,813)(5)	(101,659,896)
Total Stockholders Equity		35,736,064		87,510,354			123,246,418
Noncontrolling interests		9,911,796					9,911,796
Total Equity		45,647,860		87,510,354			133,158,214
Total Liabilities and Equity	$	288,004,189	$		$		$ 288,004,189
Book value per common share (10)	$	(0.30)					$ 1.59

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Pro Forma Earnings Implications

The following presents the pro forma impact of the Exchange Offer and the Series C Preferred Stock conversion on certain statement of income items and earnings per share for the three months ended March 31, 2015 and the year ended December 31, 2014 as if the Exchange Offer and the Series C Preferred Stock conversion had been completed on January 1, 2014.

	Three Months Ended March 31, 2015			Year Ended December 31, 2014		
	Actual (unaudited)	High Participation Scenario (unaudited)	Low Participation Scenario (unaudited)	Actual (unaudited)	High Participation Scenario (unaudited)	Low Participation Scenario (unaudited)
Net Loss Attributable to Wheeler Real Estate Investment Trust, Inc.	$ (3,760,813)	$ (3,760,813)	$ (3,760,813)	$ (10,550,255)	$ (10,550,255)	$ (10,550,255)
Less: Preferred stock dividends						
Preferred stock dividends before Exchange Offer and Series C Preferred Stock conversion	(2,502,223)	(2,502,223)	(2,502,223)	(2,718,257)	(2,718,257)	(2,718,257)
Dividend effect of Exchange Offer		1,136,124	284,031		2,718,257	679,564
Dividend effect of Series C Preferred Stock conversion		1,366,099	1,366,099			
Total Actual/Pro Forma Preferred Stock Dividends	(2,502,223)		(852,093)	(2,718,257)		(2,038,693)
Pro forma effect of Exchange Offer of preferred stock (5)		(30,131,250)	(7,532,813)		(31,005,750)	(7,751,438)
Pro forma effect of Series C Preferred Stock conversion (9)		(59,520,000)	(59,520,000)		(59,520,000)	(59,520,000)
Actual/ Pro Forma Loss Attributable to Wheeler Real Estate Investment Trust, Inc.						

Common Stockholders	$ (6,263,036)	$ (93,412,063)	$ (71,665,719)	$ (13,268,512)	$ (101,076,005)	$ (79,860,386)
Weighted-average number of shares:						
Weighted-average shares of common stock used to calculate actual loss per common share	7,806,467	7,806,467	7,806,467	7,352,433	7,352,433	7,352,433
Pro forma shares of common stock newly issued under the Exchange Offer		20,853,250	5,213,313		21,515,750	5,378,938
Pro forma shares of common stock newly issued under the Series C Preferred Stock conversion		46,500,000	46,500,000		46,500,000	46,500,000
Common shares outstanding	7,806,467	75,159,717	59,519,780	7,352,433	75,368,183	59,231,371
Loss per common share (basic and diluted)	$ (0.80)	$ (1.24)	$ (1.20)	$ (1.80)	$ (1.34)	$ (1.35)
Ratio of earnings to fixed charges [(11)]	(0.28)	(0.58)	(0.43)	(0.39)	(0.55)	(0.42)

Notes to Unaudited Pro Forma Financial Information

(1) Represents the carrying value of Series A Preferred Stock exchanged.

(2) Represents the carrying value of Series B Preferred Stock exchanged.

(3) Issuance of 20,853,250 shares of common stock in the Exchange Offer under the High Participation Scenario and 5,213,400 shares of common stock under the Low Participation Scenario.

