As filed with the Securities and Exchange Commission on April 23, 2014

Registration No. 333-194831

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1

to

Form S-11

FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933

OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact Name of Registrant as Specified in Governing Investments)

Riversedge North

2529 Virginia Beach Blvd., Suite 200

Virginia Beach, Virginia 23452

(757) 627-9088

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

CT Corporation System

111 Eighth Avenue

New York, New York 10011

(800) 624-0909

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. No person may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 23, 2014

PROSPECTUS

120,000 Units Consisting of 600,000 Shares of Series B Preferred Stock and Warrants to Purchase 720,000 Shares of Common Stock

We are offering of 600,000 shares of our Series B Preferred Stock, without par value per share (Series B Preferred Stock), and warrants (Warrants) to purchase 720,000 shares of our common stock, $0.01 par value per share, in this offering. This prospectus also covers the shares of common stock that are issuable from time to time upon exercise of the Warrants and the conversion of the Series B Preferred Stock. The Series B Preferred Stock and the Warrants will be sold in units (Units) with each Unit consisting of (i) five shares of Series B Preferred Stock with an initial stated value of $ per share, and (ii) six Warrants each to purchase one share of common stock, exercisable by the holder at an exercise price of $. The Warrants expire five years from the date of issuance. Units will not be issued or certificated. The shares of Series B Preferred Stock and the Warrants are immediately detachable and will be issued separately. The Series B Preferred Stock will rank on parity with the outstanding shares of our Series A Preferred Stock and senior to our common stock with respect to payment of dividends and distribution of amounts upon liquidation, dissolution or winding up. Holders of our Series B Preferred Stock will have no voting rights, except as required by law.

Our common stock trades on the Nasdaq Capital Market under the symbol WHLR. On April 22, 2014, the last reported sale price of our common stock on the Nasdaq Capital Market was $4.46 per share. We have applied to have the Series B Preferred Stock and the Warrants listed on the Nasdaq Capital Market under the symbols WHLRP and WHLRW, respectively. We are an emerging growth company as that term is used in the Jumpstart Our Business Startup Act of 2012.

Investing in our securities involves significant risks. You should carefully read and consider Risk Factors beginning on page 26 of this prospectus before investing in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	Total
Public offering price		$ 15,000,000(1)
Selling commissions		$ 1,050,000
Proceeds, before expenses, to us		$ 13,950,000

(1) Initial gross proceeds. If the Warrants are exercised in full at an exercise price of $ per share of common stock, we will receive additional gross proceeds equal to $.

The Units are being offered through the underwriters on a firm commitment basis. We have granted the underwriters a 45-day option to purchase up to 18,000 additional Units at the same price, and on the same terms, solely to cover over-allotments, if any. It is expected that delivery of the Units will be made in New York, New York on or about , 2014. See Underwriting.

Joint Book-Running Managers

Maxim Group LLC **Newbridge Securities Corporation**

Lead Managers

National Securities Corporation **MLV & Co.**

The date of this prospectus is , 2014.

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You should rely only on the information contained in or incorporated by reference into this prospectus, in any free writing prospectus prepared by us or information to which we have referred you. We have not, and the underwriters have not, authorized any dealer, salesperson or other person to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in or incorporated by reference into this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the historical and pro forma financial statements appearing elsewhere in this prospectus, including under the caption Risk Factors. References in this prospectus to we, our, us and our company refer to Wheeler Real Estate Investment Trust, Inc., a Maryland corporation, together with our consolidated subsidiaries, including Wheeler REIT, L.P., a Virginia limited partnership, of which we are the sole general partner (our Operating Partnership). Unless otherwise indicated, the information contained in this prospectus is as of December 31, 2013 and assumes: (1) the acquisition of the Contemplated Properties for cash; and (2) the issuance of (a) 600,000 shares of Series B Preferred Stock for $____ per share and (b) the issuance of Warrants to purchase 720,000 shares of our common stock and the application of the proceeds as described herein. We have not assumed the exercise of the underwriters over-allotment option or the issuance of shares of common stock upon conversion of the Series B Preferred Stock or exercise of the Warrants. For meanings of all defined terms used herein, please refer to the Glossary.

Overview

We are a Maryland corporation formed with the principal objective of acquiring, financing, developing, leasing, owning and managing income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. 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. 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.

We currently own a portfolio consisting of twenty-three properties including sixteen retail shopping centers, six free-standing retail properties, and one office property, totaling 1,294,572 net rentable square feet of which approximately 94% were leased as of December 31, 2013.

We believe the current market environment creates a substantial number of favorable investment opportunities with attractive yields on investment and significant upside potential in terms or income and gain. We believe the markets we plan to pursue in the Northeast, Mid-Atlantic, Southeast and Southwest have strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate. We anticipate that the depth and breadth of our real estate experience allows us to capitalize on revenue-enhancing opportunities in our portfolio and source and execute new acquisition and development opportunities in our markets, while maintaining stable cash flows throughout various business and economic cycles.

Jon S. Wheeler, our Chairman and President, has 32 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. We have an integrated team of professionals with experience across all stages of the real estate investment cycle.

We were organized as a Maryland corporation on June 23, 2011 and elected to be taxed as a Real Estate Investment Trust (REIT) beginning with our taxable year ending December 31, 2012. We conduct substantially all of our business through our Operating Partnership. We are structured as an UPREIT, which means that we will own most of our properties through our Operating Partnership and its subsidiaries. As an UPREIT, we may

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be able to acquire properties on more attractive terms from sellers who can defer tax obligations by contributing properties to our Operating Partnership in exchange for Operating Partnership units, which will be redeemable for cash or exchangeable for shares of our common stock at our election.

WHLR Management, LLC (our Administrative Service Company), which is wholly owned by Mr. Wheeler, provides administrative services to our company. Pursuant to the terms of an administrative services agreement between our Administrative Service Company and us, our Administrative Service Company is responsible for identifying targeted real estate investments; handling the disposition of the real estate investments our board of directors has chosen to sell; and administering our day-to-day business operations, including but not limited to, leasing duties, property management, payroll and accounting functions. We also benefit from Mr. Wheeler s partially or wholly owned related business and platform that specializes in retail real estate investment and management. Mr. Wheeler s organization includes (i) Wheeler Interests, LLC, an acquisition and asset management firm, (ii) Wheeler Real Estate, LLC, a real estate leasing, management and administration firm, (iii) Wheeler Capital, LLC, a capital investment firm specializing in venture capital, financing, and small business loans, (iv) Site Applications, LLC, a full service facility company equipped to handle all levels of building maintenance and (v) TESR, LLC, a tenant coordination company specializing in tenant relations and community events (collectively, our Services Companies). Our headquarters is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452. Our telephone number is (757) 627-9088. Our website is located at WHLR.us. Our Internet website and the information contained therein or connected thereto do not constitute a part of this prospectus or any amendment or supplement hereto.

Business and Growth Strategies

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. Specifically, we intend to pursue the following strategies to achieve these objectives:

Maximize value through proactive asset management. We believe our market expertise, targeted leasing strategies and proactive approach to asset management will enable us to maximize the operating performance of our portfolio. We will continue to implement an active asset management program to increase the long-term value of each of our properties. This may include expanding existing tenants, re-entitling site plans to allow for additional outparcels, which are small tracts of land used for freestanding development not attached to the main buildings, and repositioning tenant mixes to maximize traffic, tenant sales and percentage rents. As we grow our portfolio, we will seek to maintain a diverse pool of assets with respect to both geographic distribution and tenant mix, helping to minimize our portfolio risk. We will utilize our experience and market knowledge to effectively allocate capital to implement our investment strategy. We continually monitor our markets for opportunities to selectively dispose of properties where returns appear to have been maximized and redeploy proceeds into new acquisitions that have greater return prospects.

Pursue value oriented investment strategy targeting properties fitting within our acquisition profile. We believe the types of retail properties we seek to acquire will provide better risk-adjusted returns compared to other properties in the retail asset class, as well as other property types in general, due to the anticipated improvement in consumer spending habits resulting from a strengthening economy coupled with the long-term nature of the underlying leases and predictability of cash flows. We will acquire retail properties based on identified market and property characteristics, including:

Property type. We focus our investment strategy on income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail

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properties. We will target these types of properties because they tend to be more focused on consumer goods as opposed to enclosed malls, which we believe are more oriented to discretionary spending that is susceptible to cyclical fluctuations.

Strip center. A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the store fronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line or have an L or U shape.

Neighborhood centers. A neighborhood center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. Neighborhood centers are often anchored by a supermarket or drugstore. The anchors are supported by outparcels typically occupied by restaurants, fast food operators, financial institutions and in-line stores offering various products and services ranging from soft goods, healthcare and electronics.

Community centers. A community center typically offers a wider range of apparel and other soft goods relative to a neighborhood center and in addition to supermarkets and drugstores, can include discount department stores as anchor tenants.

Freestanding retail properties. A freestanding retail property constitutes any retail building that is typically occupied by a single tenant. The lease terms are generally structured as triple-net with the tenant agreeing to pay rent as well as all taxes, insurance and maintenance expenses that arise from the use of the property.

Anchor tenant type. We will target properties with anchor tenants that offer consumer goods that are less impacted by fluctuations in consumers disposable income. We believe nationally and regionally recognized anchor tenants that offer consumer goods provide more predictable property-level cash flows as they are typically higher credit quality tenants that generate stable revenues. We feel these properties will act as a catalyst for incremental leasing demand through increased property foot traffic. We will identify the credit quality of our anchor tenants by conducting a thorough analysis including, but not limited to, a review of tenant operating performance, liquidity and balance sheet strength.

Lease terms. In the near term, we intend to acquire properties that feature one or more of the following characteristics in their tenants lease structure: properties with long-term leases (10 years remaining on the primary lease term) for anchor tenants; properties under triple-net leases, which are leases where the tenant agrees to pay rent as well as all taxes, insurance and maintenance expenses that arise from the use of the property; thereby minimizing our expenses; and properties with leases which incorporate gross percentage rent and/or rental escalations that act as an inflation hedge while maximizing operating cash flows. As a longer-term strategy, we will look to acquire properties with shorter-term lease structures (2-3 years) for in-line tenants, which are tenants that rent smaller spaces around the anchor tenants within a property, that have below market rents that can be renewed at higher market rates.

Geographic markets and demographics. We plan to seek investment opportunities throughout the United States; however, we will focus on the Mid-Atlantic, Northeast, Southeast and Southwest, which are characterized by attractive demographic and property fundamental trends. We will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. These communities will also have a combination of the following characteristics:

established trade areas with high barriers to entry, high population base with expected annual growth rate higher than the national average,

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- high retail sales per square foot compared to the national average,
- above average household income and expected growth,
- above-average household density,
- favorable infrastructure such as schools to retain and attract residents, and
- below-average unemployment rate.

