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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-35713

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**45-2681082**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
2529 Virginia Beach Blvd., Suite 200	
Virginia Beach. Virginia	**23452**
(Address of Principal Executive Offices)	**(Zip Code)**

(757) 627-9088

(Registrant s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Common stock, $0.01 par value (NASDAQ Capital Market)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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.:

Large accelerated file	¨	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The registrant was not a publicly-traded company on the last business day of the registrant s most recent second fiscal quarter. As such, the required calculation of public float cannot be made. The registrant does not have any non-voting common equity.

As of March 27, 2013, there were 3,301,502 shares of common stock, $0.01 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K of Wheeler Real Estate Investment Trust, Inc. 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, believ estimates, or the negative of such terms and variations of these words and similar expressions. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. You are cautioned to not place undue reliance on forward-looking statements, which reflect our management s view only as of the date of this Annual Report on Form 10-K. 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 Annual Report on Form 10-K include:

- the imposition of federal taxes if we fail to qualify as a real estate investment trust (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, Florida, Georgia, South Carolina, North Carolina or Oklahoma;
- 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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Part I

Item 1. Business

INDUSTRY BACKGROUND AND MARKET OPPORTUNITY

The retail shopping center industry is one of the largest industries in the United States. The retail shopping center industry had annual revenue of approximately $2.29 trillion in 2010, a year over year percentage increase of 3.5% from 2009, according to the International Council of Shopping Centers (the ICSC). In order to support such strong demand, the shopping center space market has grown to 7.3 billion square feet of gross leasable area (GLA) in 2011 from 2.1 billion square feet in 1970, and there are currently over 107,823 shopping centers in the United States according to the latest data provided by the ICSC and CoStar Realty.

The ICSC has defined ten principal shopping center types that include: (1) neighborhood; (2) community; (3) regional; (4) superregional; (5) lifestyle; (6) power; (7) theme/festival; (8) outlets; (9) airport retail; and (10) convenience/strip centers. According to ICSC, the centers are distinguished primarily by their merchandise orientation (i.e., the type of goods and services sold) and the size of the center. Other characteristics include the number and type of anchor tenants and the anchor ratio (i.e., the share of a center s total square footage that is attributable to its anchors) and the primary trade area (i.e., the area from which 60% to 80% of the center s sales originate). Regional and superregional centers, or enclosed malls, comprise approximately 17% of the total shopping center market, while the eight other types of centers make up the remaining 83% on a square footage basis.

We focus on owning and managing income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. We believe that these property types are the most stable assets within the retail sector. Consumer spending on goods offered by such retailers does not experience significant fluctuations. As of July 2011, convenience/strip centers, neighborhood and community shopping centers made up approximately 11.4%, 31.3% and 25.0% of the open-air shopping center space market based on a square footage basis.

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Our Markets

We primarily target markets in the Mid-Atlantic, Southeast and Southwest that exhibit attractive economic fundamentals and have favorable long-term supply-demand characteristics. Specifically, five of our eleven properties in our portfolio are currently located in Virginia, one is located in North Carolina, one is located in Florida, one is located in Georgia, one is located in South Carolina and two are located in Oklahoma.

As shown in the 2010 U.S. Census population change map below, the center of gravity of the U.S. population continues to shift toward the southwest and southeast, continuing a decade long shift of the U.S. population toward these areas. The Southwest and Southeast comprise two of our markets and we believe that our network of relationships in the retail industry in these geographic areas position us to take advantage of the on-going population shift toward the Southwest and Southeast.

Market Opportunity

Shopping center GLA grew by only 0.25% in 2010 and growth in 2011 continues to be sluggish to date as well. The slow growth in U.S. shopping-center space reflects lagging adjustments resulting from the severe business cycle downturn between 2007 and 2009. However, one effect of such slowed growth has been to bolster the shopping center industry s fundamentals relative to other property classes. For instance, the shopping center vacancy rate in the first quarter of 2011 was 10.9%, considerably lower than that of 15.2% for office properties. We believe that the retail and shopping center industries are poised for a period of growth as the U.S. economy recovers from a period of global economic decline. Additionally, we believe that our company is positioned to take advantage of this coming period of growth.

Retail property values appear to be at their cyclical lows and we believe the ensuing rebound may be similar to those of past economic downturns, which are illustrated in the chart below. Retail sales recorded average year-over-year growth rates of 6.4%, 6.4% and 5.1% during the three years following the recessions of 1982, 1990 and 2001, respectively; however, there is no guarantee that comparable growth rates will occur in the future. We believe that the recent lack of construction combined with the anticipated economic recovery will yield an environment of increasing rents and therefore increasing operating cash flows and property values. The chart below shows retail sales growth following recent recessions.

Over the longer-term, we believe population growth will continue to support commercial real estate, including retail properties. According to the U.S. Census, annual population growth will remain near historical averages at approximately 1%. Moreover, the number of 25- to 44-year-old consumers, one of the primary drivers of household formation, is expected to grow from 83 million in 2010 to approximately 90 million by 2020. We believe that new household formation is a primary demand driver for consumer goods that are sold at our target assets.

Our management team has had success in identifying and capitalizing on opportunities that arise during times of economic weakness and the expansion periods that follow. Accordingly, we believe that in the short to intermediate term we will be able to capitalize on opportunities to purchase properties that meet our investment criteria. We will seek properties in potentially dominant locations in secondary and tertiary markets whose vacancies stem from recent retail dislocations or mismanagement rather than weak property fundamentals.

BUSINESS AND PROPERTIES

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 seven retail shopping centers, three free-standing retail properties, and one office property, totaling 470,350 net rentable square feet of which were approximately 94.3% leased as of December 31, 2012.

We believe the current market environment creates a substantial number of favorable investment opportunities with attractive yields on investment and significant upside potential. We believe the markets we plan to pursue of the Mid-Atlantic, Southeast and Southwest are characterized by 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 30 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 intend to elect to be taxed as a REIT beginning with our taxable year ending December 31, 2012. We conduct substantially all of our business through Wheeler Real Estate Investment Trust, L.P., a Virginia limited partnership, of which we are the sole general partner (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 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 Development, LLC, a full service real estate development firm, (iv) Wheeler Capital, LLC, a capital investment firm specializing in venture capital, financing, and small business loans, (v) Site Applications, LLC, a full service facility company equipped to handle all levels of building maintenance and (vi) 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 does not constitute a part of this Form 10-K or any amendment or supplement hereto.

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 believe we have acquired and developed a portfolio of properties located in business centers in Virginia, Florida, Georgia, South Carolina, North Carolina, and Oklahoma. 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

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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.

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 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, 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,
- 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 51%. 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.

Item 1A. Risk Factors.

Not applicable.

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Item 1B. Unresolved Staff Comments.
Not applicable.