(4) Represents the difference between (a) the carrying value of the Series A Preferred Stock and Series B Preferred Stock exchanged, (b) the par value of common stock issued and (c) the inducement recognized on exchange of the Series A Stock and Series B Stock, determined as follows:

	High Participation Scenario	Low Participation Scenario
Series A Preferred Stock, $1,000 liquidation preference per share	$ 1,458,050	$ 364,512
Series B Preferred Stock, $25 liquidation preference per share	36,608,768	9,152,192
Common stock issued at $0.01 par value per share	(208,532)	(52,134)
Plus: inducement recognized on exchange of Series A and Series B Preferred Stock	30,131,250	7,532,813
	$ 67,989,536)	$ 16,997,383

(5) Represents the inducement recognized on the exchange of the Series A and Series B Preferred Stock, which is composed of (a) the market value of the common stock exchanged and (b) the redemption value of the Series A Stock and the fair value of common stock issuable pursuant to the Series B Preferred Stock original conversion terms (See Description of Capital Stock), determined as follows:

	Three Months Ended March 31, 2015 (unaudited)		Year Ended December 31, 2014 (unaudited)	
	High Participation Scenario	Low Participation Scenario	High Participation Scenario	Low Participation Scenario
Fair value of common stock to be issued in Exchange Offer	$ 45,877,150	$ 11,469,288	$ 47,334,650	$ 11,833,663
Plus: Liquidation value of Series A Preferred Stock	1,809,000	452,250	1,809,000	452,250
Fair value of common stock issuable pursuant to the Series B Preferred Stock original terms	(17,554,900)	(4,388,725)	(18,137,900)	(4,534,475)
	$ 30,131,250	$ 7,532,813	$ 31,005,750	$ 7,751,438

The fair value of common stock to be issued is determined as follows:

Liquidation preference of Series A Preferred Stock	$ 1,809,000	$ 452,250	$ 1,809,000	$ 452,250
Liquidation preference of Series B Preferred Stock				
Shares outstanding	1,595,900	398,975	1,648,900	412,225
Stated value per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Liquidation preference of Series B Preferred Stock	$ 39,897,500	$ 9,974,375	$ 41,222,500	$ 10,305,625
Combined stated values of Series A Preferred Stock and Series B Preferred Stock	$ 41,706,500	$ 10,426,625	$ 43,031,500	$ 10,757,875
Exchange price	2.00	2.00	2.00	2.00
Calculated number of shares	20,853,250	5,213,313	21,515,750	5,378,938
Market price of common stock *	2.20	2.20	2.20	2.20
Fair value of common stock to be issued	$ 45,877,150	$ 11,469,288	$ 47,334,650	$ 11,833,663

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The fair value of common stock issuable pursuant to the Series B Stock original terms is determined as follows:

Stated value of Series B Preferred Stock	$ 39,897,500	$ 9,974,375	$ 41,222,500	$ 10,305,625
Conversion factor	$ 5.00	$ 5.00	$ 5.00	$ 5.00
Common stock issuable pursuant to the Series B Preferred Stock original terms	7,979,500	1,994,875	8,244,500	2,061,125
Market price of common stock *	$ 2.20	$ 2.20	$ 2.20	$ 2.20
Fair value of common stock issuable pursuant to the Series B Preferred Stock original terms	$ 17,554,900	$ 4,388,725	$ 18,137,900	$ 4,534,475

*Represents 20-day moving weighted average sales price of common stock on the Nasdaq Capital Market as of June 26, 2015.

(6) Represents the carrying value of the Series C Preferred Stock.
(7) Issuance of 46,500,000 shares of common stock upon conversion of the Series C Preferred Stock.
(8) Represents the difference between (a) the carrying value of the Series C Preferred Stock converted, (b) the par value of the common stock issued upon conversion and (c) the beneficial conversion feature (BCF) recognized on the conversion of the Series C Preferred Stock.