Capitalize on network of relationships to pursue transactions. We plan to pursue transactions in our target markets through the relationships we have developed. Leveraging these relationships, we will target property owners that our management team has transacted with previously, many of whom, we feel, will consider us a preferred counterparty due to our track record of completing fair and timely transactions. We believe this dynamic gives us a competitive advantage in negotiating and executing favorable acquisitions.

Leverage our experienced property management platform. Our executive officers, together with the management teams of our Services Companies, have over 150 years of combined experience managing, operating and leasing retail properties. We consider our Services Companies to be in the best position to oversee the day-to-day operations of our properties, which in turn helps us service our tenants. We feel this generates higher renewal and occupancy rates, minimizes rent interruptions, reduces renewal costs and helps us achieve stronger operating results. Along with this, a major component of our leasing strategy is to cultivate long-term relationships through consistent tenant dialogue in conjunction with a proactive approach to meeting the space requirements of our tenants.

Grow our platform through a comprehensive financing strategy. We believe our capital structure will provide us with sufficient financial capacity and flexibility to fund future growth. Based on our current capitalization, we believe we will have access to multiple sources of financing that are currently unavailable to many of our private market peers or overleveraged public competitors, which will provide us with a competitive advantage. Over time, these financing alternatives may include follow-on offerings of our common stock, unsecured corporate level debt, preferred equity and credit facilities. We have a ratio of debt to total market capitalization of approximately 65%. Although we are not required by our governing documents to maintain this ratio at any particular level, 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. This strategy will enable us to continue to grow our asset base well into the future.

Our Competitive Strengths

We believe the following competitive strengths distinguish us from other owners and operators of commercial real estate and will enable us to take advantage of new acquisition and development opportunities, as well as growth opportunities within our portfolio:

Cornerstone Portfolio of Retail Properties. We have acquired and developed a portfolio of properties located in business centers in Virginia, North Carolina, Florida, Georgia, South Carolina, Oklahoma, Tennessee, and New Jersey. We believe many of our properties currently achieve rental and occupancy rates equal to or above those typically prevailing in their respective markets due to their desirable and competitively advantageous locations within their submarkets, as well as our hands-on management approach. The retail properties comprising our portfolio fit within our property acquisition profile of income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. These properties are located in local markets

that exhibit stable demographics and have historically exhibited favorable trends, such as strong population and income growth. These properties represent the initial base of the larger portfolio that we expect to build over time.

Experienced Management Team. Our executive officers and the members of the management teams of our Services Companies have significant experience in all aspects of the commercial real estate industry, specifically in our markets. They have overseen the acquisition or development and operation of more than 60 shopping centers, representing over 4 million rentable square feet of retail property, including all of the properties in our portfolio. Mr. Wheeler and the real estate professionals employed by our Services Companies have in-depth knowledge of our assets, markets and future growth opportunities, as well as substantial expertise in all aspects of leasing, asset and property management, marketing, acquisitions, redevelopment and facility engineering and financing, all of which we believe provides us with a significant competitive advantage.

Access to a Pipeline of Acquisition and Leasing Opportunities. We believe that market knowledge and network of relationships with real estate owners, developers, brokers, national and regional lenders and other market participants provides us access to an ongoing pipeline of attractive acquisition and investment opportunities in and near our markets. In addition, we have a network of relationships with numerous national and regional tenants in our markets, many of whom currently are tenants in our retail buildings, which we expect will enhance our ability to retain and attract high quality tenants, facilitate our leasing efforts and provide us with opportunities to increase occupancy rates at our properties, thereby allowing us to maximize cash flows from our properties. We have successfully converted many of our strong relationships with our retail tenants into leasing opportunities at our properties.

Broad Real Estate Expertise with Retail Focus. Our management team has experience and capabilities across the real estate sector with experience and expertise particularly in the retail asset class, which we believe provides for flexibility in pursuing attractive acquisition, development, and repositioning opportunities. Since varying market conditions create opportunities at different times across property types, 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.

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Our Properties

Our Portfolio

We currently own twenty-three properties located in Virginia, North Carolina, South Carolina, Florida, Georgia, Oklahoma, Tennessee and New Jersey containing a total of approximately 1,294,572 rentable square feet of retail space, which we refer to as our portfolio. The following table presents an overview of our portfolio, based on information as of December 31, 2013.

Portfolio

Property	Location	Year Built/ Renovated	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot (1)
Amscot Building	Tampa, FL	2004	1	2,500	100%	$ 101,395	$ 40.56
Bixby Commons	Bixby, OK	2012	1	75,000	100%	768,500	10.25
Clover Plaza	Clover, SC	1990	10	45,575	100%	352,765	7.74
Forrest Gallery	Tullahoma, TN	1987	24	214,451	90.46%	1,143,267	5.89
Harps At Harbor Point	Grove, OK	2012	1	31,500	100%	364,432	11.57
Jenks Plaza	Jenks, OK	2007	5	7,800	100%	143,611	18.41
Jenks Reasors	Jenks, OK	2011	1	81,000	100%	912,000	11.26
Lumber River Village	Lumberton, NC	1985/1997-98 expansion 2004	12	66,781	100%	526,846	7.89
Monarch Bank	Virginia Beach, VA	2002	1	3,620	100%	250,757	69.27
Perimeter Square	Tulsa, OK	1982-1983	8	58,277	95.70%	708,055	12.70
Riversedge North	Virginia Beach, VA	2007	1	10,550	100%	291,372	27.62
Shoppes at T J Maxx	Richmond, VA	1982/1999	15	93,552	88.76%	922,490	11.11
South Square	Lancaster, SC	1992	5	44,350	89.85%	317,309	7.96
Starbucks/Verizon	Virginia Beach, VA	1985/2012	2	5,600	100%	198,854	35.51
St. George Plaza	St. George, SC	1982	6	59,279	85.75%	357,175	7.03
Surrey Plaza	Hawkinsville, GA	1983	5	42,680	100%	292,486	6.85
Tampa Festival	Tampa, FL	1965/2009/2012	22	137,987	100%	1,222,859	8.86
The Shoppes at Eagle Harbor	Carrollton, VA	2009	6	23,303	94.48%	416,261	18.91
Twin City Commons	Batesburg-Leesville, SC	1998/2002	5	47,680	100%	450,796	9.45
Walnut Hill Plaza	Petersburg, VA	1959/2006/2008	11	89,907	82.69%	575,462	7.74
Waterway Plaza	Little River, SC	1991	9	49,750	97.59%	436,965	9.00
Westland Square	West Columbia, SC	1986/1994	6	62,735	83.14%	414,086	7.94
Winslow Plaza	Sicklerville, NJ	1990/2009	16	40,695	94.10%	582,055	15.20
Total Portfolio			173	1,294,572	94.02%	$ 11,749,798	$ 9.65

(1) Annualized base rent per leased square foot includes the impact of tenant concessions.

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With the proceeds of this offering, we anticipate acquiring the following additional properties (the Contemplated Properties).

Property	Location	Year Built/ Renovated	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot [1]
Brook Run	Richmond, VA	1990	19	147,738	92.06%	$ 1,571,353	$ 11.55
Northeast Plaza	Lumberton, NC	2000	9	54,511	95.35%	474,090	9.12
Port Crossing	Harrisonburg, VA	1999/2009	7	65,365	82.46%	676,626	12.55
Total			35	267,614	90.38%	2,722,069	11.25

(2) Annualized base rent per leased square foot includes the impact of tenant concessions.

Brook Run

Brook Run is a 147,738 square foot community shopping center built in 1990, and anchored by a Martin s grocery store. The property is located in Richmond, Virginia and is occupied by 19 primarily retail and restaurant tenants.

Martin s

Martin s leases 58,473 square feet of net rentable square feet, representing 39.58% of the net rentable square feet of Brook Run.

Annual rent under the Martin s lease is $497,021.

The Martin s lease expires on August 31, 2015 and has four remaining renewal options for five years.

Fitness Evolution

Fitness Evolution leases 32,000 square feet of net rentable square feet, representing 21.66% of the net rentable square feet of Brook Run.

Annual rent under the Fitness Evolution lease is $304,000.

The Fitness Evolution lease expires on January 31, 2023 and has four remaining renewal option for five years.

The following table sets forth the percentage leased and annualized rent per leased square foot for Brook Run as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2013	92.06%	$ 11.55
December 31, 2012	95.03	11.79
December 31, 2011	85.01	10.92
December 31, 2010	87.93	12.74
December 31, 2009	96.61	12.77

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

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The following table sets forth the lease expirations for leases in place at Brook Run Commons as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)[1]	Percentage of Property Annualized Base Rent
Available		11,732	7.94%	$	%
2014	4	3,880	2.63	69	4.39
2015	3	61,388	41.55	557	35.46
2016	3	5,240	3.55	97	6.17
2017	3	16,374	11.08	226	14.39
2018	3	3,626	2.45	65	4.14
2019	1	11,979	8.11	220	14.00
2020	1	1,519	1.03	33	2.10
2021					
2022					
2023 and thereafter	1	32,000	21.66	304	19.35
Total	19	147,738	100.0%	$ 1,571	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Northeast Plaza

Northeast Plaza is a 54,511 square foot neighborhood shopping center built in 2000, and anchored by a Food Lion. The property is located in Lumberton, North Carolina and is occupied by 8 primarily retail and restaurant tenants.

Food Lion

Food Lion leases 33,000 square feet of net rentable square feet, representing 60.54% of the net rentable square feet of Northeast Plaza.

Annual rent under the Food Lion lease is $292,050.

The Food Lion lease expires on December 12, 2020 and has four remaining renewal options for five years.

Dollar General

Dollar General leases 9,200 square feet of net rentable square feet, representing 16.88% of the net rentable square feet of Northeast Plaza.

Annual rent under the Dollar General lease is $50,000.

The Dollar General lease expires on January 31, 2015 and has one remaining renewal option for five years.

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The following table sets forth the percentage leased and annualized rent per leased square foot for Northeast Plaza as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2013	95.35%	$ 9.12
December 31, 2012	92.83	9.06
December 31, 2011	92.83	8.94
December 31, 2010	92.83	8.97
December 31, 2009	92.83	8.94

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Northeast Plaza as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)[1]	Percentage of Property Annualized Base Rent
Available		2,535	4.65%	$	%
2014					
2015	4	13,400	24.58	104	21.94
2016	1	1,000	1.83	14	2.95
2017	1	1,400	2.57	18	3.80
2018	1	1,376	2.52	21	4.43
2019					
2020	1	33,000	60.54	292	61.61
2021	1	1,800	3.31	25	5.28
2022					
2023 and thereafter					
Total	9	54,511	100.0%	$ 474	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Port Crossing

Port Crossing is a 65,365 square foot neighborhood shopping center built in two phases in 1999 and 2009, and anchored by a Food Lion. The property is located in Harrisonburg, Virginia and is occupied by 7 primarily retail and restaurant tenants.

