As filed with the Securities and Exchange Commission on April 5, 2011

Registration Statement No. 333-168368

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 5
TO
FORM S-11

**FOR REGISTRATION
UNDER
THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES**

STAG Industrial, Inc.

(Exact name of registrant as specified in its governing instruments)

**99 High Street, 28th Floor
Boston, Massachusetts 02110
(617) 574-4777**

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

**Benjamin S. Butcher
Chairman, Chief Executive Officer and President
STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, Massachusetts 02110
(617) 574-4777**

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

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable 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, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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. o

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. o

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. o

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

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 o	Accelerated filer o	Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

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 of 1933, as amended, 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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Subject to completion
Preliminary Prospectus dated April 4, 2011

PROSPECTUS

13,750,000 Shares

Common Stock

STAG Industrial, Inc. is a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet.

This is our initial public offering. We are selling 13,750,000 shares of our common stock.

We expect the public offering price to be between $15.00 and $17.00 per share. Currently, no public market exists for the shares. Our shares of common stock have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol "STIR."

We intend to elect and qualify to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") commencing with our taxable year ending December 31, 2011. To assist us in qualifying as a REIT, shareholders are generally restricted from owning more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of common stock or of our outstanding shares of capital stock. Our charter contains additional restrictions on the ownership and transfer of shares of our common stock. See "Description of Stock Restrictions on Ownership and Transfer of Stock."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 24 of this prospectus.

	Per share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The underwriters also may purchase up to an additional 2,062,500 shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments, if any.

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

The shares will be ready for delivery on or about   , 2011.

BofA Merrill Lynch	**J.P. Morgan**	**UBS Investment Bank**

RBC Capital Markets	**Evercore Partners**	**Keefe, Bruyette & Woods**	**RBS**

The date of this prospectus is , 2011.

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You should rely only on the information contained in this prospectus, 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 other person to provide you with different 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 appearing in 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 those documents. Our business, financial condition, results of operations and prospects may have changed since those dates. We will update this prospectus as required by law.

We use market data and industry forecasts and projections in this prospectus. We have obtained substantially all of the information under "Prospectus Summary Market Overview" and under "Market Overview" from market research prepared or obtained by CB Richard Ellis Econometric

Advisors ("CBRE-EA") in connection with this offering. Such information is included herein in reliance on CBRE-EA's authority as an expert on such matters. See "Experts." In addition, CBRE-EA in some cases has obtained market data and industry forecasts and projections from publicly available information and industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers' experience in the industry, and there is no assurance that any of the projections or forecasts will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information.

In this prospectus:

"our company," "the company," "we," "us" and "our" refer to STAG Industrial, Inc., a Maryland corporation, and its consolidated subsidiaries after giving effect to the formation transactions described elsewhere in this prospectus, except where it is clear from the context that the term only means the issuer of the shares of common stock in this offering, STAG Industrial, Inc., or means STAG Industrial, Inc. and its subsidiaries before giving effect to the formation transactions;

"annualized rent" means the monthly base cash rent for the applicable property or properties as of December 31, 2010 (which is different from rent calculated in accordance with U.S. generally accepted accounting principals ("GAAP") for purposes of our financial statements), multiplied by 12, and "total annualized rent" means the annualized rent for all of our properties;

"debt yields" means last 12 months net operating income divided by period ending debt on the referenced properties;

"investment grade credit tenant" means a tenant that has a published senior unsecured credit rating of BBB-/Baa3 or above from one or both of Standard & Poor's or Moody's Investors Service;

"net operating income" or "NOI" means operating revenue (including rental revenue, tenant recoveries and other operating revenue) less property-level operating expenses (including management fees and general and administrative expenses), and excludes depreciation and amortization, impairments, gain/loss on sale of real estate, interest expense and other non-operating items;

"on a fully diluted basis" assumes the exchange of all outstanding common units of limited partnership interest in our operating partnership and all outstanding LTIP units in our operating partnership, for shares of our common stock on a one-for-one basis;

"our operating partnership" means STAG Industrial Operating Partnership, L.P., a Delaware limited partnership, and the subsidiary through which we will conduct substantially all of our business;

"our predecessor business" means the entities and properties to be contributed to our operating partnership pursuant to our formation transactions described elsewhere in this prospectus;

"on a pro forma basis" means after consummation of this offering at the midpoint of the price range set forth on the front cover of this prospectus, our formation transactions described elsewhere in this prospectus, including the contribution of our predecessor business to our operating partnership, the acquisition by STAG GI Investments, LLC of its 15 properties and its incurrence of associated indebtedness and the application of the proceeds of this offering as described under "Use of

Proceeds";

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"the management company" means STAG Capital Partners, LLC ("STAG") and STAG Capital Partners III, LLC ("SCP III"), which are part of our predecessor business;

"secondary markets" means, as described in market materials prepared for us by CBRE-EA and described in this prospectus, markets with net rentable square footage ranging between approximately 25 million and 200 million square feet;

"sub-investment grade tenant" means a tenant that is not an investment grade credit tenant; and

"primary markets" means, as described in market materials prepared for us by CBRE-EA and described in this prospectus, markets with a minimum of 200 million in net rentable square footage, located in the 29 largest industrial metropolitan areas.

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PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read carefully the entire prospectus, including "Risk Factors," our financial statements, pro forma financial information, and related notes appearing elsewhere in this prospectus, before making a decision to invest in our common stock.

Unless indicated otherwise, the information included in this prospectus assumes (1) no exercise of the underwriters' option to purchase up to 2,062,500 additional shares of our common stock to cover overallotments, if any, and (2) the shares of common stock to be sold in this offering are sold at $16.00 per share, which is the midpoint of the range set forth on the front cover of this prospectus.

The historical operations described in this prospectus refer to the historical operations of STAG Industrial, Inc. and our predecessor business. We have generally described the business operations in this prospectus as if the historical operations of our predecessor business were conducted by us.

Overview

STAG Industrial, Inc. is a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. We will continue and grow the single-tenant industrial business conducted by our predecessor business. Benjamin S. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, together with an affiliate of New England Development, LLC ("NED"), a real estate development and management company, formed our predecessor business, which commenced active operations in 2004.

Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet. As of December 31, 2010, our properties were 89.7% leased to 70 tenants, with no single tenant accounting for more than 5.5% of our total annualized rent and no single industry accounting for more than 14.7% of our total annualized rent.

We target the acquisition of individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States with purchase prices ranging from $5 million to $25 million. We believe our focus on owning and expanding a portfolio of such properties will generate returns for our shareholders that are attractive in light of the risks associated with these returns because:

- Industrial properties generally require less capital expenditure than other commercial property types, and single-tenant properties generally require less expenditure for leasing, operating and capital costs per property than multi-tenant properties.

- In our view, investment yields on single tenant individual property acquisitions are typically greater than investment yields on portfolio acquisitions. With appropriate asset diversification, individual asset risk can be mitigated across an aggregated portfolio.

- Class B industrial properties tend to have higher current returns and lower volatility than Class A industrial properties.

- Secondary markets generally have less occupancy and rental rate volatility than primary markets.

- In our view, we typically do not face significant competition from other institutional industrial real estate buyers for acquisitions, as these buyers tend to focus on larger properties in select primary markets. Our typical competitors are local investors who often do not have ready access to debt or equity capital.

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- Tenants in our target properties tend to manage their properties directly, which allows us to grow our portfolio without substantially increasing the size of our asset management infrastructure.

For a description of what we consider to be Class A and Class B properties, see "Business Our Properties."

Our target properties are generally leased to:

- investment grade credit tenants on shorter term leases (less than four to six years);
- sub-investment grade credit tenants on longer term leases (greater than four to six years); or
- a variable combination of the above.

We believe the market inefficiently prices our target properties because investors underestimate the probability of tenant retention beyond the primary lease term, or overestimate the expected cost of tenant default. Further, we believe our underwriting processes, utilizing our proprietary model, allows us to acquire properties at a discount to their intrinsic values, where intrinsic values are determined by the properties' future cash flows.