Item 2. Properties.
Our Portfolio

We currently own eleven properties located in Virginia, North Carolina, South Carolina, Florida, Georgia and Oklahoma, containing a total of approximately 470,350 million 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, 2012.

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)]
The Shoppes at TJ Maxx	Richmond, VA	1982/1999	14	93,552	90.6%	$ 950,040	$ 11.21
Walnut Hill Plaza	Petersburg, VA	1959/2006/2008	11	89,907	82.7%	550,247	7.40
Lumber River Plaza	Lumberton, NC	1985/1997-98 (expansion)/ 2004	12	66,781	100.0%	514,810	7.71
Perimeter Square	Tulsa, OK	1982-83	8	58,277	95.7%	691,977	12.41
The Shoppes at Eagle Harbor	Carrollton, VA	2009	7	23,303	100.0%	472,561	20.28
Harps At Harbor Point	Grove, OK	2012	1	31,500	100.0%	364,432	11.57
Twin City Crossing	Batesburg-Leesville, SC	1998/2002	5	47.680	100.0%	446,590	9.37
Surrey Plaza	Hawkinsville, GA	1993	5	42,680	100.0%	302,595	7.09
Riversedge North	Virginia Beach, VA	2007	1	10,550	100.0%	302,539	28.68
Monarch Bank	Virginia Beach, VA	2002	1	3,620	100.0%	250,740	69.27
Amscot Building	Tampa, FL	2004	1	2,500	100.0%	101,395	40.56
Total Portfolio			66	470,350	94.3%	$ 4,947,926	$ 11.16

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

Description of Our Properties

The following properties comprise our current portfolio of eleven properties:

Shoppes at TJ Maxx

The Shoppes at TJ Maxx is a 93,552 square foot community shopping center built in 1982 and renovated in 1999, and anchored by TJ Maxx. The property is located in Richmond, Virginia on the West Broad Street shopping corridor and is occupied by 14 primarily retail and restaurant tenants.

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TJ Maxx

TJ Maxx leases 32,400 square feet of net rentable square feet, representing 34.63% of the net rentable square feet of the Shoppes at TJ Maxx.

Annual rent under the TJ Maxx lease is $294,192.

The TJ Maxx lease expires on April 30, 2019 and has one renewal option for five years.

Cannon s Online Auctions

Cannon s Online Auctions leases 14, 000 square feet of net rentable square feet, representing 14.96% of the net rentable square feet of the Shoppes at TJ Maxx.

Annual rent under the Cannon s Online Auctions lease is $84,000.

The Cannon s Online Auctions lease expires on September 30, 2015 and is not currently subject to any renewal options.

The following table sets forth the percentage leased and annualized rent per leased square foot for Shoppes at TJ Maxx as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2012	90.60%	$ 11.21
December 31, 2011	81.20	12.24
December 31, 2010	79.82	11.77
December 31, 2009	88.35	10.85
December 31, 2008	98.15	10.22

(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 Shoppes at TJ Maxx as of December 31, 2012, 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		8,815	9.42%	$	%
2013	2	3,212	3.43	52	5.47
2014	2	3,612	3.86	61	6.44
2015	3	23,159	24.76	215	22.66
2016	3	6,993	7.47	126	13.29
2017	1	1,833	1.96	31	3.28
2018	1	6,325	6.76	86	8.99

2019	2	39,603	42.34	379	39.87
2020					
2021					
2022 and thereafter					
Total	14	93,552	100.0%	$ 950	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

Walnut Hill Plaza

Walnut Hill Plaza is an 89,907 square foot neighborhood shopping center built in 1959 and most recently renovated in 2008 by Wheeler Development. The property is located in Petersburg, Virginia. The property is occupied by 11 tenants and features a variety of retailers including Maxway, Save-A-Lot, Rent-A-Center and Family Dollar.

The following tenants lease more than 10% of the net rentable square feet of Walnut Hill Plaza:

Variety Wholesalers

Variety Wholesalers leases 15,000 square feet of net rentable square feet, representing 16.68% of the net rentable square feet of Walnut Hill Plaza. Variety Wholesalers operates a Maxway department store at this location.

Annual rent under the Variety Wholesalers lease is $72,300.

The Variety Wholesalers lease expires on February 28, 2018 and is not currently subject to any renewal options.

Moran Foods, Inc.

Moran Foods leases 14,812 square feet of net rentable square feet, representing 16.48% of the net rentable square feet of Walnut Hill Plaza. Moran Foods operates a Save-A-Lot grocery store at this location.

Annual rent under the Moran Foods lease is $97,759.

The Moran Foods lease expires on February 29, 2016 and has two renewal options remaining, for five years each.

Beauty World

Beauty World leases 11,780 net rentable square feet, representing 13.10% of the net rentable square feet of Walnut Hill Plaza.

Annual Rent under the Beauty World lease is $111,321.

The Beauty World lease expires on March 31, 2018 and has one renewal option for an additional five year period.

Citi Trends

Citi Trends clothing retailer leases 9,875 net rentable square feet, representing 10.98% of the net rentable square feet of Walnut Hill Plaza.

Annual rent under the Citi Trends lease is $45,425.

The Citi Trends lease is in the midst of its first and only renewal option period and the lease is currently set to expire on July 30, 2013.

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

Date	Percent Leased	Annualized Rent Per Leased Square Foot[(1)]
December 31, 2012	82.69%	$ 7.40
December 31, 2011	82.69	7.31
December 31, 2010	82.69	6.31
December 31, 2009	81.86	6.23
December 31, 2008	77.04	5.86

(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 Walnut Hill Plaza as of June 30, 2012, 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		15,562	17.31%	$	%
2013	3	11,995	13.34	78	14.25
2014	3	9,758	10.85	89	16.18
2015					
2016	2	23,412	26.04	165	29.93
2017					
2018	2	26,780	29.79	184	33.38
2019	1	2,400	2.67	34	6.26
2020					
2021					
2022 and thereafter					
Total	11	89,907	100.0%	$ 550	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

Lumber River Plaza

Lumber River Plaza is a 66,781 square foot neighborhood shopping center built in 1985, expanded in 1997-98 and renovated in 2004. The property is located in Lumberton, North Carolina and is currently occupied by 12 tenants, including Food Lion, Family Dollar, Rent-A-Center and CVS.

The following tenants lease more than 10% of the net rentable square feet of Lumber River Plaza:

Food Lion

Food Lion leases 30,280 net rentable square feet, representing 45.34% of the net rentable square feet of Lumber River Plaza. The Food Lion space recently underwent an interior and exterior renovation.

Annual rent under the Food Lion lease is $155,250.

The Food Lion lease expires on June 30, 2018 and has four renewal options for five years each.

CVS

CVS leases 9,100 net rentable square feet, representing 13.63% of the net rentable square feet of Lumber River Plaza.

Annual rent under the CVS lease is $63,700.

The CVS lease expires on September 30, 2015 and has one renewal option for an additional five year period.