Food Lion

Food Lion leases 45,000 square feet of net rentable square feet, representing 68.84% of the net rentable square feet of Port Crossing.

Annual rent under the Food Lion lease is $517,500.

The Food Lion lease expires on August 31, 2018 and has four remaining renewal options for five years.

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The following table sets forth the percentage leased and annualized rent per leased square foot for Port Crossing as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2013	82.46%	$ 12.55
December 31, 2012	90.57	13.66
December 31, 2011	88.24	13.46
December 31, 2010	90.12	13.45
December 31, 2009	93.68	12.40

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Port Crossing as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)[1]	Percentage of Property Annualized Base Rent
Available		11,465	17.54%	$	%
2014					
2015					
2016	1	1,160	1.77	22	3.25
2017	3	5,340	8.17	93	13.74
2018	1	45,000	68.84	518	76.51
2019					
2020	1	1,200	1.84	21	3.10
2021					
2022	1	1,200	1.84	23	3.40
2023 and thereafter					
Total	7	65,365	100.0%	$ 677	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Structure of Our Company

Our Operating Entities

Our Operating Partnership

Substantially all of our assets are held by, and our operations are conducted through, the Operating Partnership. As the sole general partner of the Operating Partnership, we generally have the exclusive power under the Amended and Restated Agreement of Limited Partnership of Wheeler REIT, L.P. (the Partnership Agreement) to manage and conduct the business and affairs of the Operating Partnership, subject to certain limited approval and voting rights of the limited partners. Our board of directors will manage our business and affairs.

Because we conduct substantially all of our operations through the Operating Partnership, we are considered an UPREIT. UPREIT stands for Umbrella Partnership Real Estate Investment Trust. An UPREIT is a REIT that holds all or substantially all of its properties through a partnership in which the REIT holds a general partner

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and/or limited partner interest generally based on the value of capital raised by the REIT through sales of its capital stock. Using an UPREIT structure may give us an advantage in acquiring properties from persons who may not otherwise sell their properties because of unfavorable tax results. Generally, a sale or contribution of property directly to a REIT is a taxable transaction to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may contribute the property to the UPREIT in exchange for limited partnership units in the partnership and defer taxation of gain until the seller later exchanges his limited partnership units on a one-for-one basis for REIT shares or for cash pursuant to the terms of the Partnership Agreement or the UPREIT sells the property.

Our Administrative Service Company

We entered into an Administrative Services Agreement with our Administrative Service Company, pursuant to which, our Administrative Service Company provides us with appropriate support personnel to assist our executive management team and performs certain services for us, subject to the oversight of our board of directors and our executive officers. Our Administrative Service Company is responsible for, among other duties (1) performing and administering our day-to-day operations, (2) determining investment criteria in conjunction with our board of directors, (3) sourcing, analyzing and executing asset acquisitions approved by our board of directors, sales and financings, (4) performing asset management duties, (5) performing property management duties, (6) performing leasing duties, and (7) performing financial and accounting management. Our Administrative Service Company currently receives an administrative services fee of $660,000 per year plus $20,000 per year for each additional property we acquire subsequent to the completion of this offering. Additionally, Wheeler Real Estate, LLC receives a property management fee at a rate of 3% of our annual gross revenue and Wheeler Interests, LLC receives an asset management fee at a rate of 2% of our annual gross revenue. Additionally, we reimburse our Administrative Service Company for all reasonable out-of-pocket expenses incurred on our behalf, including but not limited to travel and general office expenses, such as copying and telephone usage. Our executive management team consists of our Chairman/Chief Executive Officer, Chief Financial Officer, and Secretary. The salaries of such officers are paid by our Administrative Service Company. They are also eligible to receive additional compensation in the form of stock incentive awards granted under our 2012 Share Incentive Plan.

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Our Structure

The following diagram depicts the ownership structure of Wheeler Real Estate Investment Trust, Inc. upon the completion of offering contemplated hereby.

(1) Prior investors received 1,977,905 limited partnership units in Wheeler REIT, L.P. in exchange for the contribution of their membership interests in the entities previously acquired by our company. Of those 1,977,905 limited partnership units, 388,189 are owned by Jon S. Wheeler, and 3,185 are owned by Robin Hanisch, our Secretary, and 7,863 are owned by Ann L. McKinney, one of our directors.

(2) Our Operating Partnership owns 100% of the membership interests of each of the entities that own the properties in our portfolio.

Restrictions on Transfer

Under the Partnership Agreement, holders of common units do not have redemption or exchange rights, except under limited circumstances, for a period of 12 months, and may not otherwise transfer their units, except under certain limited circumstances, for a period of 12 months following issuance. After the expiration of this 12-month period, transfers of units by limited partners and their assignees are subject to various conditions, including our right of first refusal. In addition, each of our officers, directors and their affiliates, have agreed not to sell or otherwise transfer or encumber any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of six months after the date of this prospectus.

Restrictions on Ownership of our Stock

Due to limitations on the concentration of ownership of REIT stock imposed by the Internal Revenue Code of 1986, as amended (the Code), our charter generally prohibits any person from actually, beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock (the Ownership Limits). See Description of Securities Restrictions on Ownership and Transfer.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We intend to take advantage of these exemptions. We do not know if some investors will find our common stock less attractive as a result. The result may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we elected to opt out of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We could remain an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

Conflicts of Interest

Following the completion of this offering, conflicts of interest may arise between the holders of units and our stockholders with respect to certain transactions, such as the sale of any properties or a reduction of indebtedness, which could have adverse tax consequences to holders of units, including Mr. Wheeler, thereby making those transactions less desirable to such holders. In the event of such a conflict, we are under no obligation to give priority to the separate interests of our company or our stockholders.

Distribution Policy

We intend to pay cash dividends to holders of our common stock on a monthly basis and holders of our preferred stock on a quarterly basis. We intend to make dividend distributions that will enable us to meet the distribution requirements applicable to REITs and to eliminate or minimize our obligation to pay income and excise taxes. We will be required to use a portion of the net proceeds from this offering to make such distributions. We may in the future also choose to pay dividends in shares of our common stock. See Material U.S. Federal Income Tax Considerations Federal

Income Tax Considerations for Holders of Our Common Stock Taxation of Taxable U.S. Stockholders and Risk Factors Risks Related to Our Status as a REIT We may in the future choose to pay dividends in shares of our common stock, in which case you may be required to pay tax in excess of the cash you receive.

Additionally, we agreed with our underwriters in our initial public offering that any common units held by Jon S. Wheeler, directly or indirectly or through his spouse, children or affiliated entities, are contractually subordinated to the remaining common units and common stock as it relates to dividend payments to be received by the holders of common units and the holders of common stock.

Our Tax Status

We elected to be taxed and to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes. We believe that our organization and proposed method of operation will continue to enable us to meet the requirements for qualification and taxation as a REIT. To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute at least 90% of our REIT taxable income to our stockholders.

Corporate Information

Our principal executive office is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452. Our telephone number is 757-627-9088. Our website is located at www.WHLR.us. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission (the SEC).

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The Offering

Series B Preferred Stock

600,000 shares of Series B Preferred Stock will be offered as part of the Units through our underwriters in this offering on a firm commitment basis.

Ranking. The Series B Preferred Stock ranks senior to our common stock and on parity with our Series A Preferred Stock with respect to payment of dividends and rights upon liquidation, dissolution or winding up.

Stated Value. Each share of Series B Preferred Stock will have an initial Stated Value of $, subject to appropriate adjustment in relation to certain events, such as recapitalizations, stock dividends, stock splits, stock combinations, reclassifications or similar events affecting our Series B Preferred Stock, as set forth in the sections of our charter that set forth the rights, preferences and limitations of the Series B Preferred Stock.

Dividends. Holders of Series B Preferred Stock are entitled to receive, when and as authorized by our board of directors and declared by us out of legally available funds, cumulative cash dividends on each share of Series B Preferred Stock at an annual rate of percent (%) of the Stated Value. Dividends on each share of Series B Preferred Stock will begin accruing on, and will be cumulative from, the date of issuance. We expect to continue to pay dividends on the Series B Preferred Stock quarterly, unless our results of operations, our general financing conditions, general economic conditions, applicable provisions of Maryland law or other factors make it imprudent to do so. We also expect to continue to authorize and declare dividends on the shares of Series B Preferred Stock on a quarterly basis payable quarterly in arrears on or before the fifteenth day of each January, April, July and October of each year (or the next business day if the day is not a business day). The timing and amount of such dividends will be determined by our board of directors, in its sole discretion, and may vary from time to time.

Voluntary Conversion. The holder of a share of Series B Preferred Stock may convert such share of Series B Preferred Stock at any time into shares of our common stock at an initial conversion rate of $ per share. Such conversion shall occur on the date following the record date for our next dividend payment.

Mandatory Conversion. To the extent the 20-trading day volume-weighted average closing price of our common stock exceeds $ per share, each share of Series B Preferred Stock will, on the date following the record date for our next dividend payment, automatically convert into shares of common stock at an initial conversion price equal to $ per share.

Liquidation. Upon any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, before any distribution or payment shall be made to holders of our common stock or any other class or series of capital stock ranking junior to our shares of Series B

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	Preferred Stock, the holders of shares of Series B Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders, after payment or provision for our debts and other liabilities, a liquidation preference equal to the Stated Value per share, plus accrued but unpaid dividends. *Voting Rights*. The Series B Preferred Stock have no voting rights, except as required by law.
Warrants	Warrants to purchase up to 720,000 shares of common stock will be offered as part of the Units. The Warrants will be exercisable upon issuance for a term ending five years from the date of such issuance. The initial exercise price will be $ per share.
Capital stock to be outstanding after this offering	600,000 shares of Series B Preferred Stock 1,809 shares of Series A Preferred Stock 7,216,238 shares of common stock [(1)]
Estimated use of proceeds	We estimate that we will receive net proceeds from the sale of the Units in this offering of approximately $ million after deducting estimated offering expenses, including underwriters commissions, payable by us of approximately $. We intend to invest the net proceeds of this offering in connection with the acquisition of the Contemplated Properties, in connection with future acquisitions and for general working capital purposes.
NASDAQ Symbol for Common Stock	WHLR
Proposed NASDAQ Symbol for Series B Preferred Stock	WHLRP
Proposed NASDAQ Symbol for Warrants	WHLRW

(1) The number of shares of common stock to be outstanding immediately after this offering as shown above reflects only the 7,216,238 shares of common stock outstanding as of April 23, 2014.