We were incorporated on July 21, 2010 under the laws of the State of Maryland. We intend to elect and qualify to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), for the year ending December 31, 2011, and generally will not be subject to U.S. federal taxes on our income to the extent we currently distribute our income to our shareholders and maintain our qualification as a REIT. We are structured as an umbrella partnership REIT ("UPREIT") and will own substantially all of our assets and conduct substantially all of our business through our operating partnership. Our principal executive offices are located at 99 High Street, 28th Floor, Boston, Massachusetts 02110. Our telephone number is (617) 574-4777. Our website is www.stagreit.com. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission (the "SEC").

Competitive Strengths

- ***Proven Growth Profile:*** Since 2004, we have deployed approximately $1.4 billion of capital, representing the acquisition of 220 properties totaling approximately 35.3 million rentable square feet in 144 individual transactions. Our pursuit of many small acquisitions helps produce a smooth and predictable growth rate.
- ***Established Intermediary Relationships:*** Approximately 32.5% of the acquisitions we sourced, based on total purchase price, have been in "limited marketing" transactions where there has been no formal sales process. We believe we have developed a reputation as a credible and active buyer of single-tenant industrial real estate, which provides us access to significant acquisition opportunities that may not be available to our competitors.
- ***Recent Acquisition Activity:*** Our affiliate, STAG GI, LLC, formed a joint venture with STAG GI Investco, LLC ("GI Partners") called STAG GI Investments, LLC ("STAG GI"). Since formation in July 2010, STAG GI has acquired 15 industrial properties, representing 4.0 million rentable square feet located in nine states. In addition, STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of $24.9 million.

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Scalable Platform: We own properties in a variety of different markets within 26 states. We believe we have developed the experience and systems infrastructure necessary to acquire, own and manage properties throughout the United States, which will allow us to efficiently grow our portfolio in those markets and others. In addition, our focus on net lease properties ensures that our current staff of 26 employees (with incremental additions) will be sufficient to support our growth. As of March 30, 2011, we were pursuing approximately $470 million of specific additional potential acquisitions that we have identified as warranting investment consideration after an initial review.

Expertise in Underwriting Single-Tenant Properties: Our expertise and market knowledge have been derived from our significant acquisition activity, our relationships with a national network of commercial real estate brokers and our presence in numerous markets. Through our experience, we developed a proprietary underwriting process. We integrate real estate and corporate credit analysis to project the future cash flows of potential acquisitions. Central to our underwriting is assessing the probability of tenant retention during the lease term and beyond. We then analyze the costs associated with a vacancy event by estimating market rent, potential downtime and re-tenanting costs for the subject property.

Stable and Predictable Cash Flows: Our portfolio is diversified by tenant, industry and geography, which tends to reduce risk and earnings volatility. As of December 31, 2010, no single tenant accounted for more than 5.5% of our total annualized rent; no single industry represented more than 14.7% of our total annualized rent; and no single state was the site for properties generating more than 17.1% of our total annualized rent. Cash flow consistency across our portfolio is enhanced by our weighted average in-place remaining lease term of approximately 5.9 years as of December 31, 2010, low costs for tenant improvements and leasing commissions and low capital expenditures (which, for the properties we owned in 2010, averaged 1% and 4% of net operating income during 2010, respectively). It is further enhanced by our expected high tenant retention rate. The management company has achieved an average tenant retention rate (with respect to 108 leases) of 73.3% since its first property acquisition in 2004.

Conservative Balance Sheet and Liquidity Position: Upon consummation of our formation transactions, we will have a debt-to-earnings before interest, tax, depreciation and amortization ("EBITDA") ratio of approximately 5.1x, based on our pro forma EBITDA for the 12 months ended December 31, 2010. We intend to target a debt-to-EBITDA ratio of between 5.0x and 6.0x, although we may exceed these levels from time to time as we complete acquisitions. We believe that this leverage and liquidity profile, as well as the transparency and flexibility of our balance sheet and our UPREIT structure, facilitates future refinancings of our indebtedness and positions us to capitalize on external growth opportunities in the near term.

Experienced Management Team: The five senior members of our management team have significant real estate industry experience, including: Mr. Butcher with 28 years of experience; Mr. Sullivan with 29 years of experience; Mr. Mecke with 26 years of experience; Ms. Arnone with 23 years of experience; and Mr. King with 15 years of experience. All five have had an active role with our predecessor business and four have previous public REIT or public real estate company experience. In addition, GI Partners, a representative of which will be a member of our board of directors, has significant experience sponsoring real estate companies, including a public REIT, Digital Realty Trust, Inc.

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Our Strategies

Our primary business objectives are to own and operate a balanced and diversified portfolio of single-tenant industrial properties that maximizes cash flows available for distribution to our shareholders, and to enhance shareholder value over time by achieving sustainable long-term growth in funds from operations ("FFO") per share through the following strategies.

Investment Strategy

Our primary investment strategy is to acquire individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States through third-party purchases and structured sale-leasebacks featuring high initial yields and strong ongoing cash-on-cash returns.

We believe secondary markets tend to have less occupancy and rental rate volatility and less buyer competition compared with primary markets. As of December 31, 2010, our properties had an average annualized rent of $4.05 per rentable square foot of leased space.

The performance of single-tenant properties tends to be binary in nature either a tenant is paying rent or the owner is paying the entire carrying cost of the property. We believe that this binary nature frequently causes the market to inefficiently price our target assets. In an attempt to avoid this binary risk and paying the entire carrying cost of a vacant property, potential investors in single-tenant properties may turn to the application of rigid decision rules that would induce buyers of single-tenant properties to avoid acquisitions where the tenant does not have an investment grade rating or where the remaining primary lease term is less than an arbitrary number such as 12 years. By adhering to such inflexible decision rules, other investors may miss attractive opportunities that we can identify and acquire.

We further believe that our method of using and applying the results of our due diligence and our ability to understand and underwrite risk allows us to exploit this market inefficiency. Lastly, we believe that the systematic aggregation of individual properties will result in a diversified portfolio that mitigates the risk of any single property and will produce sustainable returns which are attractive in light of the associated risks. A diversified portfolio with low correlated risk essentially a "virtual industrial park" facilitates debt financing and mitigates individual property ownership risk.

Growth Strategy

External Growth through Acquisitions: Our target acquisitions will be predominantly in secondary markets across the United States, in the $5 million to $25 million range. Where appropriate potential returns present themselves, we also may acquire assets in primary markets. We will continue to develop our large existing network of relationships with real estate and financial intermediaries. These individuals and companies give us access to significant deal flow both those broadly marketed and those exposed through only limited marketing. We believe that a significant portion of the 13.8 billion square feet of industrial space in the United States falls within our target investment criteria and that there will be ample supply of suitable acquisition opportunities.

Internal Growth through Asset Management: Our asset management team will seek to maximize cash flows by maintaining high retention rates and leasing vacant space, managing operating expenses and maintaining our properties. We seek to accomplish these objectives by improving the overall performance and positioning of our assets by utilizing our tenant relationships and leasing expertise to maintain occupancy and increase rental rates. Our asset management team collaborates with our internal credit function to actively monitor the credit profile of each of our tenants on an ongoing basis. Additionally, we work with national and local brokerage companies to market and lease available properties on advantageous terms. During the period from March 3, 2004 to March 31, 2011, the management company achieved a lease renewal rate of 73.3%. As of December 31, 2010, our portfolio had approximately 1,434,217 square feet, or 10.3% of our total rentable square feet, available for lease.

Underwriting Strategy

We believe that our market knowledge, systems and processes allow us to analyze efficiently the risks in an asset's ability to produce cash flow going forward. We blend fundamental real estate analysis with corporate credit analysis in our proprietary model to make a probabilistic assessment of cash flows that will be realized in future periods. For each asset, our analysis focuses on:

Real Estate. We evaluate the physical real estate within the context of the market (and submarket) in which it is located and the prospect for re-tenanting the property if it becomes vacant.

Deal Parameters. We evaluate the tenant and landlord obligations contained within the existing or proposed lease and other transaction documents.