Family Dollar

Family Dollar leases 8,001 net rentable square feet, representing 11.98% of the net rentable square feet of Lumber River Plaza.

Annual rent under the Family Dollar lease is $46,746.

The Family Dollar lease expires on December 31, 2017 and has one 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 Lumber River Plaza as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot(1)
December 31, 2012	100.00%	$ 7.71
December 31, 2011	100.00	7.80
December 31, 2010	100.00	7.48
December 31, 2009	100.00	7.39
December 31, 2008	100.00	7.24

(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 Lumber River Plaza as of December 31, 2012, 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			%	$	%
2013	2	8,600	12.88	104	20.23
2014	3	2,400	3.59	40	7.81
2015	1	9,100	13.63	64	12.37
2016	2	5,400	8.09	63	12.21
2017	2	9,201	13.78	64	12.46
2018	2	32,080	48.03	180	34.92
2019					
2020					
2021					
2022 and thereafter					
Total	12	66,781	100.0%	$ 515	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

Perimeter Square

Perimeter Square is a 58,227 square foot neighborhood shopping center built in 1982-83. The property is located in Tulsa, Oklahoma. The property is occupied by nine tenants, providing a variety of services, and is shadow-anchored by a Wal-Mart Village Market grocery store, which recently underwent an interior and exterior renovation.

The following tenants lease more than 10% of the GLA of Perimeter Square:

Career Point Business School

Career Point Business School leases 26,813 net rentable square feet, representing 46.01% of the net rentable square feet of Perimeter Square.

Annual Rent under the Career Point Business School lease is $339,162.

The Career Point Business School lease expires on June 30, 2018 and is not currently subject to any renewal options.

Dollar Tree

Dollar Tree leases 10,754 net rentable square feet, representing 18.45% of the net rentable square feet of Perimeter Square.

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Annual rent under the Dollar Tree lease is $95,173.

The Dollar Tree lease expires on July 31, 2015 and is not currently subject to any renewal options.
The following table sets forth the percentage leased and annualized rent per leased square foot for Perimeter Square as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot(1)
December 31, 2012	95.70%	$ 12.41
December 31, 2011	100.00	11.76
December 31, 2010	100.00	10.87
December 31, 2009	100.00	11.18
December 31, 2008	90.91	11.02

(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 Perimeter Square as of June 30, 2012, 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		2,504	4.30%	$	%
2013					
2014	1	1,978	3.39	22	3.22
2015	2	12,754	21.89	143	20.61
2016					
2017	1	1,535	2.63	20	2.88
2018	2	32,113	55.10	403	58.21
2019	1	2,966	5.09	40	5.79
2020 and thereafter	1	4,427	7.60	64	9.29
Total	8	58,277	100.0%	$ 692	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

The Shoppes at Eagle Harbor

The Shoppes at Eagle Harbor is a 23,303 square foot strip center built by Wheeler Development in 2009. The property is located in Carrollton, Virginia and is occupied by seven tenants in a variety of businesses including retail, food service, and healthcare.

The following tenants lease more than 10% of the net rentable square feet of The Shoppes at Eagle Harbor:

Bon Secours Hampton Roads Health System

Bon Secours leases 7,012 net rentable square feet, representing 30.09% of the net rentable square feet of The Shoppes at Eagle Harbor.

Annual rent under Bon Secours   lease is $146,970.

The Bon Secours lease expires on September 30, 2015 and has four renewal options for three years each.

A.J. Gators Sports Bar & Grill

A.J. Gators Sports Bar & Grill currently leases 5,337 net rentable square feet, representing 22.90% of the net rentable square feet of The Shoppes at Eagle Harbor.

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Annual rent under the A.J. Gators Sports Bar & Grill lease is $112,217.

The A.J. Gators Sports Bar & Grill lease expires on October 31, 2016 and has one renewal option for five years.

Anytime Fitness

Anytime Fitness leases 4,084 net rentable square feet, representing 17.53% of the net rentable square feet of The Shoppes at Eagle Creek.

Annual rent under the Anytime Fitness lease is $72,769.

The Anytime Fitness lease expires on January 31, 2014 and has two renewal options for five years each.

Animal Clinic of Eagle Harbor

The Animal Clinic of Eagle Harbor leases 2,812 net rentable square feet, representing 12.07% of the net rentable square feet of The Shoppes at Eagle Harbor.

Annual rent under the Animal Clinic of Eagle Harbor lease is $61,864.

The Animal Clinic of Eagle Harbor lease expires on July 31, 2014 and is not currently subject to any renewal options.

The following table sets forth the percentage leased and annualized rent per leased square foot for The Shoppes at Eagle Harbor as of the indicated dates:

Date	**Percent Leased**	**Annualized Rent Per Leased Square Foot**[(1)]
December 31, 2012	100.00%	$ 20.28
December 31, 2011	100.00	18.84
December 31, 2010	94.05	20.50
December 31, 2009	94.05	20.26
December 31, 2008	48.19	20.49

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

The following table sets forth the lease expirations for leases in place at The Shoppes at Eagle Harbor as of December 31, 2012, 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			%	$	%
2013	1	1,386	5.95	29	6.13

2014	3	8,182	35.11		158	33.40
2015	2	8,398	36.04		174	36.79
2016	1	5,337	22.90		112	23.68
2017						
2018						
2019						
2020 and thereafter						
Total	7	23,303	100.0%	$	473	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

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Harps at Harbor Point

Harps at Harbor Point is a 31,500 square foot shopping center built in 2012 and was acquired by our company on December 14, 2012. The property is located in Grove, Oklahoma. The property is 100% leased by one tenant, a Harps Food Store, under a single tenant triple net lease. The annual rent under the Harps Food Store lease is currently $364,432, or an $11.57 annualized rent per square foot. The Harps Food Store lease will expire on August 31, 2032 and is subject to eight renewal options of five years each. The property was 100% leased at December 31, 2012 and maintained a $11.57 annualized rent per square foot.

Twin City Crossing

Twin City Crossing is a 47,680 square foot neighborhood shopping center built in 1998 and renovated in 2002. We acquired the center on December 21, 2012. The property is located in Batesburg-Leesville, South Carolina and is currently occupied by five tenants, including a BI-LO grocery store. The property was 100% leased at December 31, 2012 and maintained a $9.37 annualized rent per square foot.

BI-LO leases 41,980 net rentable square feet, representing 88.05% of the total net rentable square feet at Twin City Crossing. BI-LO is the only tenant leasing in excess of 10% of the GLA of Twin City Crossing. The annual rent under the BI-LO lease is $356,830. The BI-LO lease is set to expire on December 31, 2021 and is subject to six renewal options of five years each.