Carrying value of Series C Preferred Stock	$ 87,510,354
Common stock issued at $0.01 par value	(465,000)
Inducement recognized on conversion of Series C Preferred Stock	59,520,000
	$ 146,565,354

(9) Represents the BCF recognized on the conversion of the Series C Preferred Stock, which is composed of the market value of the shares issued upon conversion based on the closing price of the common stock on the Nasdaq Capital Market on March 18, 2015, which represents the day prior to closing the offering of the Series C Preferred Stock and (b) stated value of the Series C Preferred Stock, determined as follows:

Fair value of common stock to be issued in Series C Preferred Stock conversion	$ 152,520,000
Less: Liquidation value of Series C Preferred Stock	(93,000,000)
	$ 59,520,000

The fair value of the common stock issued upon conversion based on the market price of the common stock on March 18, 2015 is determined as follows:

Stated value of Series C Preferred Stock	$ 93,000,000
Conversion price	2.00
Shares issued upon conversion	46,500,000
Market price of common stock **	$ 3.28
Fair value of common stock to be issued	$ 152,520,000

**Represents the closing price of the Company s common stock on the Nasdaq Capital Market on March 18, 2015, which represents the day prior to closing the offering of the Series C Preferred Stock.

(10) Book value per common share was computed by dividing common equity by total common shares outstanding. For these purposes, common equity consists of common stock, additional paid-in capital and accumulated deficit. The pro forma book value per share factors in the additional shares resulting from the Series C Preferred Stock conversion and the Exchange Offer.

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(11) The ratio of earnings to fixed charges was computed as follows:

	Three Months Ended March 31, 2015			Year Ended December 31, 2014		
	Actual	High Participation Scenario	Low Participation Scenario	Actual	High Participation Scenario	Low Participation Scenario
Earnings:						
Net Loss	$ (4,223,189)	$ (4,223,189)	$ (4,223,189)	$ (11,745,815)	$ (11,745,815)	$ (11,745,815)
Add: Interest Expense (includes amortization of debt issuance costs)	2,378,464	2,378,464	2,378,464	6,813,426	6,813,426	6,813,426
Deduct: Net Loss Attributable to Noncontrolling Interests	462,376	462,376	462,376	1,195,560	1,195,560	1,195,560
Adjusted Earnings	(1,382,349)	(1,382,349)	(1,382,349)	(3,736,829)	(3,736,829)	(3,736,829)
Fixed Charges:						
Interest Expense (includes amortization of debt issuance costs)	2,378,464	2,378,464	2,378,464	6,813,426	6,813,426	6,813,426
Preferred Stock Dividends	2,502,223		852,093	2,718,257		2,038,693
Total Fixed Charges	4,880,687	2,378,464	3,230,557	9,531,683	6,813,426	8,852,119
Ratio of Earnings to Fixed Charges	(0.28)(a)	(0.58)(b)	(0.43)(c)	(0.39)(d)	(0.55)(e)	(0.42)(f)

(a) Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $6,263,036 to achieve a ratio of 1:1.

(b) Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $3,760,813 to achieve a ratio of 1:1.

(c)

Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $4,612,906 to achieve a ratio of 1:1.

(d) Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $13,268,512 to achieve a ratio of 1:1.

(e) Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $10,550,255 to achieve a ratio of 1:1.

(f) Due to the Company s net loss from operations, the ratio was less than 1:1. The Company would have had to generate additional earnings of $12,588,948 to achieve a ratio of 1:1.

BUSINESS

We are a corporation organized under the laws of the State of Maryland. The address of our principal executive office is Riversedge North, 2529 Virginia Beach Blvd., Virginia Beach, VA 23452. Our phone number is (757) 627-9088.

We are a fully-integrated, self-managed commercial real estate investment company focused on acquiring and managing income-producing retail properties with a primary focus on grocery-anchored centers. Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns, with a particular emphasis on grocery-anchored retail centers. We target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. We generally lease our properties to national and regional retailers that offer consumer goods and generate regular consumer traffic. We believe our tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers disposable income, generating more predictable property level cash flows.

As of March 31, 2015, we owned forty-three properties, which include seven parcels of undeveloped land and our self-occupied office building. Our properties are located in Alabama, Virginia, North Carolina, South Carolina, Florida, Georgia, Kentucky, Oklahoma, Tennessee, West Virginia and New Jersey and contain a total of approximately 2,404,334 gross leasable square feet of retail space, which we refer to as our portfolio. Our portfolio is 95% occupied of which approximately 82% is leased to national and regional tenants. We believe the current market environment creates a substantial number of favorable investment opportunities in our target markets with attractive yields on investment and significant upside potential in terms of income and gain.