Tenant Credit. We apply fundamental credit analysis to evaluate the tenant's credit profile by focusing on the tenant's current and historical financial status, general business plan, operating risks, capital sources and earnings expectations. Using this data and publicly available bond default studies of comparable tenant credits, we estimate the probability of future rent loss due to tenant default.

Tenant Retention. We assess the tenant's use of its property and the degree to which the property is central to the tenant's ongoing operations, the tenant's potential cost to relocate, the supply/demand dynamic in the relevant submarket and the availability of suitable alternative properties. We believe tenant retention tends to be greater for properties that are critical to the tenants' businesses.

Financing Strategy

We intend to preserve a flexible capital structure and to utilize primarily debt secured by pools of properties. We have executed a loan agreement with several financial institutions establishing a $100 million secured corporate revolving credit facility (subject to increase to $200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has $30.4 million of borrowing capacity and a commitment letter for an additional $65 million secured acquisition credit facility. We expect to fund property acquisitions initially through a combination of cash available from offering proceeds, our credit facilities and traditional mortgage financing. Where possible, we also anticipate using common units of limited partnership interest in our operating partnership ("common units") to acquire properties from existing owners seeking a tax-deferred transaction. We intend to meet our long-term liquidity needs through cash provided by operations and use of other financing methods as available from time to time including, but not limited to, secured and unsecured debt, perpetual and non-perpetual preferred stock, additional common equity issuances, letters of credit and other arrangements. In addition, we may invest in properties subject to existing mortgages or similar liens.

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Our Properties

The following tables portray the property type, geographic, and industry diversity of our properties and tenants, respectively, as of December 31, 2010:

Property Type	Total Number of Properties	Occupancy(1)	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Total Annualized Rent per Leased Square Foot	Total Annualized Rent (dollars in thousands)	Percentage of Total Annualized Rent
Warehouse/Distribution	44	89.5%	9,940,194	71.6%	$ 3.42	$ 30,376	60.2%
Flex/Office	21	89.1%	1,243,221	9.0%	9.92	10,993	21.8%
Manufacturing	26	90.6%	2,693,679	19.4%	3.71	9,059	18.0%
Total/Weighted Average	**91**	**89.7%**	**13,877,094**	**100%**	**$ 4.05**	**$ 50,428**	**100%**

State	Total Number of Properties	Occupancy(1)	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Total Annualized Rent per Leased Square Foot	Total Annualized Rent (dollars in thousands)	Percentage of Total Annualized Rent
North Carolina	9	100.0%	2,241,973	16.2%	$ 3.85	$ 8,636	17.1%
Ohio	11	75.0%	2,160,330	15.6%	3.94	6,386	12.7%
Wisconsin	6	98.9%	1,299,262	9.4%	2.83	3,636	7.2%
Michigan	7	93.8%	1,195,201	8.6%	2.75	3,080	6.1%
Tennessee	3	100.0%	912,810	6.6%	3.29	2,999	5.9%
Maine	6	100.0%	378,979	2.7%	7.33	2,778	5.5%
Indiana	11	89.9%	854,228	6.2%	3.44	2,645	5.2%
Minnesota	2	100.0%	558,894	4.0%	4.25	2,374	4.7%
Kentucky	2	97.3%	868,503	6.3%	2.71	2,290	4.5%
Florida	4	56.6%	329,184	2.4%	9.91	1,846	3.7%
New Jersey	2	100.0%	315,500	2.3%	5.45	1,718	3.4%
Massachusetts	3	58.5%	187,983	1.4%	7.19	790	1.6%
All Others	25	81.5%	2,574,247	18.3%	5.36	11,250	22.4%
Total/Weighted Average	**91**	**89.7%**	**13,877,094**	**100%**	**$ 4.05**	**$ 50,428**	**100%**

(1) Calculated as the average occupancy weighted by each property's rentable square footage. A few properties have more than one tenant.

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Industry	Total Number of Leases[(1)]	Total Leased Square Feet	Percentage of Total Leased Square Feet	Total Annualized Rent	Percentage of Total Annualized Rent
				(dollars in thousands)	
Containers & Packaging	8	1,975,891	15.9%	$ 7,416	14.7%
Business Services	5	759,960	6.1%	4,933	9.8%
Personal Products	6	1,734,489	13.9%	4,788	9.5%
Industrial Equipment, Components & Metals	7	824,318	6.6%	3,600	7.1%
Aerospace & Defense	6	665,930	5.4%	3,562	7.1%
Automotive	5	1,059,280	8.5%	3,539	7.0%
Retail	3	1,069,729	8.6%	3,483	6.9%
Food & Beverages	3	925,700	7.4%	3,306	6.6%
Technology	6	678,850	5.5%	3,157	6.3%
Finance	2	387,227	3.1%	3,115	6.2%
Office Supplies	4	1,254,836	10.1%	2,999	5.9%
Healthcare	3	192,230	1.5%	1,380	2.7%
Government	4	62,041	0.5%	1,309	2.6%
Air Freight & Logistics	3	242,292	1.9%	1,098	2.2%
Education	3	108,846	0.9%	1,092	2.2%
Other	5	501,258	4.1%	1,651	3.2%
Total/Weighted Average	**73**	**12,442,877**	**100%**	**$ 50,428**	**100%**

(1) A single lease may cover space in more than one building.

The following table sets forth information about the 10 largest tenants in our portfolio based on total annualized rent as of December 31, 2010:

Tenant	Total Leased Square Feet	Percentage of Total Leased Square Feet	Total Annualized Rent	Percentage of Total Annualized Rent
			(dollars in thousands)	
International Paper	573,323	4.6%	$ 2,765	5.5%
Bank of America	318,979	2.6%	2,233	4.4%
Spencer Gifts	491,025	3.9%	1,890	3.7%
Berry Plastics	315,500	2.5%	1,718	3.4%
Stream International	148,131	1.2%	1,666	3.3%
Archway Marketing Services	386,724	3.1%	1,623	3.2%
ConAgra Foods	342,700	2.8%	1,388	2.8%
Chrysler Group	343,416	2.8%	1,181	2.3%
DuPont	418,406	3.4%	1,151	2.3%
Cequent Performance Products	366,000	2.9%	1,138	2.3%
Total	**3,704,204**	**29.8%**	**$ 16,753**	**33.2%**

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As of December 31, 2010, our weighted average in-place remaining lease term across our portfolio was approximately 5.9 years. The following table sets forth a summary schedule of lease expirations for leases in place as of December 31, 2010, plus available space, for each of the five calendar years beginning with 2011 and thereafter in our portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Total Rentable Square Feet	Percentage of Total Expiring Square Feet	Total Annualized Rent(1)	Percentage of Total Annualized Rent
			(dollars in thousands)		
Available		1,434,217	10.3%		
2011	10	661,911	4.8%	3,364	6.7%
2012	13	1,515,134	10.9%	6,331	12.6%
2013	8	1,747,803	12.6%	5,485	10.9%
2014	9	1,698,275	12.2%	7,006	13.9%
2015	4	303,732	2.2%	1,450	2.9%
Thereafter	29	6,516,022	47.0%	26,792	53.0%
	73	**13,877,094**	**100%**	**$ 50,428**	**100%**

(1) Total annualized rent does not include any gross-up for tenant reimbursements and we had no rent abatements in effect as of December 31, 2010.

Recent Developments

Acquisition Activity

STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of $24.9 million. We are in various stages of due diligence and underwriting as part of our evaluations of these two potential acquisitions, and each is subject to significant outstanding conditions.

Leasing Activity

In addition, of the leases representing 1,041,705 square feet that were originally expiring in 2011, we executed two early renewals in 2010 representing 379,794 square feet of space and, in the first quarter of 2011, have renewed an additional 379,180 square feet of space. Including those leases, we have now renewed 73% of the square footage and 54% of the annualized rent that was expiring in 2011.