The following table sets forth the lease expirations for leases in place at Twin City Crossing as of December 31, 2012, assuming that the tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Total Expiring GLA	Percent of Total GLA Expiring	Expiring Base Rent ($ in 000s)	Percent of Total Base Rent
Available			0.0%	$	0.0%
2013			0.0		0.0
2014	2	2,700	5.66	34	7.61
2015	1	1,200	2.52	19	4.25
2016			0.0		0.0
2017	1	1,800	3.78	37	8.28
2018			0.0		0.0
2019			0.0		0.0
2020			0.0		0.0
2021	1	41,980	88.04	357	79.86
2022 and thereafter			0.0		0.0
	5	47,680	100.0%	$ 447	100.0%

Surrey Plaza

Surrey Plaza is a 42,680 square foot neighborhood shopping center built in 1993 and was acquired by our company on December 21, 2012. The property is located in Hawkinsville, Georgia and is currently occupied by 5 tenants, including a Harvey s Supermarket, Rite Aid and Snap Fitness. The property was 100% leased at December 31, 2012 and maintained a $7.09 annualized rent per square foot.

The following tenants lease more than 10% of the GLA of Surrey Plaza:

Harvey s Supermarket

Harvey s Supermarket leases 29,000 net rentable square feet, representing 67.95% of the net rentable square feet of the Surrey Plaza.

Annual rent under the Harvey s lease is $187,050.

The Harvey s lease expires on January 19, 2018 and has three renewal options for five years each.

Rite Aid Pharmacy

Rite Aid leases 7,680 net rentable square feet, representing 17.99% of the net rentable square feet of Surrey Plaza.

Annual rent under the Rite Aid lease is $59,520.

The Rite Aid lease expires on January 19, 2018 and has one renewal option for five years.

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Snap Fitness

Snap Fitness leases 4,500 net rentable square feet, representing 10.54% of the net rentable square feet of Surrey Plaza.

Annual rent under the Snap Fitness lease is $31,500.

The Snap Fitness lease expires on March 31, 2017 and has two renewal options for five years each.

The following table sets forth the lease expirations for leases in place at Surrey Plaza as of December 31, 2012, assuming that the tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Total Expiring GLA	Percent of Total GLA Expiring	Expiring Base Rent (in 000s)	Percent of Total Base Rent
Available			0.0	$	0.0%
2013	1	1,500	3.52	19	6.27%
2014	1		0.0	6	1.98
2015			0.0		0.0
2016			0.0		0.0
2017	1	4,500	10.54	31	10.23
2018	2	36,680	85.94	247	81.52
2019			0.0		0.0
2020			0.0		0.0
2021			0.0		0.0
2022 and thereafter			0.0		0.00
	5	42,680	100.0%	$ 303	100.0%

Riversedge North

Riversedge North is a 10,550 square foot free-standing office building built by Wheeler Development in 2007. The property is located in Virginia Beach, Virginia and has been 100% leased by Wheeler Interests since November 2007. The annual rent under the Wheeler Interests lease is currently $274,131. The Wheeler Interests lease will expire on November 14, 2017, subject to four renewal terms of five years each.

Monarch Bank

The Monarch Bank property is a 3,620 square foot free-standing branch location of Monarch Bank and Monarch Financial Holdings, Inc., built in 2002. The property is located in Virginia Beach, Virginia and has been 100% leased by Monarch Bank under a single tenant triple net lease since December 2007. The annual rent under the Monarch Bank lease is currently $211,054. The Monarch Bank lease expired December 31, 2012 and was subject to two renewal terms of five years each. During January 2012, Monarch Bank exercised its first renewal option that will become effective January 1, 2013. Under the renewal option, annual rent will increase to $250,757.

Amscot Building

The Amscot Building is a 2,500 square foot free-standing branch location of Amscot Corporation built by Wheeler Development in 2004. Amscot Corporation is a financial services business, offering services such as check cashing, money orders, payday advances and prepaid debit cards. The property is located in Tampa, Florida and has been 100% leased by Amscot Corporation since March 2005. The annual rent under the Amscot Corporation lease is currently $101,400. The Amscot Corporation lease will expire March 31, 2020, subject to three renewal terms of five years each.

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Outstanding Indebtedness

As of December 31, 2012, the outstanding mortgage indebtedness secured by our properties was approximately $31.8 million. Although we intend to assume each of these loans in connection with our formation transactions, the assumption is subject to the prior consent of the lenders and there can be no assurance that we will be able to obtain their consent. The following table sets forth information with respect to such indebtedness (dollars in thousands):

	Amount of Debt Outstanding as of December 31, 2012	Weighted Average Interest Rate	Maturity Date	Amortization Period (Mths)	Annual Debt Service	Balance At Maturity
Shoppes at TJ Maxx	$ 6,400,000	6.00%	4/19/2013(3)	N/A	$ 384,000	$ 6,400,000
Walnut Hill Plaza	3,528,232	6.75	4/11/2014	300	303,232	3,447,074
Lumber River Village	3,050,117	5.65	5/1/2015	120	220,966	2,867,493
Perimeter Square	4,537,456	6.38	6/11/2016	120	337,066	4,101,738
The Shoppes at Eagle Harbor	3,904,664	6.20	2/28/2013(2)	60	370,359	3,904,664
Riversedge North	2,098,138	6.00	4/16/2013	60	162,674	2,088,865
Monarch Bank	1,533,346	4.15	12/30/2017	240	113,675	1,259,780
Harps at Harbor Point	3,416,550	3.99	12/14/2015	300	217,464	3,169,967
Twin City Crossing	3,375,000	4.86	1/6/2023	360	213,924	2,733,513
	$ 31,843,503					

(1) We currently have a commitment from a lender to refinance this property at a 3.88% interest rate and a 7 year maturity date with monthly principal interest payments of $33,880.18 based on a 25 year amortization.

(2) The Shoppes at Eagle Harbor loan matured on February 28, 2013. We have refinanced the loan with another financial institution for $4.0 million at a 4.34% fixed interest rate. The loan calls for monthly principal and interest payments of $24,691.82 based on a 20 year amortization and a maturity date of February 28, 2018.

(3) Debt is interest only until maturity.

Major Tenants

The following table sets forth information regarding the ten largest tenants in our operating portfolio based on annualized base rent as of December 31, 2012.

Tenants	Total Net Rentable Square Feet	Percent Of Total Net Rentable Square Feet	Annualized Base Rent ($ in 000s)	Percent of Total Annualized Base Rent	Base Rent Per Leased Square Foot
Bi-Lo	41,980	8.93%	$ 357	7.22%	$ 8.50
TJ Maxx	32,400	6.89	294	5.94	9.07
Harps Food Store	31,500	6.70	364	7.36	11.57
Food Lion	30,280	6.44	155	3.13	5.12
Harvey s Supermarket	29,000	6.17	187	3.78	6.45
Career Point Business School	26,813	5.70	339	6.85	12.64
Family Dollar	16,601	3.53	114	2.30	6.87
Variety Wholesalers	15,000	3.19	72	1.46	4.80
Moran Foods	14,812	3.15	98	1.98	6.62
Cannon s Online Auctions	14,000	2.98	84	1.70	6.00
Beauty World	11,780	2.50	111	2.24	9.42

Total Top Ten Tenants/Weighted Average	264,166	56.18%	$	2,175	43.96%	$ 8.23

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Lease Expirations

The following table sets forth information with respect to the lease expirations of our properties as of December 31, 2012.