Capital Structure

Following this offering, the Series B Preferred Stock will rank (i) on parity with our Series A Preferred Stock and (ii) senior to our common stock with respect to both payment of dividends and distribution of amounts upon liquidation. Our board of directors has the authority to issue shares of additional series of preferred stock that could be senior in priority to the Series B Preferred Stock.

Our Corporate Information

Our principal executive offices are located at 2529 Virginia Beach Boulevard, Virginia Beach, VA 23452. Our telephone number is (757) 627-9088. Our website is www.WHLR.us.com . The contents of our website are not part of this prospectus. The information on our website is not intended to form a part of or be incorporated by reference into this prospectus.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Financial Statements

The following unaudited pro forma condensed consolidated financial statements set forth on a pro forma basis for our company giving effect to this offering, using a portion of the proceeds from this offering to acquire the Contemplated Properties as described elsewhere in this Prospectus and pro forma impact of other acquisitions completed during 2013. You should read the following unaudited pro forma condensed consolidated financial statements in conjunction with our financial statements and the related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included in our December 31, 2013 Annual Report on Form 10-K (2013 Form 10-K) filed with the SEC on March 21, 2014. Additionally, you should refer to financial information filed in relation to the property acquisitions as required under Rule 3-14 of Regulation S-X as promulgated by the SEC that are included within this Prospectus.

The Contemplated Properties consist of the following properties which are described in more detail elsewhere in this Prospectus.

Brook Run Shopping Center (Richmond, VA)
Port Crossing Shopping Center (Harrisonburg, VA)
Northeast Plaza Shopping Center (Lumberton, NC)

The following properties were acquired during 2013 (2013 Acquisitions) and are described in more detail elsewhere in this Prospectus:

Bixby Commons Shopping Center (Bixby, OK) acquired June 11, 2013
Tampa Festival (Tampa, FL) acquired August 27, 2013
Forrest Gallery (Tullahoma, TN) acquired August 29, 2013
Jenks Reasor s Shopping Center (Jenks, OK) acquired September 24, 2013
Starbucks/Verizon Retail Center (Virginia Beach, VA) acquired October 21, 2013
Jenks Plaza (Jenks, OK) acquired December 17, 2013
Winslow Plaza (Sicklerville, NJ) acquired December 19, 2013
Clover Plaza (Clover, SC) acquired December 23, 2013
St. George Plaza (St. George, SC) acquired December 23, 2013
South Square (Lancaster, SC) acquired December 23, 2013
Waterway Plaza (Little River, SC) acquired December 23, 2013
Westland Square (West Columbia, SC) acquired December 23, 2013

The acquisition of the Contemplated Properties and the 2013 Acquisitions as defined above have been accounted for as an acquisition under the purchase accounting method and recognized at the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition. The preliminary estimated fair value of these assets and liabilities has been allocated in accordance with Accounting Standards Codification (ASC) section 805-10, *Business Combinations*. Our methodology of allocating the cost of acquisitions to assets acquired and liabilities assumed is based on estimated fair values, replacement cost and appraised values. We estimated the fair value of acquired tangible assets (consisting of land, building and improvements), identified intangible lease assets and liabilities (consisting of acquired above-market leases, acquired in-place lease value and acquired below-market leases) and assumed debt.

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The value allocated to in-place leases is amortized over the related lease term and reflected as depreciation and amortization. The value of above- and below-market in place leases are amortized over the related lease term and reflected as either an increase (for below-market leases) or a decrease (for above-market leases) to rental income. The fair value of the debt assumed is determined using current market interest rates for comparable debt financings. The estimated purchase price of the acquired properties for pro forma purposes is based on a relative equity evaluation analysis of the properties which incorporates cash flows and outstanding mortgage debt of the properties.

The following unaudited pro forma condensed consolidated financial information sets forth:

- the condensed consolidated financial information of our company as of and for the year ended December 31, 2013 as provided in our financial statements included in our 2013 Form 10-K;

- pro forma adjustments related to the offering contemplated in this Prospectus as if the transactions were completed as of December 31, 2013 for purposes of the unaudited pro forma condensed consolidated balance sheet and as of January 1, 2013 for purposes of the unaudited pro forma condensed consolidated statement of operations;

- the estimated fair value balance sheet for the Contemplated Properties (see discussion below) as of December 31, 2013 and their estimated pro forma results of operations for the year ended December 31, 2013 (audited, if applicable); and

- estimated pro forma results of operations for the year ended December 31, 2013 (audited, if applicable) of the 2013 Acquisitions.

The Bixby Commons, Jenks Reasor s and Starbucks/Verizon acquisitions have been reflected in the pro forma balance sheet. However, the incremental pro forma impact of these acquisitions on operations has been excluded from the pro forma statement of operations for reasons discussed below.

The Bixby Commons Shopping Center, a 75,000 square foot shopping center located in Bixby, Oklahoma, was purchased by the company on June 11, 2013 for approximately $10.6 million. In conjunction with this acquisition, we raised $4.16 million in net proceeds in a preferred stock offering. The property is leased to Associated Wholesale Grocers (AWG) who in turn subleases 100% of the property to a Reasor s Foods grocery store. The property was originally leased to AWG pursuant to a Build and Lease Agreement between AWG and the seller, a wholly-owned subsidiary of AWG. Construction of the property was completed during late 2012 and Reasor s Foods opened their store during November 2012. Accordingly, there is limited third party operating history for the property.

The company acquired Jenks Reasor s, a 81,000 square foot free-standing retail property located in Jenks, Oklahoma, on September 24, 2013 for a purchase price of approximately $11.4 million through a sales-leaseback transaction with AWG. The property was built in 2011. The property is subleased to a Reasor s Foods grocery store under a 20 year, triple-net operating lease expiring in 2033 and subject to annual rental payments of $912,000. Under the lease agreement, Reasor s is responsible for all expenses associated with the property, including taxes, insurance, roof and structure. Due the nature between AWG and Reasor s, there is limited third party operating history available.

The company acquired Starbucks/Verizon, a 5,600 square foot free standing retail property located in Virginia Beach, Virginia, on October 21, 2013 for a purchase price of approximately $1.4 million. The property was built in 1985 and underwent significant renovations in 2012. The property is 100% leased by Starbucks Coffee and Verizon Wireless, who occupy 2,165 square feet and 3,435 square feet, respectively. Under the initial terms, Starbucks lease will expire in 2023 with three five-year options to renew, while Verizon Wireless lease will expire in 2022 and will also offer three five-year options to renew. Since the property was significantly renovated in late 2012 and the Starbucks and Verizon leases did not begin until October 2012, there is limited operating history available.

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Since limited third party operating history exists for Bixby Commons, Jenks Reasor s and Starbucks/Verizon, unaudited pro forma condensed financial information regarding operations has not been presented as management has concluded that their inclusion would not be meaningful.

The unaudited pro forma condensed consolidated balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2013, nor does it purport to represent the future financial position of the company. The unaudited pro forma condensed consolidated statement of operations is presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2013, nor does it purport to represent the future results of operations of the company.

The 2013 Acquisitions (including Bixby Commons, Jenks Reasor s and Starbucks/Verizon) and the Contemplated Properties to be acquired may be reassessed for property tax purposes after completing the acquisitions. Therefore, the amount of property taxes we pay in the future may increase from what we have paid in the past. Given the uncertainty of the amounts involved, we have not included any property tax increase in our pro forma financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Balance Sheet

December 31, 2013

		Pro Forma Transactions			
	WHLR, Inc. & Subsidiaries (1)	Proposed Offering Transactions (2)	Acquisition of Contemplated Properties (3)	Other Pro Forma Transactions (4)	WHLR, Inc. & Subsidiaries Consolidated Pro Forma
ASSETS:					
Investment properties, net at cost	$ 101,772,335	$	$ 29,988,200	$	$ 131,760,535
Cash and cash equivalents	1,155,083	13,500,000	(6,573,400)	1,981,800	10,063,483
Rents and other tenant receivables, net	1,594,864		939,000		2,533,864
Deferred costs and other assets	20,847,984		3,406,700	178,200	24,432,884
Total Assets	$ 125,370,266	$ 13,500,000	$ 27,760,500	$ 2,160,000	$ 168,790,766
LIABILITIES:					
Mortgages and other indebtedness	$ 94,562,503	$	$ 26,576,500	$ 2,160,000	$ 123,299,003
(Above)/Below market lease intangible, net	2,674,566		(383,100)		2,291,466
Accounts payable, accrued expenses and other liabilities	2,526,388		1,567,100		4,093,488
Total Liabilities	99,763,457		27,760,500	2,160,000	129,683,957
EQUITY:					
Series A Preferred Stock (no par value, 500,000 shares authorized, 1,809 shares issued and outstanding)	1,458,050				1,458,050
Series B Preferred Stock (no par value, 1,000,000 shares authorized, 600,000 shares issued and outstanding)		13,500,000			13,500,000
Common stock ($0.01 par value, 75,000,000 shares authorized, 7,121,000 shares issued and outstanding)	71,210				71,210
Additional paid-in capital	28,169,693			(262,412)	27,907,281
Accumulated deficit	(11,298,253)				(11,298,253)
Total Shareholders Equity	18,400,700	13,500,000		(262,412)	31,638,288
Noncontrolling interests	7,206,109			262,412	7,468,521
Total Equity	25,606,809	13,500,000			39,106,809
Total Liabilities and Equity	$ 125,370,266	$ 13,500,000	$ 27,760,500	$ 2,160,000	$ 168,790,766

See accompanying notes and management s assumptions to unaudited pro forma condensed consolidated financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Statement of Operations

Year Ended December 31, 2013

		Pro Forma Transactions			
	WHLR, Inc. & Subsidiaries (5)	2013 Acquisitions (6)	Contemplated Properties (7)	Other Pro Forma Transactions (8)	WHLR, Inc. & Subsidiaries Consolidated Pro Forma
REVENUE:					
Rental revenues	$ 7,158,549	$ 3,930,000	$ 2,849,800	$ (341,500)	$ 13,596,849
Other revenues	1,548,943	847,600	525,800		2,922,343
Total Revenue	8,707,492	4,777,600	3,375,600	(341,500)	16,519,192
OPERATING EXPENSES:					
Property operations	1,713,957	1,484,200	778,500		3,976,657
Depreciation and amortization	3,466,957			6,403,000	9,869,957
Provision for credit losses	106,828				106,828
Corporate general & administrative	5,297,166	163,600	122,800		5,583,566
Total Operating Expenses	10,584,908	1,647,800	901,300	6,403,000	19,537,008
Operating Income (Loss)	(1,877,416)	3,129,800	2,474,300	(6,744,500)	(3,017,816)
Interest expense	(2,497,810)			(4,048,100)	(6,545,910)
Net Income (Loss)	$ (4,375,226)	$ 3,129,800	$ 2,474,300	$ (10,792,600)	(9,563,726)
Less: Net loss attributable to noncontrolling interests					(1,685,600)[9]
Net Loss Attributable to Wheeler REIT					(7,878,126)[10]
Pro forma preferred stock dividends					1,784,700
Net Loss Attributable to Wheeler REIT Common Shareholders					$ (9,662,826)
Loss per share:					
Basic and Diluted					$ (1.36)
Weighted-average number of shares:					
Basic and Diluted					7,121,000