We also have leased 65,182 square feet of vacant space in the first quarter of 2011, at an average rental rate of $2.50 per square foot, initially equating to $162,955 of annualized rent (representing an increase of approximately $98,000 of annualized rent from the previous leases). In addition, we have leased a total of 78,266 square feet to two existing tenants who have expanded into vacant space in their current buildings on a short term and month to month basis.

Financing Activity

We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity of our loan from Anglo Irish Bank Corporation Limited ("Anglo Master Loan (Fund III)"), which debt is due in 2012, to October 2013.

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Market Overview

Unless otherwise indicated, all information contained in this Market Overview section is derived from market materials prepared by CBRE-EA as of February 11, 2011, and the projections and beliefs of CBRE-EA stated herein are as of that date.

As of December 31, 2010, the overall U.S. industrial market consisted of approximately 257,000 buildings with 13.8 billion square feet of space. In terms of net rentable area ("NRA"), warehouse/distribution facilities constitute the majority (66.6%) of this space followed by manufacturing (20.6%) and flex/office (which includes research and development) (10.5%). Unclassified buildings (industrial facilities such as sewage treatment centers and airport hangars that are not amenable to private real estate investment) represent the remaining 2.3%.

	NRA (square feet in millions)	Number of Properties
Warehouse/Distribution	9,179	171,227
Manufacturing	2,846	41,596
Flex/Office	1,443	36,496
Other	323	8,049
All Industrial	**13,791**	**257,368**

Source: CBRE-EA Industrial Peer Select, Spring 2011.

The single-tenant industrial sector offers investors the opportunity to receive stable income from leases to a variety of firms across the spectrum of industrial sub-property types, and single-tenant industrial buildings are more likely to provide their owners with less volatile cash flows after expenses, as they generally do not require the same degree of tenant and capital improvement expenditures that are required on an ongoing basis to lease multi-tenanted space or other classes of commercial property.

Within the context of the broader real estate market, industrial property, including our targeted asset class, has exhibited a number of favorable investment characteristics:

According to the National Council of Real Estate Investment Fiduciaries Property Index, industrial property has generally outperformed commercial property as a whole on a total return basis over the long term, by generating high and stable cash-flow yields.

The current market environment provides an opportunity for well-capitalized investors to acquire industrial assets with strong cash flows at prices significantly discounted from levels of a few years ago due to the recent capital market dislocation on commercial real estate values.

Industrial property fundamentals are expected to gradually improve as new supply remains low, the absorption rate increases and availabilities decrease over the next few years.

Over the recent past, the Class B warehouse market has demonstrated a relatively higher degree of stability in terms of occupancy compared with newer and larger Class A space. Despite these market fundamentals, Class B space is relatively consistently priced at a discount to Class A space.

Over the past 20 years, industrial properties in secondary markets on average have generated a superior economic rent growth with slightly lower volatility than their primary market counterparts.

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Summary Risk Factors

An investment in our common stock involves material risks. You should consider carefully the risks described below and under "Risk Factors" before purchasing shares of our common stock in this offering:

- Our investments are concentrated in the industrial real estate sector, and we would be adversely affected by a downturn in that sector.
- Our growth will depend upon our ability to acquire properties successfully. We may be unable to consummate acquisitions on advantageous terms, and acquisitions may not perform as we expect.
- We depend on key personnel and the loss of their full service could adversely affect us.
- Our officers and certain directors may have conflicting duties because they have a duty both to us and to the funds that will retain properties not contributed to us.
- We could be adversely affected if we fail to have access to capital on favorable terms.
- We have not obtained third-party property appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. As a result, the consideration for these properties in our formation transactions may exceed their fair market value.
- We depend on tenants for revenue. Defaults by our tenants, as a result of bankruptcy or otherwise, could adversely affect us.
- We may be unable to renew or replace expiring leases or lease empty space on favorable terms or at all.
- Uninsured losses and contingent or unknown liabilities with respect to our properties, including environmentally hazardous conditions, could adversely affect us.
- Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and we could be adversely affected if we are unable to make required payments on our indebtedness, comply with other covenants in our indebtedness or refinance our indebtedness at maturity on favorable terms.
- Our accounting predecessor has experienced historical net losses and accumulated deficits after depreciation and we may experience future losses.
- We may not be able to make distributions at expected levels or at all.
- Our qualification as a REIT will depend on our satisfaction of numerous requirements under highly technical and complex provisions of the Code, and our failure so to qualify could adversely affect us, including our ability to make distributions.

Investors in this offering will experience an immediate and substantial dilution in the pro forma net tangible book value of our common stock equal to $11.05 per share.

Debt Financing and Liquidity

As of December 31, 2010, on a pro forma basis, we had mortgage debt outstanding with an estimated aggregate balance of approximately $213.9 million at a weighted average annual interest rate of 5.7%. All of this debt will bear interest at a fixed rate through its initial term. Of the $213.9 million of fixed rate debt we expect to have outstanding, $109.8 million is fixed as a result of interest rate swaps. This debt will be comprised of a $109.8 million loan maturing in 2012, a $95.6 million loan maturing in 2018 and an $8.5 million loan maturing in 2027. See "Business Description of Certain Debt" for more information about such debt. We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity of our debt due in 2012 to October 2013. The pro forma debt yield on this instrument is 19.3%.

We have executed a loan agreement with several financial institutions establishing a $100 million secured corporate revolving credit facility (subject to increase to $200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has $30.4 million of borrowing capacity and a commitment letter for an additional $65 million secured acquisition credit facility.

Upon completion of this offering and after the debt paydowns discussed under "Use of Proceeds," we expect to have approximately $60 million in credit facility capacity immediately available to us under the $100 million credit facility (with up to $82.5 million available upon the satisfaction of certain lender conditions) to fund working capital and property acquisitions and to execute our business strategy.

Our Formation Transactions and Structure

Background

We have deployed approximately $1.4 billion through four private equity real estate funds, SCP Green, LLC ("Fund I"), STAG Investments II, LLC ("Fund II"), STAG Investments III, LLC ("Fund III") and STAG Investments IV, LLC ("Fund IV"), and one joint venture, STAG GI. We were formed to acquire the existing assets and operations of our predecessor business.

Our senior management team consists of Mr. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, Gregory W. Sullivan, our Chief Financial Officer, Executive Vice President and Treasurer, Stephen C. Mecke, our Chief Operating Officer and Executive Vice President, Kathryn Arnone, our Executive Vice President, General Counsel and Secretary, and David G. King, our Executive Vice President and Director of Real Estate Operations. They have each led or helped manage private and public real estate companies and funds, including STAG, AMB Property Corp., Trizec Hahn Corporation, Meditrust Corporation and LaQuinta Corporation.

Formation Transactions

Prior to or concurrent with the completion of this offering, we will engage in the following formation transactions, which are designed to consolidate the ownership of our property portfolio under our operating partnership and its subsidiaries, consolidate our acquisition and asset management businesses into a subsidiary of our operating partnership and enable us to qualify as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2011:

- Pursuant to separate contribution agreements, our operating partnership will, directly or indirectly through its wholly-owned subsidiaries, acquire a 100% equity interest in the entities that own our properties in exchange for common units. Based on the midpoint of the range set forth on the front cover of this prospectus, those equity interests will be acquired in exchange for 7,534,440 common units, representing 34.8% of the total number of shares of our common stock outstanding on a fully diluted basis, as set forth below:

  - Fund III will contribute 100% of the equity interests in the entities owning 57 of its properties to our operating partnership in exchange for 772,549 common units;

  - Fund IV will contribute 100% of the equity interests in the entities owning all 19 of its properties to our operating partnership in exchange for 2,083,497 common units; and

  - STAG GI will contribute 100% of the equity interests in the entities owning all 15 of its properties to our operating partnership in exchange for 4,678,394 common units.

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Pursuant to separate contribution agreements, based on the midpoint of the range set forth on the front cover of this prospectus, the members of the management company will contribute their interests in the management company to our operating partnership in exchange for 55,560 common units, representing 0.3% of the total number of shares of our common stock outstanding on a fully diluted basis.