Lease Expiration Year	Number of Expiring Leases	Total Expiring Net Rentable Square Feet	Percent of Total Net Rentable Square Feet Expiring	Expiring Base Rent (in 000s)	Percent of Total Base Rent	Expiring Base Rent Per Leased Square Foot
Available		26,881	5.71%	$	%	$
2013	9	26,693	5.68	282	5.71	10.58
2014	15	28,630	6.09	411	8.30	14.34
2015	9	54,611	11.61	614	12.41	11.25
2016	8	41,142	8.75	466	9.42	11.33
2017	8	33,039	7.02	736	14.88	22.29
2018	9	133,978	28.48	1,099	22.20	8.20
2019	4	44,969	9.56	453	9.16	10.08
2020	1	4,427	0.94	64	1.30	14.52
2021	1	41,980	8.93	357	7.21	8.50
2022 and thereafter	2	34,000	7.23	466	9.41	13.70
Total/Weighted Average	66	470,350	100%	$ 4,948	100%	$ 11.16

Property Management and Leasing Strategy

Our property management and substantially all of our leasing activities and operating and administrative functions (including leasing, legal, acquisitions, development, data processing, finance and accounting) are administered or coordinated by our Administrative Service Company. On-site functions such as maintenance, landscaping, sweeping, plumbing and electrical are subcontracted out at each location and, to the extent permitted by their respective leases, the cost of these functions is passed on to the tenants.

We believe that focused property management, leasing and customer retention are essential to maximizing the sales per square foot, operating cash flow and value of our properties. Our primary goal in property management is to maintain an attractive shopping environment on a cost effective basis for our tenants.

The majority of our property management and leasing functions are supervised and administered by our Administrative Service Company. Our Administrative Service Company maintains regular contact with our tenants and frequently visits each asset to ensure the proper implementation and execution of our market strategies. As part of our ongoing property management, our Administrative Service Company conducts regular physical property reviews to improve our properties, react to changing market conditions and ensure proper maintenance.

Our leasing representatives have become experienced in the markets in which we operate by becoming familiar with current tenants as well as potential local, regional and national tenants that would complement our current tenant base. We study demographics, customer sales and merchandising mix to optimize the sales performance of our centers and thereby increase rents. We believe this hands-on approach maximizes the value of our shopping centers.

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Depreciation

The following table sets forth depreciation information for our properties as of December 31, 2012.

	Federal Tax Basis	Depreciation Rate	Method of Depreciation	Useful Life Claimed
Shoppes at TJ Maxx	$ 6,719,385	3.29%	Straight-Line	5-39 Years
Walnut Hill Plaza	3,729,329	5.47	Straight-Line	5-39 Years
Lumber River Village	4,486,787	2.84	Straight-Line	5-39 Years
Perimeter Square	5,081,193	3.10	Straight-Line	5-39 Years
The Shoppes at Eagle Harbor	4,457,803	2.39	Straight-Line	5-39 Years
Riversedge North	2,207,571	5.31	Straight-Line	5-39 Years
Monarch Bank	1,986,364	8.00	Straight-Line	5-39 Years
Amscot Building	479,902	3.17	Straight-Line	5-39 Years
Harps at Harbor Point	2,891,853	3.19	Straight-Line	5-39 Years
Twin City Crossing	3,040,955	4.08	Straight-Line	5-39 Years
Surrey Plaza	1,856,514	3.87	Straight-Line	5-39 Years
Wheeler Real Estate Investment Trust, L.P.	17,813	20.00	Straight-Line	5-39 Years
	$ 36,955,469			

Real Estate Taxes

The following table sets forth real estate tax information for our properties:

	2012 Realty Tax Rate[1]	Total Annual Real Estate Taxes for the 2012 Tax Year
Shoppes at TJ Maxx	0.87%	$ 77,819[2]
Walnut Hill Plaza	1.35	53,571
Lumber River Village	1.38	44,969
Perimeter Square	1.48	63,716[2]
The Shoppes at Eagle Harbor	0.65	24,242
Riversedge North	0.89	16,424
Monarch Bank	0.89	10,578
Amscot Building	0.00	[3]
Harps at Harbor Point	0.00	[4]
Twin City Crossing	2.67	56,719[2]
Surrey Plaza	3.30	31,243[2]
	13.48%	$ 379,281

(1) Represents the percentage of assessed value.
(2) Property acquired during 2012. Taxes estimated based on real estate taxes paid by previous owner.
(3) Amscot Building is under a ground lease that does not require it to pay real estate taxes.
(4) Property built during 2012, so assessments and related tax bills are unavailable.

Item 3. Legal Proceedings

We are subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. While the resolution of these matters cannot be predicted with certainty, management believes the final outcome of such matters will not have a material adverse effect on our financial position, results of operation or liquidity.

We are involved in a lawsuit whereby we originally sued a prospective tenant for breach of contract related to an executed lease. The court found in favor of the defendant and assessed damages against us in the amount of $13,300. The defendant s attorney has applied to the court to be reimbursed legal fees incurred by the defendant of approximately $368,000. We are responding to the litigation and intend to appeal and contest the ruling vigorously.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information.

Our common stock is traded on the NASDAQ Stock Market under the symbol WHLR . On March 27, 2013, the closing price of our common stock reported on the Nasdaq Stock Market was $6.06 per share. Our common stock began trading on November 19, 2012. The high and low common stock sales prices per share during the periods indicated were as follows:

Price per share of common stock:

Quarter Ended	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Fiscal year 2012					
High	$ N/A	$ N/A	$ N/A	$ 6.84	$ 6.84
Low	$ N/A	$ N/A	$ N/A	$ 5.50	$ 5.50
Fiscal year 2011					
High	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Low	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A

Approximate Number of Holders of Our Common Shares

As of March 20, 2013 there were 29 holders of record of our common shares. This number excludes our common shares owned by shareholders holding under nominee security position listings.

Dividend Policy

We intend to pay cash dividends to holders of our common stock on a monthly basis. We paid a pro rata dividend with respect to the period commencing on the completion of our initial public offering and ending December 31, 2012 based on an annualized amount of $0.42 per share. We intend to maintain our initial dividend rate for the 12-month period following completion of our initial public offering unless actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. 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. Initially, we will be required to use a portion of the net proceeds from our initial public offering to make such distributions. We may in the future also choose to pay dividends in shares of our common stock. See Management s Discussion and Analysis of Financial Condition and Results of Operations-Future Liquidity Needs.