See accompanying notes and management s assumptions to unaudited pro forma condensed consolidated financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes and Management s Assumptions to Unaudited Pro Forma

Condensed Consolidated Financial Statements

A. Basis of Presentation

The accompanying unaudited pro forma condensed consolidated financial statements are presented to reflect:

- the effect of closing the contemplated offering, assuming we issue 600,000 shares of no par value Series B Preferred Stock estimated to be issued at $25 per share for the purposes of these pro formas;
- using approximately $6.6 million of the offering proceeds to acquire the Contemplated Properties;
- the estimated fair value for the Contemplated Properties as of December 31, 2013 as accounted for under the purchase method of accounting in accordance with ASC Section 805, *Business Combinations*; and
- the pro forma impact on operations for the Contemplated Properties and the 2013 Acquisitions assuming they were acquired on January 1, 2013.

As previously disclosed, the pro forma financial statements exclude the impact on operations of acquiring the Bixby Commons Shopping Center.

The unaudited pro forma condensed consolidated balance sheet assumes the transactions described above occurred on December 31, 2013. The unaudited pro forma condensed consolidated statement of operations assumes the transactions described above occurred on January 1, 2013. The unaudited pro forma condensed consolidated balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2013, nor does it purport to represent the future financial position of the company. The unaudited pro forma condensed consolidated statement of operations is presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2013, nor does it purport to represent the future results of operations of the company. In the opinion of management, all material adjustments have been made to reflect the effects of transactions referred to above.

B. Management s Assumptions to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

(1) Represents the consolidated financial information of our company as of December 31, 2013 as provided in our financial statements included in our 2013 Form 10-K.

(2) Represents the estimated impact of issuing 600,000 shares of Series B Preferred Stock estimated to be issued at $25 per share for the purposes of these pro formas, net of estimated offering costs.

Estimated gross proceeds from the sale of 600,000 shares of Series B Preferred Stock at $25 per share	$ 15,000,000
Less: Placement fee and other estimated offering costs incurred[(a)]	(1,500,000)
Estimated net cash proceeds from common stock and preferred stock offerings	$ 13,500,000

a. Represents the estimated underwriter placement fee, legal, and other offering costs incurred prior to and at closing of the offering.

(3) Represents the preliminary estimated fair values related to the anticipated acquisition of the Contemplated Properties. The amounts presented reflect the initial allocation of the preliminary estimated fair values and will be finalized subsequent to consummation of the transactions. The

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes and Management s Assumptions to Unaudited Pro Forma

Condensed Consolidated Financial Statements

following summarizes the estimated consideration to be paid and the preliminary estimated fair values of assets to be acquired and liabilities to be assumed in conjunction with the company acquiring the Contemplated Properties, along with a description of the methods used to estimate fair value. In estimating fair values, we considered many factors including, but not limited to, cash flows, market cap rates, location, occupancy rates, appraisals, other acquisitions and our knowledge of the current acquisition market for similar properties.

	Contemplated Properties
Preliminary estimated fair value of assets acquired and liabilities assumed:	
Investment property[(a)]	$ 29,988,200
Tenant and other receivables and other assets[(b)]	939,000
Other lease intangibles[(c)]	3,406,700
Mortgage debt[(d)]	(26,576,500)
Accounts payable, accrued expenses and other liabilities[(e)]	(1,567,100)
Above/(below) market leases[(f)]	383,100
Estimated fair value of net assets acquired	$ 6,573,400
Estimated purchase consideration:	
Estimated consideration paid with common units	$
Estimated consideration paid with cash	6,573,400
Total estimated consideration[(g)]	$ 6,573,400

a. Represents the estimated fair value of the net investment properties acquired which includes land, buildings, site improvements and tenant improvements. The fair value was estimated using following approaches:

i. the market approach valuation methodology for land by considering similar transactions in the markets;

ii. a combination of the cost approach and income approach valuation methodologies for buildings, including replacement cost evaluations, go dark analyses and residual calculations incorporating the land values;

iii. the cost approach valuation methodology for site and tenant improvements, including replacement costs and prevailing quoted market rates; and

iv. the income approach valuation methodology for in place leases which considered estimated market rental rates, expenses reimbursements and time required to replace leases.

b. Represents the estimated fair value of tenant and other receivables and other assets. It was determined that carrying value approximated fair value for all amounts in these categories.

c. Represents the estimated fair value of other lease intangibles which includes leasing commissions, legal and marketing fees associated with replacing existing leases, tenant relationships and in place lease values. The income approach was used to estimate the fair value of these intangible assets which included estimated market rates and expenses.

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d. Represents the estimated fair value of mortgages payable which was calculated by performing a discounted cash flow analysis on debt service using current prevailing market interest on comparable debt.

e. Represents the estimated fair value of accounts, accrued expenses and other liabilities. It was determined that carrying value approximated fair value for all amounts in these categories.

f. Represents the estimated fair value of above/(below) market leases. The income approach was used to estimate the fair value of above/(below) market leases using market rental rates for similar properties.

g. Represents the estimated purchase consideration to be paid for the Contemplated Properties.

(4) Represents the following pro forma transactions:

a. The net proceeds of issuing $2.16 million in non-convertible senior notes on January 31, 2014 that mature on January 31, 2016 with interest payable monthly at 9% per annum.

b. The reallocation to the noncontrolling interest based on approximately 1,453,535 ownership units in the Operating Partnership purchased by our company to facilitate acquiring the Contemplated Properties. This increase in our company s ownership of the Operating Partnership will result in a noncontrolling interest percentage of 17.63%, requiring a reallocation of $262,412.

C. Management s Assumptions to the Unaudited Pro Forma Condensed Consolidated Statement of Operations

(5) Represents the consolidated results of operations of our company for the year ended December 31, 2013 as provided in our financial statements included in our 2013 Form 10-K.

(6) Represents the estimated incremental pro forma impact on operations for year ended December 31, 2013 of the 2013 Acquisitions, excluding Bixby Commons, Jenks Reasor s and Starbucks/Verizon due to their limited third party operating history.

(7) Represents the estimated pro forma impact of the Contemplated Properties on operations for the year ended December 31, 2013.

(8) Represents the estimated impact on operations for the year ended December 31, 2013 of additional depreciation and amortization and interest expense resulting from the acquisition of the Contemplated Properties.

(9) Represents the loss allocated to noncontrolling interests based on the new noncontrolling interest percentage of 17.63%

(10) Represents the $90/share dividends on the 1,809 shares of Series A Preferred Stock, the dividends on the Series B Preferred Stock which has been estimated to be 9% per annum for the purposes of these pro formas and the amortization of the preferred stock discount.

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D. Other Financial Information

Unaudited pro forma Funds from Operations (FFO), which is a measurement not in accordance with accounting principles generally accepted in the United States (GAAP) or non-GAAP measurement, for the year ended December 31, 2013 is as follows:

	Year Ended December 31, 2013
Net loss	$ (9,563,726)
Depreciation and amortization of real estate assets	9,869,957
Total FFO	$ 306,231

We use FFO as an alternative measure of our operating performance, specifically as it relates to results of operations and liquidity. We compute FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trust (NAREIT) in its March 1995 White Paper (as amended in November 1999 and April 2002). As defined by NAREIT, FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization (excluding amortization of loan origination costs) and after adjustments for unconsolidated partnerships and joint ventures. Most industry analysts and equity REITs, including us, consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO is a helpful tool that can assist in the comparison of the operating performance of a company s real estate between periods, or as compared to different companies. Management uses FFO as a supplemental measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, while historically real estate values have risen or fallen with market conditions. Accordingly, we believe FFO provides a valuable alternative measurement tool to GAAP when presenting our operating results.

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RISK FACTORS

Investing in the Series B Preferred Stock and the Warrants involves risks. In addition to other information contained in this prospectus, you should carefully consider the following factors before acquiring any securities by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospectus, financial condition, results of operations and our ability to make cash distributions to our stockholders, which could cause you to lose all or a part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statement. Please refer to the section entitled Forward-Looking Statements.

Risks Related to Our Business and Operations

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 the management teams of our Services Companies 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. See 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.

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 their early stage 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;
- respond to competition for our targeted real estate properties and other investment as well as for potential investors; and
- continue to build and expand our operations structure to support our business.

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 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 Virginia, North Carolina, Florida, Georgia, South Carolina, 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 December 31, 2013 we had approximately $94.6 million of indebtedness outstanding, which may expose us to the risk of default under our debt obligations.

As of December 31, 2013, our total indebtedness was approximately $94.6 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.

Our properties typically are anchored by large, regionally or nationally recognized tenants. 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 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 December 31, 2013, leases representing approximately 4.56% of the square footage and approximately 5.80% of the annualized base rent of the properties in our portfolio will expire in 2014, and an additional 5.98% 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 (including the Contemplated Properties), 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 and free-standing retail 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, including the Contemplated Properties. 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;

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- 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.

The price we are paying for the Contemplated Properties may exceed their fair market value.

We are acquiring the Contemplated Properties from entities controlled by Mr. Wheeler, and we have not obtained any third-party appraisals of the Contemplated Properties. Accordingly, the value of the cash to be paid as consideration for the Contemplated Properties may exceed their aggregate fair market value.

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 clean-up 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.

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 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.

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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. 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.

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 has 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 company s offices and the offices of our Administrative Service Company, all of our 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

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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 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.

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We may 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.

In the future we may 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;
- 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

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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 personnel could diminish.

The loss of services of one or more members of our management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with lenders, business partners, existing and prospective tenants and industry participants, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Mr. Wheeler will continue to be involved in outside businesses, which may interfere with his ability to devote time and attention to our business and affairs.