We have 50 full-time and 3 part-time employees. Our management team has experience and capabilities across the real estate sector with experience in the aggregate and expertise particularly in the retail asset class, which we believe provides for flexibility in pursuing attractive acquisition, development and repositioning opportunities. Because varying market conditions create opportunities at different times across the retail property sector, we believe our expertise enables us to target relatively more attractive investment opportunities throughout economic cycles. In addition, our fully integrated platform with in-house development capabilities allows us to pursue development and redevelopment projects with multiple uses. We believe that our ability to pursue these types of opportunities differentiates us from many competitors in our markets.

Our executive officers and the members of the management team have over 150 years of experience in all aspects of the commercial real estate industry, specifically in our target/existing markets. They have overseen the acquisition or development and operation of more than sixty-five shopping centers, representing over 4 million gross leasable square feet of retail property, including all of the properties in our portfolio. Jon S. Wheeler, our Chairman and Chief Executive Officer, has over thirty-three years of experience in the real estate sector with particular experience in strategic financial and market analyses and assessments of new or existing properties to maximize returns.
Mr. Wheeler has overseen the acquisition of over sixty properties in his career. Steven M. Belote, our Chief Financial Officer since 2011, has over twenty years experience as a Chief Financial Officer. Prior to joining us, Mr. Belote was the Chief Financial Officer of Shore Bank for sixteen years. As Chief Financial Officer of Shore Bank, he played an integral role in their initial public offering. Prior to Shore Bank, Mr. Belote spent seven years in public accounting. David Kelly, our Senior Vice President and Director of Acquisitions, has over twenty-five years of experience in the real estate industry. Prior to joining us, he served for thirteen years as the Director of Real Estate for Supevalu, Inc., a Fortune 100 supermarket retailer. While at Supervalu, he focused on site selection and acquisitions from New England to the Carolinas, completing transactions totaling over $500 million. In addition, we recently hired Jeff Parker as our Director of Leasing. Mr. Parker is responsible for leasing operations over our growing portfolio of commercial assets. Prior to joining us, Mr. Parker served as Real Estate Portfolio Manager for the Southeast and Mid-Atlantic regions of

the United States for Dollar Tree Stores, Inc. While at Dollar Tree, Mr. Parker was responsible for a portfolio of over 1,100 stores and created many key relationships throughout the industry. Prior to Dollar Tree, Mr. Parker spent ten years handling the leasing and sale of commercial properties for CB Richard Ellis of Virginia, Inc.

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The following persons are the executive officers and directors of the Company.

Name	Position Held by Individual
Jon S. Wheeler	Chief Executive Officer & Chairman of the Board
Steven M. Belote	Chief Financial Officer
Robin Hanisch	Corporate Secretary and Director of Investor Relations
David Kelly	Director of Acquisitions and Director
Jeffrey Parker	Director of Leasing
Victoria Paul	Senior Vice President of Operations
Christopher J. Ettel	Independent Director
William W. King	Independent Director
Carl B. McGowan, Jr.	Independent Director
Ann L. McKinney	Director
Jeffrey Zwerdling	Independent Director
Kurt R. Harrington	Independent Director

The address and telephone number of each director and executive officer is c/o Wheeler Real Estate Investment Trust, Inc., Riversedge North, 2529 Virginia Beach Blvd., Virginia Beach, Virginia 23452.

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PROPERTIES

As of July 9, 2015 we own 45 properties, which include seven parcels of undeveloped land and our self-occupied office building. Our properties are located in Virginia, North Carolina, South Carolina, Florida, Georgia, Kentucky, Oklahoma, Tennessee, West Virginia and New Jersey and contain a total of approximately 2,513,297 gross leasable square feet of retail space, which we refer to as our portfolio. Our portfolio is approximately 95% occupied of which approximately 82% is leased to national and regional tenants. In the opinion of our management, the properties in our portfolio are adequately covered by insurance. The following table presents a current overview of our portfolio.