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Dividend Payments

We have made dividend payments to holders of our common stock and holders of common units in our Operating Partnership as follows since completion of our initial public offering in November 2012:

Dividend Period	Record Date	Payment Date	Payment Amount per Share or Unit
November 19, 2012 - December 31, 2012	1/1/13	1/31/13	$ 0.049
January 1, 2013 - January 31, 2013	2/1/13	2/28/13	0.035
February 1, 2013 February 28, 2013	3/1/13	3/31/13	0.035

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	0	N/A	500,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	0	N/A	500,000

Use of Proceeds from Initial Public Offering

We closed our initial public offering on November 16, 2013. The effective date of our registration statement was October 23, 2012, and the file number assigned to it was 333-177262. After deducting the placement fee and commissions and other expenses of the initial public offering, we received net proceeds of approximately $13.46 million. Capitol Securities Management, Inc. and Wellington Shields & Co., LLC served as our placement agents for the offering. As of December 31, 2012, we spent proceeds from the offering in accordance with the following table:

Description of Use	Proposed Expenditure Amount	Actual Expenditures through December 31, 2012
Repayment of outstanding indebtedness	500,000	840,500
General working capital, including funding of dividend payments	2,000,000	321,000
Reimbursement of Operating Partnership for purchase of membership interests of DF-1 Carrollton, LLC	1,780,000	1,782,337
Cash payments to prior investors who have elected to receive cash instead of Operating Partnership Units for their contribution of membership interests in the Ownership Entities	4,180,000	4,204,000
Future Acquisitions	5,000,000	5,035,000
Total	**$ 13,460,000**	**$ 12,182,837**

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Recent Sales of Unregistered Securities

On August 2, 2011, we completed a private offering of 126,250 shares of our Series A Convertible Preferred Stock at an offering price of $4.00 per share. There were no underwriting discounts or commissions in connection with such issuance and we received proceeds of $505,000. Such shares were purchased by 16 investors, all of whom are accredited investors as defined under Regulation D of the Securities Act of 1933. The issuance of such shares was effected in reliance upon exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder.

On January 26, 2012, we completed a private offering of 57,250 shares of our Series A Convertible Preferred Stock at an offering price of $4.00 per share. There were no underwriting discounts or commissions in connection with such issuance and we received proceeds of $229,000. Such shares were purchased by 10 investors, all of whom are accredited investors as defined under Regulation D of the Securities Act of 1933. The issuance of such shares was effected in reliance upon exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder.

On April 12, 2012, we completed a private offering of 66,250 shares of our Series A Convertible Preferred Stock at an offering price of $4.00 per share. There were no underwriting discounts or commissions in connection with such issuance and we received proceeds of $265,000. Such shares were purchased by 3 investors, all of whom are accredited investors as defined under Regulation D of the Securities Act of 1933. The issuance of such shares was effected in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder.

In connection with the formation transactions associated with our initial public offering, our Operating Partnership issued an aggregate of 1,730,129 common units with an aggregate value of approximately $9.1 million, based on the offering price of $5.25 per share, to certain persons owning interests in the entities that owned the properties comprising our portfolio as consideration for such transactions. All such persons had a substantive, pre-existing relationship with us. The issuance of such units was effected in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended and corresponding state securities registration exemptions.

In connection with the Twin City Crossing and Surrey Plaza acquisitions that occurred in December 2012, our Operating Partnership issued 127,929 common units to an aggregate of 29 investors with an aggregate value of approximately $750,000 based on share prices ranging from $5.80 to $5.90. The issuance of such units was effected in reliance upon and exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended, and corresponding state securities registration exemptions.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our audited consolidated financial statements and the notes thereto included in this Form 10-K, and the consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in our Registration Statement. For more detailed information regarding the basis of presentation for the following information, you should read the notes to the audited consolidated financial statements included in this Form 10-K.

Company Overview

On November 16, 2012, we closed our initial public offering (IPO) by selling 3,016,045 shares of common stock at $5.25 per share, generating approximately $15.83 million in gross proceeds. Additionally, the formation transactions as described in our Registration Statement on Form S-11 filed with the SEC were executed.

We were formed with the principle objective of acquiring, financing, developing, leasing, owning and managing income producing, strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. Our strategy is to opportunistically acquire quality, well-located, predominantly retail

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properties in secondary and tertiary markets that generate attractive risk-adjusted returns. We generally target competitively protected properties located within developed areas, commonly referred to as in-fill, that possess minimal competition risk and are surrounded by communities that have strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate. Our primary target markets include the Mid-Atlantic, Southeast and Southwest.

Our portfolio is comprised of seven retail shopping centers, three free-standing retail properties and one office building. Five of these properties are located in Virginia, one is located in North Carolina, one is located in South Carolina, one is located in Georgia, one is located in Florida and two are located in Oklahoma. Our portfolio has a total GLA of 470,350 square feet and an occupancy level of approximately 94%. Our portfolio consists of the following entities and their related properties:

Original Formation Properties:

- The Shoppes at Eagle Harbor (Carrollton, VA)
- Monarch Bank Building (Virginia Beach, VA)
- Amscot Building (Tampa, FL)
- Riversedge North (Virginia Beach, VA)
- Walnut Hill Plaza (Petersburg, VA)
- Lumber River Village (Lumberton, NC)
- Perimeter Square (Tulsa, OK)
- Shoppes at TJ Maxx (Richmond, VA)

Properties Acquired Subsequent to Formation:

- Harps at Harbor Point (Grove, OK)
- Twin City Crossing (Leesville-Batesburg, SC)
- Surrey Plaza (Hawkinsville, GA)

We acquired Harps at Harbor Point, Twin City Crossing and Surrey Plaza during December 2012. Details regarding these acquisitions can be found in the Recent Trends and Activities Property Acquisitions section below.

Recent Trends and Activities

Since completing the IPO and formation transactions, there have been several significant events that have positively impacted our company. These events are summarized below.

Property Acquisitions

On December 14, 2012, we purchased a 31,500 square foot free-standing retail property located in Grove, Oklahoma for a purchase price of approximately $4.55 million. Referred to as Harps at Harbor Point, the property is 100% occupied by Harps Food Stores (Harps) through a stabilized 20-year, triple-net lease expiring in June 2032 with four five-year options available. Harps is one of the grocery industry s most recognized independent chains with over 65 locations throughout Oklahoma, Arkansas, and Missouri.

On December 18, 2012, we purchased a 47,680 square foot grocery-anchored shopping center located in Batesburg-Leesville, South Carolina for a purchase price of approximately $4.50 million. Referred to as Twin City Crossing, the property is 100% occupied and is anchored by a Bi-Lo grocery store. Bi-Lo occupies 88% of the total rentable square feet of the center through a 10-year lease expiring in December 2021 with six five-year options available.