In connection with the foregoing transactions, we will directly or indirectly assume approximately $213.9 million in principal amount of mortgage debt (together with all related accrued and unpaid interest) secured by certain of our properties that will remain outstanding.

With the proceeds of this offering, based on December 31, 2010 balances, we will repay approximately $193.7 million in indebtedness (including principal and related accrued interest). See "Use of Proceeds."

We will close on a $100 million secured corporate revolving credit facility (subject to increase to $200 million under certain circumstances) contemporaneously with the closing of this offering.

We will enter into a refinancing of our debt due in 2012 to extend the maturity date to October 2013 that we anticipate will close contemporaneously with the closing of this offering.

Our executive officers will enter into employment agreements with us.

We will issue 200,441 LTIP units in our operating partnership to our executive officers and independent directors and 80,809 shares of restricted common stock to our employees pursuant to our 2011 Equity Incentive Plan, representing in the aggregate 1.3% of the total number of shares of our common stock outstanding on a fully-diluted basis.

Throughout this prospectus, we provide certain information based on the assumption that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. While the total number of common units that our contributors will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the initial public offering price, the allocation of the total number of common units among our contributors may change. In particular, if we price our shares below the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value equal to $74.9 million based on the initial public offering price and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis. If we price our shares above the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value, based on the initial public offering price, equal to $74.9 million plus 64.3% of the increase in the total value of all of the common units that our contributors will receive in our formation transactions above the value of these common units at the midpoint of the range, and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis.

We will not enter into any tax protection agreements in connection with our formation transactions.

Services Agreements and Option Properties

Following completion of our formation transactions, Fund II will continue to operate as a private, fully-invested fund and will retain ownership of its 86 properties, with approximately 13.1 million rentable square feet. We will enter into a services agreement with Fund II on terms we believe to be customary, pursuant to which we will manage its properties in return for an annual asset management fee based on the equity investment in such assets, which will initially equal 0.94% of the equity investment and may increase up to 1.25% of the equity investment to the extent assets are sold and the total remaining equity investment is reduced.

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Following completion of our formation transactions, Fund III will retain ownership of three properties with approximately 890,891 rentable square feet that are vacant and that are acquisition opportunities for us (the "Option Properties"). Following completion of our formation transactions, we will enter into a services agreement with Fund III pursuant to which we will manage the Option Properties for an annual fee of $30,000 per property and provide the limited administrative services (including preparation of reports for the Fund III lender and investors, bookkeeping, tax and accounting services) Fund III will require until its liquidation for an annual fee of $20,000. Upon approval of our independent directors, we will have the right to acquire any of the Option Properties individually.

In addition, we will enter into a services agreement with Fund IV pursuant to which we will provide the limited administrative services (including preparation of reports for the Fund IV investors, bookkeeping, tax and accounting services) Fund IV will require until its liquidation for an annual fee of $20,000. STAG GI will not require administrative services from us or our affiliates following completion of our formation transactions.

Following completion of our formation transactions, Fund II, Fund III, Fund IV and STAG GI will make no additional property acquisitions, and our senior management team will devote substantially all of its business time to our business.

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Corporate Structure

The chart below reflects our organization immediately following completion of our formation transactions and this offering.

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(1) Upon completion of this offering, we will grant 80,809, shares of restricted common stock, or 0.6% of our outstanding common stock, pursuant to our 2011 Equity Incentive Plan.

(2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this chart, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at $16.00 per share, the midpoint of the range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. "See Benefits to Related Parties Formation Transactions" below.

(3) Excludes common units in which a director or executive officer has no pecuniary interest but that are owned by entities that a director or executive officer may directly or indirectly control. Includes LTIP units, as if LTIP units were common units, that will be issued

upon closing of this offering to our executive officers and independent directors pursuant to our 2011 Equity Incentive Plan.

(4) Assumes that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the midpoint of the range, the total number of common units

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issued to all of the contributors in the formation transactions will not change, but the allocation of these common units among the contributors will change as described above under "Our Formation Transactions and Structure Formation Transactions."

(5) Ownership is through Fund III, Fund IV and/or STAG GI.

Benefits to Related Parties

Upon completion of our formation transactions and this offering, our directors and executive officers and their affiliates will receive material financial and other benefits, as shown below. For a more detailed discussion of these benefits see "Management," "Certain Relationships and Related Transactions" and "Structure and Formation of Our Company Benefits of Our Formation Transactions and this Offering to Certain Parties."

Formation Transactions. Fund III, Fund IV, STAG GI and the members of the management company will receive 7,590,000 common units as a result of their contribution to us of the entities owning our properties and the management company, as described above under " Our Formation Transactions and Structure Formation Transactions." In addition, upon completion of our formation transactions, we will repay or assume indebtedness secured by our properties and unsecured indebtedness, as described under " Our Formation Transactions and Structure Formation Transactions" and "Use of Proceeds."

The total number of common units that Fund III, Fund IV, STAG GI and the management company will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the ultimate initial public offering price in this offering. Based on the midpoint of the range set forth on the front cover of this prospectus, upon completion of our formation transactions and this offering, Fund III will receive 772,549 common units, Fund IV will receive 2,083,497 common units, STAG GI will receive 4,678,394 common units and the management company will receive 55,560 common units.

After the expiration of the lock-up period, Fund III, Fund IV and STAG GI may distribute its common units to its members in accordance with the fund's operating agreement. In addition to their invested equity, certain members of Fund III, Fund IV and STAG GI, including certain of our officers, employees and directors, have residual interests, or contingent profit interests, in Fund III, Fund IV and STAG GI. As a result, they may receive distributions related to these residual interests if there are sufficient proceeds after return of capital and preferred returns to themselves and the other equity investors in Fund III, Fund IV and STAG GI. In all cases where there is a residual distribution, the higher the share price of our common stock at the time a fund is liquidated, the greater the portion of the common units the fund will distribute to the holders of the residual interests.

The number of common units being issued in our formation transactions is fixed so that residual interests will not, in any manner, require us to issue additional common units or shares of common stock or otherwise dilute investors in this offering. In addition, because the value of the residual interests depends on the value of our common stock, not on the value of certain properties or portfolios individually, such residual interests align the interests of the holders of residual interests with the interests of our company and shareholders. See "Structure and Formation of Our Company Benefits of Our Formation Transactions and the Offering to Certain Parties."

The table below sets forth a list of what individual directors and executive officers of our company will receive as a result of the contributions assuming that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the

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midpoint of the range, the number of common units that each of the individual directors and executive officers of our company set forth below will receive will change.

	Common Units(2)(3)	
Name(1)	Number	Value
Benjamin S. Butcher	117,451	$ 1,879,216
Gregory W. Sullivan	112,873	1,805,968
Stephen C. Mecke	26,514	424,224
Kathryn Arnone	13,060	208,960
David G. King	12,597	201,552

(1) The amounts shown in the table reflect common units received by the individual directly or received by any entity, but if by an entity only to the extent of the individual's interest in the assets of the entity. Accordingly, the amounts shown in the table above do not reflect common units received by entities that may be controlled by the individual (except to the extent of the individual's interest in the assets of the entity).

(2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this table, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at $16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. See "Structure and Formation of Our Company Benefits of Our Formation Transactions and this Offering to Certain Parties" below.

(3) Based upon an assumed initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus.

Voting Agreement. An affiliate of GI Partners will receive rights to designate two nominees for election to our board of directors, and Fund III, Fund IV, STAG GI and the contributors of the management company will enter into a voting agreement pursuant to which they will vote any shares of common stock that they own in favor of the election of the two nominees at each annual meeting of shareholders.

Services Agreements and Option Agreement. We will enter into services agreements with each of Fund II, Fund III and Fund IV and an option to purchase agreement with Fund III with respect to the Option Properties. See " Our Formation Transactions and Structure Services Agreements and Option Properties."

Registration Rights Agreement. We have agreed to file a shelf registration statement with the SEC covering the resale of the shares of common stock issued or issuable in exchange for common units issued in our formation transactions. We have also agreed to provide rights to these holders of common units to demand additional registration statement filings.