Property	Location	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Alex City Marketplace	Alexander City, AL	17	147,791	86.03%	$ 951,791	$ 7.49
Amscot Building	Tampa, FL	1	2,500	100.00	100,738	40.30
Beaver Ruin Village	Lilburn, GA	29	74,038	91.52	1,072,234	15.82
Beaver Ruin Village II	Lilburn, GA	4	34,925	100.00	404,092	11.57
Bixby Commons	Bixby, OK	1	75,000	100.00	768,500	10.25
Brook Run Shopping Center	Richmond, VA	18	147,738	91.24	1,584,179	11.75
Bryan Station	Lexington, KY	9	54,397	100.00	553,008	10.17
Butler Square	Mauldin, SC	16	82,400	100.00	851,795	10.34
Clover Plaza	Clover, SC	10	45,575	100.00	349,843	7.68
Crockett Square	Morristown, TN	4	107,122	100.00	871,897	8.14
Cypress Shopping Center	Boiling Springs, SC	13	80,435	91.73	755,162	10.23
Forrest Gallery	Tullahoma, TN	26	214,451	93.18	1,181,234	5.91
Freeway Junction	Stockbridge, GA	17	156,834	97.75	1,010,753	6.59
Graystone Crossing	Tega Cay, SC	11	21,997	100.00	504,443	22.93
Harps at Harbor Point	Grove, OK	1	31,500	100.00	364,432	11.57
Harrodsburg Marketplace	Harrodsburg, KY	8	60,048	97.00	438,556	7.53
Jenks Plaza	Jenks, OK	5	7,800	100.00	143,416	18.39
Jenks Reasors	Jenks, OK	1	81,000	100.00	912,000	11.26
LaGrange Marketplace	LaGrange, GA	13	76,594	93.34	385,317	5.39
Lumber River Village	Lumberton, NC	12	66,781	100.00	497,490	7.45
Monarch Bank	Virginia Beach, VA	1	3,620	100.00	250,538	69.21
Perimeter Square	Tulsa, OK	8	58,277	95.70	677,789	12.15
Pierpont Centre	Morgantown, WV	20	122,259	100.00	1,327,437	10.86
Port Crossing	Harrisonburg, VA	7	65,365	88.29	737,392	12.78
Riversedge North	Virginia Beach, VA			0.00		
Shoppes at TJ Maxx	Richmond, VA	16	93,552	96.78	1,062,636	11.74
South Square	Lancaster, SC	5	44,350	89.85	318,822	8.00
Starbucks/Verizon	Virginia Beach, VA	2	5,600	100.00	185,695	33.16
St. George Plaza	St. George, SC	6	59,279	85.75	357,393	7.03
Surrey Plaza	Hawkinsville, GA	5	42,680	100.00	291,495	6.83

Tampa Festival	Tampa, FL	22	137,987	100.00	1,224,828	8.88
The Shoppes at Eagle Harbor	Carrollton, VA	7	23,303	100.00	454,530	19.51
Twin City Commons	Batesburg-Leesville, SC	5	47,680	100.00	449,194	9.42
Walnut Hill Plaza	Petersburg, VA	11	87,239	85.22	593,323	7.98
Waterway Plaza	Little River, SC	8	49,750	92.76	396,983	8.60
Westland Square	West Columbia, SC	9	62,735	93.03	435,311	7.46
Winslow Plaza	Sicklerville, NJ	14	40,695	91.15	526,530	14.19
Total Portfolio		362	2,513,297	95.14%	$ 22,990,776	$ 9.62

Development Strategy

We believe our experience will benefit us by providing opportunities to either develop properties for our own account or in a joint venture at higher cap rates that we expect to result in positive returns to our operations

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