On December 21, 2012, we purchased a 42,680 square foot grocery-anchored shopping center located in Hawkinsville, Georgia for a purchase price of approximately $2.30 million. Referred to as Surrey Plaza, the property is 100% occupied and is anchored by a Harvey s Supermarket and a Rite-Aid pharmacy. Harvey s and Rite-Aid occupy approximately 86% of the total rentable square feet of the center through a 10-year leases expiring in January 2018. Harvey s lease includes three five-year options while Rite-Aid s lease includes one five-year option.

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Financing Activities

On December 20, 2012, the mortgage term loan for the Monarch Bank building was modified as follows: the loan was termed out to include monthly principal and interest payments of $9,473 based on a 20 year amortization period; the interest rate was lowered from 7% to 4.15%; and the maturity date was extended from December 2012 to December 2017. Additionally, we made a principal curtailment of approximately $511,100, reducing the outstanding balance to $1,533,346.

The Shoppes at Eagle Harbor loan matured on February 28, 2013. We have refinanced the loan with another financial institution for $4.0 million at a 4.34% fixed interest rate. The loan calls for monthly principal and interest payments of $24,692 based on a 20 year amortization and a maturity date of February 28, 2018.

Leasing Renewals and Expirations

Effective October 1, 2012, we leased a 14,000 square foot previously vacant space at the Shoppes at TJ Maxx at a base rent of $7,000 per month, expiring on September 30, 2015.

On October 25, 2012, TJ Maxx elected to exercise their next five year option at the Shoppes at TJ Maxx which will take effect in May 2014. As a condition for exercising the option early, we agreed to keep their base rent at the same rate during the option period as it is now. Additionally, we granted TJ Maxx another five year option that will be available to them in 2019.

On November 13, 2012, Food Lion elected to exercise their first five year option at Lumber River Plaza which will begin on July 1, 2013. Per the original lease, annual rent will remain at $155,260. They have three five year options remaining to exercise if they so choose.

Renewals during 2012, including those that occurred at the properties we acquired during the year and the TJ Maxx and Food Lion options discussed above, were comprised of ten deals totaling 79,233 square feet with a weighted average increase of $0.13 per square foot. There were no tenant improvement concessions offered for these deals, and the commission rate per square foot equated to $1.25. The rates on negotiated renewals resulted in a weighted average increase of $0.52 per square foot on five renewals, no per square foot rate changes on six renewals and a $1.25 per square foot decrease on one renewal. Eight of these renewals represented options being exercised.

We signed three new leases during the year, including the Harps Food Store lease, totaling 50,000 square feet with a weighted average rate of $9.60 per square foot. One of these new leases filled a previous 14,000 square foot vacancy at TJ Maxx. The commission rate per square foot equated to $0.34, primarily due to the fact that the Harps lease did not result in a commission being paid since it occurred in conjunction with the acquisition. The weighted average lease term for these three leases is 13.89 years.

Two leases that expired during the year were not renewed by the tenant. These spaces totaled 7,708 square feet and carried a $14.31 per square foot rate. We are actively marketing these spaces to be backfilled with new tenants.

Approximately 5.68% of our gross leasable area is subject to leases that expire during the year ending December 31, 2013. Based on recent market trends, we believe that these leases will be renewed at amounts and terms comparable to existing lease agreements.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements included in this Form 10-K, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The critical accounting policies summarized in this section are discussed in further detail in the notes to the financial statements appearing elsewhere in this Form 10-K. Management believes that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.

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Revenue Recognition

Principal components of our total revenues include base and percentage rents and tenant reimbursements. We accrue minimum (base) rent on a straight-line basis over the terms of the respective leases which results in an unbilled rent asset or deferred rent liability being recorded on the balance sheet. Certain lease agreements contain provisions that grant additional rents based on tenants sales volumes (contingent or percentage rent) which we recognize when the tenants achieve the specified targets as defined in their lease agreements. We periodically review the valuation of the asset/liability resulting from the straight-line accounting treatment of our leases in light of any changes in lease terms, financial condition or other factors concerning our tenants.

Receivables

We record a tenant receivable for amounts due from tenants such as base rents, tenant reimbursements and other charges allowed under the lease terms. We periodically review tenant receivables for collectability and determine the need for an allowance for the uncollectible portion of accrued rents and other accounts receivable based upon customer creditworthiness (including expected recovery of a claim with respect to any tenants in bankruptcy), historical bad debt levels and current economic trends. We consider a receivable past due once it becomes delinquent per the terms of the lease; our standard lease form considers a rent charge past due after five days. A past due receivable triggers certain events such as notices, fees and other allowable and required actions per the lease.

Acquired Properties and Lease Intangibles

We allocate the purchase price of the acquired properties to land, building and improvements, identifiable intangible assets and to the acquired liabilities based on their respective fair values. Identifiable intangibles include amounts allocated to acquired out-of-market leases and the value of in-place leases. We determine fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known trends and specific market and economic conditions that may affect the property. Management also estimates costs to execute similar leases including leasing commissions, tenant improvements, legal and other related expenses. Such amounts are based on estimates and forecasts which, by their nature, are highly subjective and may result in future changes in the event forecasts are not realized.

Impairment of Long-Lived Assets

We periodically review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable, with an evaluation performed at least annually. These circumstances include, but are not limited to, declines in the property s cash flows, occupancy and fair market value. We measure any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization, plus its residual value, is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We estimate fair value using unobservable data such as operating income, estimated capitalization rates or multiples, leasing prospects and local market information. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We did not record any impairment charges during the years ended December 31, 2012 and 2011.

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Liquidity and Capital Resources

At December 31, 2012, our consolidated cash and cash equivalents totaled $2.05 million compared to consolidated cash and cash equivalents of $104,007 at December 31, 2011. Cash flows from operating activities, investing activities and financing activities for the years ended December 31, 2012 and 2011 (the 2012 period and 2011 period , respectively) are as follows:

	Years Ended December 31,		Period Over Period Change	
	2012	2011	$	%
Operating activities	$ (289,884)	$ 349,712	$ (639,596)	(182.89%)
Investing activities	$ (8,802,055)	$ (33,346)	$ (8,768,709)	(26,296.13%)
Financing activities	$ 11,041,124	$ (411,996)	$ 11,453,120	2,779.91%

Operating Activities

During the 2012 period, our cash flows used in operating activities were $289,884, compared to cash flows from operating activities of $349,712 during the 2011 period. Operating cash flows were primarily impacted by the $651,058 decrease in net income due to the factors discussed in the Results of Operations section below, specifically the $918,491 increase in corporate general and administrative expenses associated with forming and operating the REIT, offset by approximately $106,280 of Funds from Operations (FFO), which is a non-GAAP measurement, contributed by the properties acquired in the fourth quarter and normal fluctuations in operations. See Management s Discussion and Analysis of Financial Condition and Results of Operations-Year Ended December 31, 2012 compared to the Year Ended December 31, 2011-Results of Operations-Funds from Operations.