Employment Agreements. Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone will enter into employment agreements with us providing for salary, discretionary bonus and other benefits.

Equity Incentive Plan Grants. We will issue 200,441 LTIP units to our executive officers and independent directors and 80,809 shares of restricted common stock to our employees pursuant to our 2011 Equity Incentive Plan, representing in the aggregate 1.3% of the total number of shares of our common stock outstanding on a fully-diluted basis.

Indemnification Agreements. Our bylaws provide that we will indemnify our directors, executive officers and employees to the fullest extent permitted by Maryland law. We also intend to enter into

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indemnification agreements with our directors and executive officers. See "Management Limitation on Liabilities and Indemnification of Directors and Officers."

Conflicts of Interest

The executive officers for each of the managers of Fund II, Fund III, Fund IV and STAG GI consist of a number of persons who serve as executive officers in similar positions in our company, specifically: Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone. Also, Mr. Butcher, who is a member of our board of directors, also serves on the board of managers and/or management committees of the managers of Fund II, Fund III and Fund IV, and is a member of the management board of STAG GI. F. Alexander Fraser, one of two of our directors selected by GI Partners, is also a member of the management board of STAG GI and serves as a Director at GI Partners, LLC, which is an affiliate of GI Partners and STAG GI. Our executive officers and certain of our directors may have conflicting duties because they have a duty to both us and to Fund II (which will retain ownership of its properties and continue as a private, fully-invested fund until liquidated), Fund III (which will retain ownership of the Option Properties), Fund IV and STAG GI. Upon completion of our formation transactions, all of these entities will be fully invested and, as a result, will not be making any additional investments in income properties. It is possible that the executive officers' and board members' fiduciary duty to and interests in Fund II, Fund III, Fund IV, STAG GI and GI Partners, LLC, including, without limitation, their interests in Fund II and the Option Properties, will conflict with what will be in the best interests of our company.

We did not conduct arm's-length negotiations with respect to the terms and structuring of our formation transactions, resulting in the principals of the management company having the ability to influence the type and level of benefits that they and our other affiliates will receive. We have not obtained third-party appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions.

Additional conflicts of interest 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 applicable Maryland law in connection with their management of our company. At the same time, we, as the indirect general partner of our operating partnership, have duties to our operating partnership and to its limited partners in connection with the management of our operating partnership under Delaware law as modified by our operating partnership agreement. Our duties, as the indirect general partner of our operating partnership, may come into conflict with the duties of our directors and officers to our company.

We plan to adopt policies to reduce potential conflicts of interest. To the extent that specific matters involving us arise where Mr. Fraser may have conflicting duties, we will require that our disinterested directors approve those matters. More generally, our policies will provide that any transaction involving us in which any of our directors, officers or employees has a material interest must be approved by a vote of a majority of our disinterested directors. However, we cannot assure you that these policies will be successful in eliminating the influence of these conflicts. See "Policies with Respect to Certain Activities Conflicts of Interest Policies."

Tax Status

We will elect to be taxed as a REIT under the Code commencing with our taxable year ending December 31, 2011. As a REIT, we generally will not be subject to U.S. federal income tax on income that we distribute currently to our shareholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including the distribution requirement described below. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, we will not be allowed a deduction for dividends to our shareholders in computing our taxable

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income and we may be precluded from qualifying for treatment as a REIT for the four-year period following the year of our failure to qualify. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed income.

Distribution Policy

We are a newly formed company that has not commenced operations, and as a result, we have not paid any distributions as of the date of this prospectus. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our net income to holders of our common shares out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of $0.256 per share for a full quarter. On an annualized basis, this would be $1.024 per share, or an annual distribution rate of approximately 6.4%, based on the midpoint of the range set forth on the cover page of this prospectus. We estimate this initial annual distribution rate will represent approximately 93.7% of estimated cash available for distribution to our common shareholders for the 12 months ending December 31, 2011. We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumption used is our estimate. Any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification, the applicable provisions of the Maryland General Corporation Law ("MGCL") and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make some distributions. We have no intention to use the net proceeds of this offering to make distributions nor do we intend to make distributions using shares of common stock. We cannot assure you that our distribution policy will not change in the future.

Restrictions on Ownership and Transfer of Stock

Due to limitations on the concentration of ownership of a REIT imposed by the Code, not more than 50% of the value of the outstanding shares of beneficial ownership of a REIT may be owned, directly or indirectly, by five or fewer individuals (as defined by the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). As a result, our charter provides that, subject to certain exceptions, no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, either more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of capital stock, or more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding common stock. Our board of directors may, in its discretion, exempt a person from the 9.8% ownership limits under certain circumstances. In connection with our formation transactions, our board of directors will grant a waiver to STAG GI, GI Partners and an affiliate of GI Partners to own up to 25.3% of our outstanding common stock assuming the midpoint of the range set forth on the front cover of this prospectus. Our charter also prohibits any person from, among other matters: beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would result in our being "closely held" within the meaning of Section 856(h) of the Code; owning or transferring our capital stock if such ownership or transfer would result in us becoming a "pension-held REIT" under Section 856(h)(3)(D) of the Code; transferring shares of our capital stock if such transfer would result in our capital stock being owned by fewer than 100 persons; or beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would cause us to own, directly or indirectly, 10% or more of the ownership interests in a tenant of our company (or a tenant of any entity owned or controlled by us) or would cause any independent contractor to not be treated as such under Section 856(d)(3) of the Code, or beneficially or constructively owning shares of our capital stock to the extent such beneficial or constructive ownership would otherwise cause us to fail to qualify as a REIT. See "Description of Stock Restrictions on Ownership and Transfer of Stock."

Lock-Up Arrangements

We and our executive officers and directors and the owners of the management company, Fund III, Fund IV and STAG GI have agreed not to sell or transfer any common units or shares of common stock, as applicable, for a period of 180 days in the case of our company and 12 months in the case of our executive officers, directors and contributors after the date of this prospectus. Specifically, all of these parties have agreed, subject to exceptions, not to directly or indirectly offer, pledge, sell or contract to sell any common units or shares of common stock, sell any option or contract to purchase any common units or shares of common stock, purchase any option or contract to sell any common units or shares of common stock, grant any option, right or warrant for the sale of any common units or shares of common stock, lend or otherwise dispose of or transfer any common units or shares of common stock, request or demand that we file a registration statement related to the common units or shares of common stock, or enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common units or shares of common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

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The Offering

Common stock offered by us	13,750,000 shares of common stock (plus up to an additional 2,062,500 shares of common stock that we may issue and sell upon the exercise of the underwriters' overallotment option)
Common stock and common units to be outstanding after completion of our formation transactions and this offering	21,621,250 shares/units(1)(2)(3)
Use of proceeds(4)(5)	We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately $199.1 million (or approximately $229.8 million if the underwriters exercise their overallotment option in full), in each case assuming a public offering price of $16.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions of approximately $14.9 million (or approximately $17.1 million if the underwriters exercise their overallotment option in full) and estimated organizational and offering expenses of approximately $6.1 million payable by us. We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for common units in our operating partnership.

We expect our operating partnership will use the net proceeds as follows:

approximately $185.3 million to repay mortgage debt secured by certain of the properties we will acquire in our formation transactions, including approximately $5.4 million secured by the Option Properties (common units to be issued to Fund III in our formation transactions will be reduced accordingly);

approximately $4.4 million to repay the loan dated January 31, 2009 from an affiliate of NED to the Fund III subsidiaries that will be contributed to us in our formation transactions;

approximately $3.0 million to repay the loan originally drawn on May 15, 2007 from Fund III to the management company;

approximately $2.5 million for general corporate purposes including acquisitions of real estate assets;

approximately $1.0 million to terminate a portion of an interest rate swap due to the retirement of mortgage debt;

approximately $1.2 million to repay expenditures associated with the retirement of indebtedness and the attainment of lender consents on existing indebtedness (including financing fees, related legal fees, and contingent waiver fees), and fees associated with the revolving credit facility;

approximately $1.0 million to repay the line of credit dated May 15, 2007 from an affiliate of NED to the management company;

approximately $0.5 million to pay transfer taxes associated with the contribution of our properties to us; and

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	approximately $0.2 million to post as escrows for our mortgage debt.
	If the underwriters exercise their overallotment option in full, we expect to use the additional $30.8 million of net proceeds for general corporate purposes, including acquisitions of real estate assets. See "Use of Proceeds."
Proposed New York Stock Exchange symbol	"STIR"

(1) Assumes the underwriters' overallotment option to purchase up to an additional 2,062,500 shares of common stock is not exercised.