We will rely on Mr. Wheeler and our Administrative Service Company for the day-to-day operations of our business. Our employment agreement with Mr. Wheeler requires him to devote his best efforts and a significant portion of his time to our business and affairs. Following the completion of this offering, however, Mr. Wheeler will continue to serve as President and Chief Executive Officer of Wheeler Interests, LLC which will continue to be involved in other businesses. As such, Mr. Wheeler will have certain ongoing duties to Wheeler Interests, LLC that could require a portion of his time and attention. Although we expect that Mr. Wheeler will devote a significant amount of his business time and attention to us, we cannot accurately predict the amount of time and attention that will be required of Mr. Wheeler to perform such ongoing duties. To the extent that Mr. Wheeler is required to dedicate time and attention to Wheeler Interests, LLC, his ability to devote a significant amount of his business time and attention to our business and affairs may be limited and could adversely affect our operations.

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 December 31, 2013. We will continue to vigorously litigate the issues raised upon appeal.

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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.

Because Mr. Wheeler and our Administrative Service Company are not prohibited from creating further real estate programs that may use investment strategies that are similar to ours, our Administrative Service Company and its and our executive officers may face conflicts of interest relating to the purchase and leasing of properties and other investments, and such conflicts may not be resolved in our favor.

If Mr. Wheeler or our Administrative Service Company were to create additional real estate programs, there may be periods during which one or more such sponsored programs are seeking to invest in similar properties and other real estate-related investments. As a result, we may be buying properties and other real estate-related investments at the same time as one or more other such sponsored programs managed by officers and employees of our Administrative Service Company, and these other such sponsored programs may use investment strategies that are similar to ours. There is a risk that our Administrative Service Company will choose a property that provides lower returns to us than a property purchased by another program. In the event these conflicts arise, we cannot assure you that our best interests will be met when officers and employees acting on behalf of our Administrative Service Company and on behalf of other such sponsored programs decide whether to allocate any particular property to us or to another such sponsored program or affiliate of our Administrative Service Company or Mr. Wheeler, which may have an investment strategy that is similar to ours. In addition, we may acquire properties in geographic areas where such future sponsored programs own properties. If one of the other such sponsored programs attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. You will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making your investment.

Our Administrative Service Company will face conflicts of interest caused by its arrangements with us, which could result in actions that are not in the long-term best interests of our stockholders.

Our Administrative Service Company is entitled to fees from us under the terms of the Administrative Service Agreement. Our Administrative Service Company is wholly owned by Mr. Wheeler. As a result, we did not have the benefit of arm s length negotiation of the type normally conducted between unrelated parties when this agreement was negotiated. These fees could influence our Administrative Service Company s advice to us as well as the judgment of the Services Companies performing services for us. Among other matters, these compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of the Administrative Service Agreement;
- property acquisitions from third parties, which entitle our Administrative Service Company to asset management fees; and
- borrowings to acquire properties, which acquisitions will increase the aggregate fees payable to our Administrative Service Company.

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 us and our co-venturers.

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.

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.

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Risks Related to the Real Estate Industry

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

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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.

Even if we qualify as a REIT for 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.

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 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.

Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.

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. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury is alleged to have occurred.

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 Americans with Disabilities Act (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 Organizational 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 to our Operating Partnership and its limited partners under Virginia law and the Partnership Agreement of our Operating Partnership 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.

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Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.

Our charter contains certain Ownership Limits with respect to our stock. Our charter, subject to certain exceptions, authorizes our board of directors to take such actions as it determines are advisable to preserve our qualification as a REIT. Our charter also prohibits the actual, beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock, excluding any shares that are not treated as outstanding for federal income tax purposes. Our board of directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from these Ownership Limits if certain conditions are satisfied. See Description of Securities Restrictions on Ownership and Transfer. The restrictions on ownership and transfer of our stock may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; or

- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval. Our board of directors, without stockholder approval, has the power under our charter to amend our charter to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the terms of such newly classified or reclassified shares. See Description of Securities Power to Increase or Decrease Authorized Shares of Common Stock and Issue Additional Shares of Common and Preferred Stock. As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our board of directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. Certain provisions of the Maryland General Corporation Law (the MGCL), may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- business combination provisions that, subject to limitations, prohibit certain business combinations between us and an interested stockholder (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting stock at any time within the two-year period immediately prior to the date in question) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose fair price and/or supermajority and stockholder voting requirements on these combinations; and control share provisions that provide that control shares of our company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of issued and outstanding control shares) have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

We have opted out of these provisions of the MGCL, in the case of the business combination provisions of the MGCL, by resolution of our board of directors and, in the case of the control share provisions, by a provision in our bylaws. However, we cannot assure you that our board of directors will not opt to be subject to such business combination and control share provisions of the MGCL in the future.

Certain provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control of us under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. See Material Provisions of Maryland Law and of Our Charter and Bylaws.

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

Mr. Wheeler may be party in contribution agreements with us pursuant to which we will acquire interests in our 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, with possible negative impact on 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 we have agreed with our underwriters that 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

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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 its 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.

We currently own 79.89% of the outstanding common units, 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.

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

We conduct our business so as not to become regulated as an investment company under the Investment Company Act of 1940 (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.

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 to operate in a manner that will allow us to qualify as a REIT for 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 the prospectus are not binding on the IRS or any court. Therefore, we cannot assure you that we will continue to 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 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 four 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 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 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 fail to continue to qualify as a partnership for 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 federal income tax purposes. As a partnership, our Operating Partnership will not be subject to 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 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

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corporation for 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 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 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 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 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

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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 which would be treated as sales for federal income tax purposes.

A REIT s net income from prohibited transactions is subject to a 100% penalty 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 federal income tax consequences of such qualification.

The rules dealing with 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, including proposals in draft legislation contained in the Tax Reform Act of 2014, 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 federal income tax consequences of such qualification.

Risks Related to this Offering

There has been no public market for the Series B Preferred Stock or the Warrants prior to this offering and an active trading market for such securities may not develop following this offering.

Prior to this offering, there has not been any public market for the Series B Preferred Stock or the Warrants, and there can be no assurance that an active trading market will develop or be sustained or that such securities will be resold at or above the offering price. We intend to apply to have the Series B Preferred Stock and the Warrants listed on the Nasdaq Capital Market under the symbol WHLRP and WHLRW, respectively. The offering price of these securities will be determined by agreement among us and the underwriters, but there can be no assurance that these securities will not trade below the public offering price following the completion of this offering. See Underwriting. The market value of these securities could be substantially affected by general market conditions, including the extent of institutional investor interest in us, the general reputation of REITs and the attractiveness of their securities in comparison to other securities (including securities issued by other real estate-based companies), our financial performance and general stock and bond market conditions.

The Series B Preferred Stock ranks junior to all of our indebtedness and other liabilities.

In the event of our bankruptcy, liquidation, dissolution or winding-up of our affairs, our assets will be available to pay obligations on our Series B Preferred Stock (and other securities ranking on parity with the Series B Preferred Stock) only after all of our indebtedness and other liabilities have been paid. The rights of holders of such preferred stock to participate in the distribution of our assets will rank junior to the prior claims of our current and future creditors and any future series or class of preferred stock we may issue the ranks senior to the Series B Preferred Stock. If we are forced to liquidate our assets to pay our creditors, we may not have sufficient assets to pay amounts due on any or all of the Series B Preferred Stock then outstanding.

Future offerings of debt or senior equity securities may adversely affect the market price of the Series B Preferred Stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Series B Preferred Stock and may result in dilution to owners of the Series B Preferred Stock. We and, indirectly, our stockholders, will bear the cost of issuing the servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of the Series B Preferred Stock will bear the risk of our future offerings reducing the market price of the Series B Preferred Stock and diluting the value of their holdings in us.

The Series B Preferred Stock has not been rated.

We have not sought to obtain a rating for the Series B Preferred Stock, and the Series B Preferred Stock may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series B Preferred Stock or that we may elect to obtain a rating or our Series B Preferred Stock in the future. Furthermore, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series B Preferred Stock in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series B Preferred Stock.

Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series B Preferred Stock. In addition, ratings do not reflect market prices or suitability or a security for a particular investor and any future rating of the Series B Preferred Stock may not reflect all risks related to us and our business, or the structure or market value of the Series B Preferred Stock.

We may issue additional shares of Series B Preferred Stock or additional series of preferred stock that rank senior to or on parity with the Series B Preferred Stock as to dividend rights, rights upon liquidation or voting rights.

We are allowed to issue additional share of Series B Preferred Stock and additional series of preferred stock that could rank senior to or on parity with the Series B Preferred Stock as to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs, without any shareholder consent. The issuance of additional share of Series B Preferred Stock and additional series of preferred stock could have the effect of reducing the amounts available to the Series B Preferred Stock issued in this offering upon our liquidation or dissolution or the winding up of our affairs. It also may reduce dividend payments on the Series B Preferred Stock issued in this offering if we do not have sufficient funds to pay dividends on all Series B Preferred Stock outstanding and other classes of stock with equal priority with respect to dividends.

Future issuances and sales of Series B Preferred Stock or other preferred stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for the Series B Preferred Stock and our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us.

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, particularly proceeds of this offering, 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.

We expect that our operating cash flow will be insufficient to cover our anticipated initial monthly distributions to stockholders. See Distribution Policy. 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 distributions. Our inability to acquire properties may result in a lower return on your investment than you expect. If we have not generated sufficient cash flow from our operations and other sources, such as from borrowings or sales of additional securities, to fund distributions, we will continue to use the proceeds from this offering. Moreover, our board of directors may change this policy, in its sole discretion, at any time. Distributions made from offering proceeds are a return of capital to stockholders, from which we will have already paid offering and organization expenses in connection with this offering.

By funding distributions, in part, from the proceeds of this offering, 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 the offerings may affect our ability to generate cash flows. Funding distributions from the sale of additional 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.

We may not be able to pay dividends or other distributions on the Series B Preferred Stock.

There can be no guarantee that we will have sufficient cash to pay dividends on the Series B Preferred Stock. Our ability to pay dividends may be impaired if any of the risks described in this prospectus were to occur. In addition, payment of our dividends depends upon our earnings, our financial condition, maintenance or our REIT qualification and other factors as our board of directors may deem relevant from time to time. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will available to us in an amount sufficient to enable us to make distributions on our common stock and preferred stock, including the Series B Preferred Stock offered by this prospectus, to pay our indebtedness or to fund out other liquidity needs.

The market price of the Series B Preferred Stock and the Warrants could be substantially affected by various factors.