Investing Activities

During the 2012 period, our cash flows used in investing activities were $8.80 million, compared to cash flows used in investing activities of $33,346 during the 2011 period. The increase primarily related to the $8.80 million used to acquire investment properties in conjunction with ($5.99 million) and subsequent to ($2.81 million) the REIT formation

Financing Activities

During the 2012 period, our cash flows from financing activities were $11.04 million, compared to $411,996 of cash flows used in financing activities during the 2011 period. During the 2012 period, we received $13.37 million of net proceeds from our initial public offering and $494,000 of proceeds from the sale of preferred stock used to cover expenses related to our formation and the offering, compared to $505,000 of preferred stock proceeds for the 2011 period. Distributions to members were $126,084 and $281,395 during the 2012 and 2011 periods, respectively, with the decrease primarily related to us ceasing dividends during the second half of 2012 on REIT properties in anticipation of the formation transactions.

Mortgage indebtedness activity during the 2012 and 2011 periods included principal payments of $2.83 million and $214,494, respectively. The increase is primarily related to approximately $1.75 million being used to repay the Surrey Plaza property note contemporaneously with the acquisition, approximately $518,600 applied as a principal curtailment on the Monarch Bank building loan in conjunction with its loan modification and approximately $321,900 being used to repay the Amscot building note.

We intend to continue managing our debt prudently so as to maintain a conservative capital structure and minimize leverage within our company. As of December 31, 2012 and 2011, our debt balances consisted of the following:

	December 31,	
	2012	2011
Fixed-rate mortgages	$ 31,843,503	$ 12,136,083

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The increase in total mortgage indebtedness at December 31, 2012 is primarily due to debt incurred during our formation in November 2012 and from acquisitions made during December 2012. The weighted average interest rate and term of our fixed-rate debt are 5.70% and 2.57 years, respectively, at December 31, 2012. We have $12.40 million of debt maturing during the 12 year ending December 31, 2013, comprised primarily of a $6.40 million fixed-rate loan for the Shops at TJ Maxx and a $2.10 million fixed-rate loan on the Riversedge Office Building, both of which mature in April 2013. We have received a commitment letter dated March 20, 2013 to refinance the Shoppes at TJ Maxx loan, subject to normal underwriting procedures. The terms include a 7 year maturity date and require monthly principal and interest payments based on a 25 year amortization and a 3.88% fixed interest rate. Additionally, a $3.90 million fixed-rate loan on The Shoppes at Eagle Harbor property matured in April 2012 and was extended until February 28, 2018 to accommodate the refinancing process. We have refinanced the Shoppes at Eagle Harbor loan for $4.0 million at a 4.34% fixed interest rate. The loan calls for monthly principal and interest payments of $24,692 based on a 20 year amortization and a maturity date of February 28, 2018. While we anticipate being able to refinance all the loans at reasonable market terms upon maturity, our inability to do so may materially impact our financial position and results of operations. See the financial statements included elsewhere in this Form 10-K for additional mortgage indebtedness details.

Future Liquidity Needs

The remaining $8.50 million in debt maturities, ongoing debt service and the $0.42 per share targeted dividend we intend to pay for the next 12 months represent the most significant factors outside of normal operating activities impacting cash flow over the year. Our success in refinancing the debt and executing on the acquisition strategy discussed below will dictate our liquidity needs going forward. If we are unable to execute in these areas, our ability to grow and pay future dividends may be limited without additional capital. Additionally, distributions paid in excess of earnings and profits may represent a return of capital for U.S. federal income tax purposes.

We believe significant opportunities exist in the current commercial real estate environment that will enable us to sufficiently leverage the funds received in the offering to fund planned distributions. Several factors are contributing to an increased supply in available properties for acquisition, including a significant level of maturities of commercial mortgage backed securities (CMBS) debt, strategic shifts by larger REITs to reduce debt levels and exit certain markets, and the negative impact on the real estate industry as a result of the economic downtown experienced over the past four years. We believe the public REIT model provides a unique growth vehicle whereby we can either acquire properties through traditional third party acquisitions using a combination of cash generated in the capital markets and debt financing; contributions of properties by third parties in exchange for common units issued by the Operating Partnership; and contributions of existing properties owned and managed by Mr. Wheeler and his affiliates in exchange for common units issued by the Operating Partnership. Additionally, access to public market capital enhances our ability to formulate acquisition structures and terms that better meet our growth strategies.

We envision acquiring properties during the next twelve months, consisting primarily of a blend of traditional acquisitions using equity capital provided by the offering and external financing, and property contributions in exchange for common units and debt assumption. Based on our knowledge of the property acquisition markets, there appears to be an ample inventory of properties available to enable us to meet our acquisition goals over the next twelve months, especially as it relates to those in the secondary and tertiary markets where we have historically excelled. Current cap rates in these markets have typically ranged from 8% to 10% and beyond. We believe that acquisitions at these price ranges, assuming a reasonable blend of traditional acquisition strategies and property contributions in exchange for common units and external debt financing, will produce excess cash flow sufficient to fund current and future dividends to our stockholders and common unit holders. We intend to aggressively pursue acquisitions that fit these parameters and that will generate sufficient cash flow to support our operating model. Since 1999, Jon S. Wheeler and his affiliates have acquired in excess of 60 properties. We believe our experience and success in acquiring and managing these properties will enable us to execute on our strategies.

In addition to liquidity required to fund debt payments, distributions and acquisitions, we may incur some level of capital expenditures during the year for the existing eleven properties that cannot be passed on to our tenants. The majority of these expenditures occur subsequent to acquiring a new property that requires significant improvements to maximize occupancy and lease rates, with an existing property that needs a facelift to improve its marketability or when tenant improvements are required to make a space fit a particular tenant s needs.

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Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Results of Operations

The following table presents a comparison of the consolidated statements of operations for the years ended December 31, 2012 and 2011, respectively.

	For the Years Ended December 31,		Period Over Period Changes	
	2012	2011	$	%
REVENUE:				
Minimum rent	$ 1,954,321	$ 1,458,083	$ 496,238	34.03%
Percentage of sales rent	9,360	6,525	2,835	43.44%
Tenant reimbursements	452,110	329,452	122,658	37.23%
Other income	18,188	131,217	(113,029)	(86.14%)
Total Revenue	2,433,979	1,925,277	508,702	26.42%
EXPENSES:				
Property operating	311,042	352,508	(41,466)	(11.76%)
Real estate taxes	134,301	104,555	29,746	28.45%
Repairs and maintenance	73,877	63,253	10,624	16.80%
Total Property Operating Expenses	519,220	520,316	(1,096)	(0.21%)
Depreciation and amortization	822,152			