(2) Does not include 1,319,250 shares of our common stock reserved for future issuance under our 2011 Equity Incentive Plan. Includes 200,441 LTIP units to be granted to our executive officers and independent directors under our 2011 Equity Incentive Plan upon consummation of this offering and 80,809 shares of our restricted common stock to be issued under our 2011 Equity Incentive Plan to certain employees upon consummation of this offering. See "Management Equity Incentive Plan" for additional information.

(3) Includes 7,590,000 common units held by limited partners (other than STAG Industrial, Inc.) expected to be outstanding following consummation of our formation transactions.

(4) The debt repayments described above are estimated based on principal and related accrued interest outstanding as of December 31, 2010.

(5) Assumes that 13,750,000 shares are sold by us at $16.00 per share, the midpoint of the range set forth on the front cover of this prospectus, raising net proceeds of approximately $199.1 million. If our actual net proceeds from this offering are less than our anticipated net proceeds, we would decrease the amount of outstanding borrowings we would repay under our Anglo Master Loan (Fund III).

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Summary Financial Information

The following table sets forth summary financial and operating data on (1) a pro forma basis for our company and (2) an historical basis for STAG Predecessor Group. On a pro forma basis, we will own 91 properties, consisting of 57 properties owned by STAG Predecessor Group and 34 properties that constitute STAG Contribution Group. STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, is part of our predecessor business and consists of the subsidiaries of Fund III that will be contributed to us by Fund III in our formation transactions. STAG Contribution Group consists of the properties owned by Fund IV and STAG GI that will be contributed to us in the formation transactions.

In the summary financial and operating data, we have not presented historical information for STAG Industrial, Inc. because we have not had any corporate activity since our formation other than the issuance of shares of common stock in connection with the initial capitalization of our company and activity in connection with our formation transactions and this offering, and because we believe that a discussion of the results of STAG Industrial, Inc. would not be meaningful.

We have not presented historical financial information for the management company as its results are not considered significant, and because we believe that a discussion of these results (which primarily consist of acquisition and asset management fees from Fund II, Fund III and Fund IV and general and administrative costs), would not be meaningful.

You should read the following summary financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation," our unaudited pro forma consolidated financial statements and related notes, the historical combined financial statements and related notes of STAG Predecessor Group, the historical combined statements of revenue and certain expenses and related notes of STAG Contribution Group, and the historical (combined) statements of revenue and certain expenses and related notes of the various properties listed in the Index to the Financial Statements.

The unaudited pro forma condensed consolidated balance sheet data is presented as if this offering and our formation transactions had occurred on December 31, 2010, and the unaudited pro forma statement of operations and other data for the year ended December 31, 2010, is presented as if this offering and our formation transactions had occurred on January 1, 2010. The pro forma financial information is not necessarily indicative of what our actual financial condition would have been as of December 31, 2010 or what our actual results of operations would have been assuming this offering and our formation transactions had been completed as of January 1, 2010, nor does it purport to represent our future financial position or results of operations.

The summary historical combined balance sheet information as of December 31, 2010 and 2009, and the historical combined statement of operations data for the years ended December 31, 2010, 2009, and 2008, have been derived from the combined financial statements of the STAG Predecessor Group audited by PricewaterhouseCoopers LLP, independent registered public accountants, whose report thereon is included elsewhere in this prospectus. The summary historical cost balance sheet information as of December 31, 2008 and the historical combined statement of operations data for the year ended December 31, 2007 have been derived from audited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus. The summary historical combined balance sheet information as of December 31, 2007 and 2006 and the historical combined statement of operations for the period ended December 31, 2006 have been derived from the unaudited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus.

The audited historical financial statements of STAG Predecessor Group in this prospectus, and therefore the historical financial and operating data in the table below, exclude the operating results and financial condition of the Option Properties, the entities that own the Option Properties and the management company.

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	Company Pro Forma	STAG Predecessor Group Historical				
	Year Ended December 31,	Year Ended December 31,				Period Ended December 31,
	2010	2010	2009	2008	2007(1)	2006
	(unaudited)				(unaudited)	(unaudited)
	(dollars in thousands)					
Statement of Operations Data:						
Revenue						
Rental income	$ 52,917	$ 24,249	$ 25,658	$ 27,319	$ 11,162	$ 941
Tenant recoveries	6,178	3,761	4,508	3,951	1,326	
Other	1,252					
Total revenue	60,347	28,010	30,166	31,270	12,488	941
Expenses						
Property	9,361	6,123	8,409	5,813	1,437	11
General and administrative	9,198	937	1,078	1,112	648	29
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336
Loss on impairment of assets				3,728		
Total expenses	45,404	16,574	19,744	22,761	6,772	376
Other income (expense)						
Interest income	16	16	66	140	163	4
Interest expense	(13,161)	(14,116)	(14,328)	(15,058)	(7,861)	(616)
Gain (loss) on interest rate swaps	33	(282)	(1,720)	(1,275)		
Total other income (expense)	(13,112)	(14,382)	(15,982)	(16,193)	(7,698)	(612)
Net income (loss)	$ 1,831	$ (2,946)	$ (5,560)	$ (7,684)	$ (1,982)	$ (47)
Balance Sheet Data (End of Period):						
Rental property, before accumulated depreciation	$ 442,617	$ 210,186	$ 210,009	$ 208,948	$ 212,688	$ 31,998
Rental property, after accumulated depreciation	423,356	190,925	195,383	200,268	210,294	31,808
Total assets	523,508	211,004	220,116	229,731	242,134	35,976
Notes payable	213,947	207,550	212,132	216,178	217,360	31,877
Total liabilities	228,118	219,340	221,637	223,171	220,548	32,305
Owners'/shareholders' equity (deficit)	295,390	(8,336)	(1,521)	6,560	21,586	3,671
Other Data: (unaudited)						
Net operating income (NOI)(2)	$ 50,986	$ 21,887	$ 21,757	$ 25,457	$ 11,051	$ 930
EBITDA(2)	41,821	20,668	18,959	19,342	10,403	901
FFO(2)	28,676	6,568	4,697	4,424	2,705	289
Adjusted funds from operations (AFFO)(2)	28,907	5,858	6,166	8,081	2,443	243

(1) We have prepared the results of operations for the year ended December 31, 2007 by combining amounts for 2007 obtained by adding the audited operating results of each of the Antecedent for the period of January 1, 2007 to May 31, 2007 and STAG Predecessor Group for the period of June 1, 2007 to December 31, 2007 (since the difference in basis between Antecedent and STAG Predecessor Group were not materially different and the entities were under common management). Although this combined presentation does not comply with GAAP, we believe that it provides a meaningful method of comparison.

(2) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more detailed explanations of net operating income ("NOI"), EBITDA, FFO and adjusted funds from operations ("AFFO"), and reconciliations of NOI, EBITDA, FFO and AFFO to net income computed in accordance with GAAP.

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RISK FACTORS

An investment in our common stock involves risks. In addition to other information in this prospectus, you should carefully consider the following risks before investing in our common stock offered by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders, which could cause you to lose all or a significant portion of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

Risks Related to Our Business and Operations

Our investments are concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.

All of our 91 properties are industrial properties, including 44 warehouse/distribution facilities, 26 manufacturing facilities and 21 flex/office facilities. This concentration may expose us to the risk of economic downturns in the industrial real estate sector to a greater extent than if our properties were more diversified across other sectors of the real estate industry.

Adverse economic conditions will negatively affect our returns and profitability.