The market price of the Series B Preferred Stock and the Warrants will depend on many factors, which may change from time to time, including:

- prevailing interest rates, increases in which may have an adverse effect on the market prices of such securities;

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- trading prices of securities issued by REITS and other similar companies;
- the annual yield from distributions on our Series B Preferred Stock and common stock, as compared to yields on other financial instruments;
- general economic and financial market conditions;
- government action or regulation;
- the financial condition, performance and prospects of our company and our competitors;
- changes in financial estimates or recommendations by securities analysts with respect to our company, our competitors or our industry;
- our issuance of additional preferred equity or debt securities; and
- actual or anticipated variations in our quarterly operating results and those of our competitors.

As a result of these and other factors, investors who purchase the Series B Preferred Stock and the Warrants in this offering may experience a decrease, which could be substantial and rapid, in the market price of the Series B Preferred Stock and/or the Warrants, including decreases unrelated to our operating performance or prospects.

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CAUTIONARY STATEMENT

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 shareholders 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 such terms and va 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 prospectus. 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. Factors that could cause actual results to differ materially from any forward-looking statements made in this prospectus include:

- the imposition of federal taxes if we fail to qualify as a REIT in any taxable year or forego an opportunity to ensure REIT status;
- uncertainties related to the national economy, the real estate industry in general and in our specific markets;
- legislative or regulatory changes, including changes to laws governing REITs;
- adverse economic or real estate developments in Virginia, North Carolina, Florida, Georgia, South Carolina, Oklahoma, Tennessee and New Jersey;
- increases in interest rates and operating costs;
- inability to obtain necessary outside financing;
- litigation risks;
- lease-up risks;
- inability to obtain new tenants upon the expiration of existing leases;
- inability to generate sufficient cash flows due to market conditions, competition, uninsured losses, changes in tax or other applicable laws; and

- the need to fund tenant improvements or other capital expenditures out of operating cash flow.

These forward-looking statements should be read in light of these factors.

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ESTIMATED USE OF PROCEEDS

After deducting underwriting fees and commissions and estimated expenses of this offering, we expect net proceeds from this offering of approximately $.

We intend to contribute the net proceeds of this offering to our Operating Partnership in exchange for common units and our Operating Partnership will use the net proceeds received from us as described below:

approximately $6.6 million to acquire the Contemplated Properties; and

approximately $ for other future acquisitions and general working capital.

We anticipate using a portion of the proceeds of the offering to acquire the Contemplated Properties as described below:

Property	Location	Year Built/ Renovated	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot[1]
Brook Run	Richmond, VA	1990	19	147,738	92.06%	$ 1,571,353	$ 11.55
Northeast Plaza	Lumberton, NC	2000	9	54,511	95.35%	474,090	9.12
Port Crossing	Harrisonburg, VA	1999/2009	7	65,365	82.46%	676,626	12.55
Total			35	267,614	90.38%	2,722,069	11.25

(1) Annualized base rent per leased square foot includes the impact of tenant concessions.

Brook Run

Brook Run is a 147,738 square foot community shopping center built in 1990, and anchored by a Martin s grocery store. The property is located in Richmond, Virginia and is occupied by 19 primarily retail and restaurant tenants.

Martin s

Martin s leases 58,473 square feet of net rentable square feet, representing 39.58% of the net rentable square feet of Brook Run.

Annual rent under the Martin s lease is $497,021.

The Martin s lease expires on August 31, 2015 and has four remaining renewal options for five years.

Fitness Evolution

Fitness Evolution leases 32,000 square feet of net rentable square feet, representing 21.66% of the net rentable square feet of Brook Run.

Annual rent under the Fitness Evolution lease is $304,000.

The Fitness Evolution lease expires on January 31, 2023 and has four remaining renewal option for five years.

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The following table sets forth the percentage leased and annualized rent per leased square foot for Brook Run as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[(1)]
December 31, 2013	92.06%	$ 11.55
December 31, 2012	95.03	11.79
December 31, 2011	85.01	10.92
December 31, 2010	87.93	12.74
December 31, 2009	96.61	12.77

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Brook Run Commons as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)[(1)]	Percentage of Property Annualized Base Rent
Available		11,732	7.94%	$	%
2014	4	3,880	2.63	69	4.39
2015	3	61,388	41.55	557	35.46
2016	3	5,240	3.55	97	6.17
2017	3	16,374	11.08	226	14.39
2018	3	3,626	2.45	65	4.14
2019	1	11,979	8.11	220	14.00
2020	1	1,519	1.03	33	2.10
2021					
2022					
2023 and thereafter	1	32,000	21.66	304	19.35
Total	19	147,738	100.0%	$ 1,571	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Northeast Plaza

Northeast Plaza is a 54,511 square foot neighborhood shopping center built in 2000, and anchored by a Food Lion. The property is located in Lumberton, North Carolina and is occupied by 8 primarily retail and restaurant tenants.

Food Lion

Food Lion leases 33,000 square feet of net rentable square feet, representing 60.54% of the net rentable square feet of Northeast Plaza.

Annual rent under the Food Lion lease is $292,050.

The Food Lion lease expires on December 12, 2020 and has four remaining renewal options for five years.

Dollar General

Dollar General leases 9,200 square feet of net rentable square feet, representing 16.88% of the net rentable square feet of Northeast Plaza.

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Annual rent under the Dollar General lease is $50,000.

The Dollar General lease expires on January 31, 2015 and has one remaining renewal option for five years.

The following table sets forth the percentage leased and annualized rent per leased square foot for Northeast Plaza as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot(1)
December 31, 2013	95.35%	$ 9.12
December 31, 2012	92.83	9.06
December 31, 2011	92.83	8.94
December 31, 2010	92.83	8.97
December 31, 2009	92.83	8.94

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Northeast Plaza as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)(1)	Percentage of Property Annualized Base Rent
Available		2,535	4.65%	$	%
2014					
2015	4	13,400	24.58	104	21.94
2016	1	1,000	1.83	14	2.95
2017	1	1,400	2.57	18	3.80
2018	1	1,376	2.52	21	4.43
2019					
2020	1	33,000	60.54	292	61.61
2021	1	1,800	3.31	25	5.28
2022					
2023 and thereafter					
Total	9	54,511	100.0%	$ 474	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Port Crossing

Port Crossing is a 65,365 square foot neighborhood shopping center built in two phases in 1999 and 2009, and anchored by a Food Lion. The property is located in Harrisonburg, Virginia and is occupied by 7 primarily retail and restaurant tenants.

Food Lion

Food Lion leases 45,000 square feet of net rentable square feet, representing 68.84% of the net rentable square feet of Port Crossing.

Annual rent under the Food Lion lease is $517,500.

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The Food Lion lease expires on August 31, 2018 and has four remaining renewal options for five years.

The following table sets forth the percentage leased and annualized rent per leased square foot for Port Crossing as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[(1)]
December 31, 2013	82.46%	$ 12.55
December 31, 2012	90.57	13.66
December 31, 2011	88.24	13.46
December 31, 2010	90.12	13.45
December 31, 2009	93.68	12.40

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Port Crossing as of December 31, 2013, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent (in 000s)[(1)]	Percentage of Property Annualized Base Rent
Available		11,465	17.54%	$	%
2014					
2015					
2016	1	1,160	1.77	22	3.25
2017	3	5,340	8.17	93	13.74
2018	1	45,000	68.84	518	76.51
2019					
2020	1	1,200	1.84	21	3.10
2021					
2022	1	1,200	1.84	23	3.40
2023 and thereafter					
Total	7	65,365	100.0%	$ 677	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2013 for the leases expiring during the applicable period, by (ii) 12.

Pro Forma Condensed Consolidated Financial information

The following unaudited pro forma condensed consolidated financial statements set forth on a pro forma basis for our company giving effect to this offering, using a portion of the proceeds from this offering to acquire the Contemplated Properties as described elsewhere in this Prospectus and pro forma impact of other acquisitions completed during 2013. You should read the following unaudited pro forma condensed consolidated financial statements in conjunction with our financial statements and the related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included in our 2013 Form 10-K filed with the SEC on March 21, 2014. Additionally, you should refer to the financial information related to the property acquisitions as required under Rule 3-14 of Regulation S-X as promulgated by the SEC that are included within this registration statement to which this Prospectus is part.

The Contemplated Properties consist of the following properties which are described in more detail elsewhere in this Prospectus.

Brook Run Shopping Center (Richmond, VA)

Port Crossing Shopping Center (Harrisonburg, VA)

Northeast Plaza Shopping Center (Lumberton, NC)

The following properties were acquired during 2013 (2013 Acquisitions) and are described in more detail elsewhere in this Prospectus:

Bixby Commons Shopping Center (Bixby, OK) acquired June 11, 2013

Tampa Festival (Tampa, FL) acquired August 27, 2013

Forrest Gallery (Tullahoma, TN) acquired August 29, 2013

Jenks Reasor s Shopping Center (Jenks, OK) acquired September 24, 2013

Starbucks/Verizon Retail Center (Virginia Beach, VA) acquired October 21, 2013

Jenks Plaza (Jenks, OK) acquired December 17, 2013

Winslow Plaza (Sicklerville, NJ) acquired December 19, 2013

Clover Plaza (Clover, SC) acquired December 23, 2013

St. George Plaza (St. George, SC) acquired December 23, 2013

South Square (Lancaster, SC) acquired December 23, 2013

Waterway Plaza (Little River, SC) acquired December 23, 2013

Westland Square (West Columbia, SC) acquired December 23, 2013

The acquisition of the Contemplated Properties and the 2013 Acquisitions as defined above have been accounted for as an acquisition under the purchase accounting method and recognized at the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition. The preliminary estimated fair value of these assets and liabilities has been allocated in accordance with Accounting Standards Codification (ASC) section 805-10, *Business Combinations*. Our methodology of allocating the cost of acquisitions to assets acquired and liabilities assumed is based on estimated fair values, replacement cost and appraised values. We estimated the fair value of acquired tangible assets (consisting of land, building and improvements), identified intangible lease assets and liabilities (consisting of acquired above-market leases, acquired in-place lease value and acquired below-market leases) and assumed debt.

The value allocated to in-place leases is amortized over the related lease term and reflected as depreciation and amortization. The value of above- and below-market in place leases are amortized over the related lease term and reflected as either an increase (for below-market leases) or a decrease (for above-market leases) to rental income. The fair value of the debt assumed is determined using current market interest rates for comparable debt financings. The estimated purchase price of the acquired properties for pro forma purposes is based on a relative equity evaluation analysis of the properties which incorporates cash flows and outstanding mortgage debt of the properties.

The following unaudited pro forma condensed consolidated financial information sets forth:

- the condensed consolidated financial information of our company as of and for the year ended December 31, 2013 as provided in our financial statements included in our 2013 Form 10-K;

- pro forma adjustments related to the offering contemplated in this Prospectus as if the transactions were completed as of December 31, 2013 for purposes of the unaudited pro forma condensed consolidated balance sheet and as of January 1, 2013 for purposes of the unaudited pro forma condensed consolidated statement of operations;

- the estimated fair value balance sheet for the Contemplated Properties (see discussion below) as of December 31, 2013 and their estimated pro forma results of operations for the year ended December 31, 2013 (audited, if applicable); and estimated pro forma results of operations for the year ended December 31, 2013 (audited, if applicable) of the 2013 Acquisitions. The Bixby Commons, Jenks Reasor s and Starbucks/Verizon acquisitions have been reflected in the pro forma balance sheet. However, the incremental pro forma impact of these acquisitions on operations has been excluded from the pro forma statement of operations for reasons discussed below.

The Bixby Commons Shopping Center, a 75,000 square foot shopping center located in Bixby, Oklahoma, was purchased by the company on June 11, 2013 for approximately $10.6 million. In conjunction with this acquisition, we raised $4.16 million in net proceeds in a preferred stock offering. The property is leased to Associated Wholesale Grocers (AWG) who in turn subleases 100% of the property to a Reasor s Foods grocery store. The property was originally leased to AWG pursuant to a Build and Lease Agreement between AWG and the seller, a wholly-owned subsidiary of AWG. Construction of the property was completed during late 2012 and Reasor s Foods opened their store during November 2012. Accordingly, there is limited third party operating history for the property.

The company acquired Jenks Reasor s, a 81,000 square foot free-standing retail property located in Jenks, Oklahoma, on September 24, 2013 for a purchase price of approximately $11.4 million through a sales-leaseback transaction with AWG. The property was built in 2011. The property is subleased to a Reasor s Foods grocery store under a 20 year, triple-net operating lease expiring in 2033 and subject to annual rental payments of $912,000. Under the lease agreement, Reasor s is responsible for all expenses associated with the property, including taxes, insurance, roof and structure. Due the nature between AWG and Reasor s, there is limited third party operating history available.

The company acquired Starbucks/Verizon, a 5,600 square foot free standing retail property located in Virginia Beach, Virginia, on October 21, 2013 for a purchase price of approximately $1.4 million. The property was built in 1985 and underwent significant renovations in 2012. The property is 100% leased by Starbucks Coffee and Verizon Wireless, who occupy 2,165 square feet and 3,435 square feet, respectively. Under the initial terms, Starbucks lease will expire in 2023 with three five-year options to renew, while Verizon Wireless lease will expire in 2022 and will also offer three five-year options to renew. Since the property was significantly renovated in late 2012 and the Starbucks and Verizon leases didn t begin until October 2012, there is limited operating history available.

Since limited third party operating history exists for Bixby Commons, Jenks Reasor s and Starbucks/Verizon, unaudited pro forma condensed financial information regarding operations has not been presented as management has concluded that their inclusion would not be meaningful.

The unaudited pro forma condensed consolidated balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2013, nor does it purport to represent the future financial position of the company. The unaudited pro forma condensed consolidated statement of operations is presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2013, nor does it purport to represent the future results of operations of the company.

The 2013 Acquisitions (including Bixby Commons, Jenks Reasor s and Starbuck/Verizon) and the Contemplated Properties to be acquired may be reassessed for property tax purposes after completing the acquisitions. Therefore, the amount of property taxes we pay in the future may increase from what we have paid in the past. Given the uncertainty of the amounts involved, we have not included any property tax increase in our pro forma financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Balance Sheet

December 31, 2013

	WHLR, Inc. & Subsidiaries (1)	Pro Forma Transactions: Proposed Offering Transactions (2)	Acquisition of Contemplated Properties (3)	Other Pro Forma Transactions (4)	WHLR, Inc. & Subsidiaries Consolidated Pro Forma
ASSETS:					
Investment properties, net at cost	$ 101,772,335	$	$ 29,988,200	$	$ 131,760,535
Cash and cash equivalents	1,155,083	13,500,000	(6,573,400)	1,981,800	10,063,483
Rents and other tenant receivables, net	1,594,864		939,000		2,533,864
Deferred costs and other assets	20,847,984		3,406,700	178,200	24,432,884
Total Assets	$ 125,370,266	$ 13,500,000	$ 27,760,500	$ 2,160,000	$ 168,790,766
LIABILITIES:					
Mortgages and other indebtedness	$ 94,562,503	$	$ 26,576,500	$ 2,160,000	$ 123,299,003
(Above)/Below market lease intangible, net	2,674,566		(383,100)		2,291,466
Accounts payable, accrued expenses and other liabilities	2,526,388		1,567,100		4,093,488
Total Liabilities	99,763,457		27,760,500	2,160,000	129,683,957
EQUITY:					
Series A Preferred Stock (no par value, 500,000 shares authorized, 1,809 shares issued and outstanding)	1,458,050				1,458,050
Series B Preferred Stock (no par value, 1,000,000 shares authorized, 600,000 shares issued and outstanding)		13,500,000			13,500,000
Common stock ($0.01 par value, 75,000,000 shares authorized, 7,121,000 shares issued and outstanding)	71,210				71,210
Additional paid-in capital	28,169,693			(262,412)	27,907,281
Accumulated deficit	(11,298,253)				(11,298,253)
Total Shareholders Equity	18,400,700	13,500,000		(262,412)	31,638,288
Noncontrolling interests	7,206,109			262,412	7,468,521
Total Equity	25,606,809	13,500,000			39,106,809
Total Liabilities and Equity	$ 125,370,266	$ 13,500,000	$ 27,760,500	$ 2,160,000	$ 168,790,766

See accompanying notes and management s assumptions to unaudited pro forma condensed consolidated financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Statement of Operations

Year Ended December 31, 2013

	WHLR, Inc. & Subsidiaries (5)	Pro Forma Transactions 2013 Acquisitions (6)	Contemplated Properties (7)	Other Pro Forma Transactions (8)	WHLR, Inc. & Subsidiaries Consolidated Pro Forma
REVENUE:					
Rental revenues	$ 7,158,549	$ 3,930,000	$ 2,849,800	$ (341,500)	$ 13,596,849
Other revenues	1,548,943	847,600	525,800		2,922,343
Total Revenue	8,707,492	4,777,600	3,375,600	(341,500)	16,519,192
OPERATING EXPENSES:					
Property operations	1,713,957	1,484,200	778,500		3,976,657
Depreciation and amortization	3,466,957			6,403,000	9,869,957
Provision for credit losses	106,828				106,828
Corporate general & administrative	5,297,166	163,600	122,800		5,583,566
Total Operating Expenses	10,584,908	1,647,800	901,300	6,403,000	19,537,008
Operating Income (Loss)	(1,877,416)	3,129,800	2,474,300	(6,744,500)	(3,017,816)
Interest expense	(2,497,810)			(4,048,100)	(6,545,910)
Net Income (Loss)	$ (4,375,226)	$ 3,129,800	$ 2,474,300	$ (10,792,600)	(9,563,726)
Less: Net loss attributable to noncontrolling interests					(1,685,600)(9)
Net Loss Attributable to Wheeler REIT					(7,878,126)
Pro forma preferred stock dividends					1,784,700(10)
Net Loss Attributable to Wheeler REIT Common Shareholders					$ (9,662,826)
Loss per share:					
Basic and Diluted					$ (1.36)
Weighted-average number of shares:					
Basic and Diluted					7,121,000

See accompanying notes and management s assumptions to unaudited pro forma condensed consolidated financial statements.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes and Management s Assumptions to Unaudited Pro Forma

Condensed Consolidated Financial Statements

A. Basis of Presentation

The accompanying unaudited pro forma condensed consolidated financial statements are presented to reflect:

- the effect of closing the contemplated offering, assuming we issue 600,000 shares of no par value Series B Preferred Stock estimated to be issued at $25 per share for the purposes of these pro formas;

- using approximately $6.6 million of the offering proceeds to acquire the Contemplated Properties;

- the estimated fair value for the Contemplated Properties as of December 31, 2013 as accounted for under the purchase method of accounting in accordance with ASC Section 805, *Business Combinations*; and

- the pro forma impact on operations for the Contemplated Properties and the 2013 Acquisitions assuming they were acquired on January 1, 2013.

As previously disclosed, the pro forma financial statements exclude the impact on operations of acquiring the Bixby Commons Shopping Center.

The unaudited pro forma condensed consolidated balance sheet assumes the transactions described above occurred on December 31, 2013. The unaudited pro forma condensed consolidated statement of operations assumes the transactions described above occurred on January 1, 2013. The unaudited pro forma condensed consolidated balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2013, nor does it purport to represent the future financial position of the company. The unaudited pro forma condensed consolidated statement of operations is presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2013, nor does it purport to represent the future results of operations of the company. In the opinion of management, all material adjustments have been made to reflect the effects of transactions referred to above.

B. Management s Assumptions to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

(1) Represents the consolidated financial information of our company as of December 31, 2013 as provided in our financial statements included in our 2013 Form 10-K.

(2) Represents the estimated impact of issuing 600,000 shares of Series B Preferred Stock estimated to be issued at $25 per share for the purposes of these pro formas, net of estimated offering costs.

Estimated gross proceeds from the sale of 600,000 shares of Series B Preferred Stock at $25 per share	$ 15,000,000
Less: Placement fee and other estimated offering costs incurred[(a)]	(1,500,000)
Estimated net cash proceeds from common stock and preferred stock offerings	$ 13,500,000

a. Represents the estimated underwriter placement fee, legal, and other offering costs incurred prior to and at closing of the offering.

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Wheeler Real Estate Investment Trust, Inc. and Subsidiaries

Notes and Management s Assumptions to Unaudited Pro Forma

Condensed Consolidated Financial Statements

(3) Represents the preliminary estimated fair values related to the anticipated acquisition of the Contemplated Properties. The amounts presented reflect the initial allocation of the preliminary estimated fair values and will be finalized subsequent to consummation of the transactions. The following summarizes the estimated consideration to be paid and the preliminary estimated fair values of assets to be acquired and liabilities to be assumed in conjunction with the company acquiring the Contemplated Properties, along with a description of the methods used to estimate fair value. In estimating fair values, we considered many factors including, but not limited to, cash flows, market cap rates, location, occupancy rates, appraisals, other acquisitions and our knowledge of the current acquisition market for similar properties.

	Contemplated Properties
Preliminary estimated fair value of assets acquired and liabilities assumed:	
Investment property[(a)]	$ 29,988,200
Tenant and other receivables and other assets[(b)]	939,000
Other lease intangibles[(c)]	3,406,700
Mortgage debt[(d)]	(26,576,500)
Accounts payable, accrued expenses and other liabilities[(e)]	(1,567,100)
Above/(below) market leases[(f)]	383,100

Estimated fair value of net assets acquired