Our operating results may be affected by market and economic challenges, including the current global economic credit environment, which may result from a continued or exacerbated general economic slow down experienced by the nation as a whole or by the local economies where our properties may be located, or by the real estate industry, including the following:

- poor economic conditions may result in tenant defaults under leases;
- re-leasing may require concessions or reduced rental rates under the new leases due to reduced demand;
- adverse capital and credit market conditions may restrict our operating activities; and
- constricted access to credit may result in tenant defaults, non-renewals under leases or inability of potential buyers to acquire properties held for sale.

Also, to the extent we purchase real estate in an unstable market, we are subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of our purchases, or the number of companies seeking to acquire properties decreases, the value of our investments may not appreciate or may decrease significantly below the amount we pay for these investments. The length and severity of any economic slow down or downturn cannot be predicted. Our operations could be negatively affected to the extent that an economic slow down or downturn is prolonged or becomes more severe.

Dislocations in the credit markets and real estate markets could have a material adverse effect on our results of operations, financial condition and ability to pay distributions to you.

Domestic and international financial markets recently experienced significant dislocations brought about in large part by failures in the U.S. banking system. These dislocations have impacted the availability of credit. If this dislocation in the credit markets causes the inability to borrow at attractive rates, our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets will be negatively impacted. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. Also, if the values of our properties decline we may be unable to refinance all of our debt as it matures. All of these events would have a material adverse effect on our results of operations, financial condition and ability to pay distributions.

Events or occurrences that affect areas in which our properties are geographically concentrated may impact financial results.

In addition to general, regional, national and international economic conditions, our operating performance is impacted by the economic conditions of the specific markets in which we have concentrations of properties. We have holdings in the following states (which, as of December 31, 2010, accounted for the percentage of our total annualized rent indicated): North Carolina (17.1%); Ohio (12.7%); Wisconsin (7.2%); and Michigan (6.1%). Our operating performance could be adversely affected if conditions become less favorable in any of the states or regions in which we have a concentration of properties.

We are subject to industry concentrations that make us susceptible to adverse events with respect to certain industries.

We are subject to certain industry concentrations with respect to our properties, including the following (which, as of December 31, 2010, accounted for the percentage of our total annualized rent indicated): Containers & Packaging (14.7%); Business Services (9.8%); Personal Products (9.5%); Industrial Equipment, Components & Metals (7.1%); Aerospace & Defense (7.1%); Automotive (7.0%); Retail (6.9%); Food & Beverages (6.6%); and Technology (6.3%). Such industries are subject to specific risks that could result in downturns within the industries. For example, several of our technology tenants operate in the telecommunications sector. Telecommunications companies face risks regarding their ability to adapt to new technological developments and changes in regulations by the Federal Communications Commission and other federal, state and local agencies. Any downturn in one or more of these industries, or in any other industry in which we may have a significant concentration now or in the future, could adversely affect our tenants who are involved in such industries. If any of these tenants is unable to withstand such downturn or is otherwise unable to compete effectively in its business, it may be forced to declare bankruptcy, fail to meet its rental obligations, seek rental concessions or be unable to enter into new leases, which could materially and adversely affect us.

We are subject to risks involved in single-tenant leases, and the default by one or more tenants could materially and adversely affect us.

Any of our tenants may experience a downturn in its business at any time that may significantly weaken its financial condition or cause its failure. As a result, such tenant may decline to extend or renew its lease upon expiration, fail to make rental payments when due or declare bankruptcy. The default, financial distress or bankruptcy of a single tenant could cause interruptions in the receipt of rental revenue and/or result in a vacancy, which is likely to result in the complete reduction in the operating cash flows generated by the property leased to that tenant and may decrease the value of that property. In addition, a majority of our leases generally require the tenant to pay all or substantially all of the operating expenses normally associated with the ownership of the property, such as utilities, real estate taxes, insurance and routine maintenance. Following a vacancy at a single-tenant property, we will be responsible for all of the operating costs at such property until it can be re-let, if at all.

If our tenants are unable to obtain financing necessary to continue to operate their businesses and pay us rent, we could be materially and adversely affected.

Many of our tenants rely on external sources of financing to operate their businesses. The U.S. financial and credit markets continue to experience liquidity disruptions, resulting in the unavailability of financing for many businesses. If our tenants are unable to obtain financing necessary to continue to operate their businesses, they may be unable to meet their rent obligations to us or enter into new leases with us or be forced to declare bankruptcy and reject our leases, which could materially and adversely affect us.

As a newly formed REIT, we have no operating history and may not be able to operate our business successfully or implement our business strategies as described in this prospectus.

We were organized in July 2010 and will commence operations upon completion of our formation transactions and this offering. We are subject to all the risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objectives and that the value of your investment could decline substantially.

As a newly formed REIT, we have no experience operating as a publicly traded REIT, which may affect our ability to successfully operate our business or generate sufficient cash flow to make or sustain distributions to our shareholders.

We have no experience operating as a publicly traded REIT. We cannot assure you that our past experience will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements and comply with the Sarbanes-Oxley Act of 2002. Failure to maintain REIT status would have an adverse effect on our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy our debt service obligations and to pay dividends to you.

We depend on key personnel, the loss of their full service could adversely affect us.

Our success depends to a significant degree upon the continued contributions of certain key personnel including, but not limited to, Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone, whose continued service is not guaranteed, and each of whom would be difficult to replace. While we have entered into employment contracts with Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone, they may nevertheless cease to provide services to us at any time. If any of our key personnel were to cease employment with us, our operating results could suffer. Our ability to retain our management group or to attract suitable replacements should any members of the management group leave is dependent on the competitive nature of the employment market. The loss of services from key members of the management group or a limitation in their availability could adversely impact our financial condition and cash flows. Further, such a loss could be negatively perceived in the capital markets. We have not obtained and do not expect to obtain key man life insurance on any of our key personnel except for Mr. Butcher, the founder of STAG. The policy has limits in the amount of $5.0 million and covers us in the event of Mr. Butcher's death.

We also believe that, as we expand, our future success depends, in large part, upon our ability to hire and retain highly skilled managerial, investment, financing, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you that we will be successful in attracting and retaining such skilled personnel.

Our growth will depend upon future acquisitions of properties, and we may be unable to consummate acquisitions on advantageous terms or acquisitions may not perform as we expect.

We acquire and intend to continue to acquire primarily generic distribution warehouses, manufacturing properties and flex/office facilities. The acquisition of properties entails various risks, including the risks that our investments may not perform as we expect. Further, we face competition for attractive investment opportunities from other well-capitalized real estate investors, including both publicly-traded REITs and private institutional investment funds, and these competitors may have greater financial resources than us and a greater ability to borrow funds to acquire properties. This competition will increase as investments in real estate become increasingly attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase price may be significantly elevated. In addition, we expect to finance future acquisitions through a combination of secured and unsecured borrowings, proceeds from equity or debt offerings by us or our operating partnership or its subsidiaries and proceeds from property contributions and divestitures which may not be available and which could adversely affect our cash flows. Any of the above risks could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the market price of, our common stock.

We may be unable to source "limited marketing" deal flow in the future, which could adversely affect our ability to locate and acquire additional properties at attractive prices.

A key component of our growth strategy is to continue to acquire additional industrial real estate assets. Since 2004, approximately 32.5% of the acquisitions we sourced, based on total purchase price, were acquired before they were widely marketed by real estate brokers, or "limited marketing" transactions. Properties that are acquired by "limited marketing" transactions are typically more attractive to us as a purchaser because of the absence of a formal sales process, which could lead to higher prices. If we cannot obtain "limited marketing" deal flow in the future, our ability to locate and acquire additional properties at attractive prices could be somewhat adversely affected.

The fair market value of the consideration for the assets to be acquired by us in our formation transactions may exceed the assets' aggregate book value and fair market value.

We have not obtained updated third-party appraisals of the properties and other assets to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. The initial public offering price of our common stock was determined in consultation with the underwriters based on the history and prospects for the industry in which we compete, our financial information, the ability of our management and our business potential and earning prospects, the prevailing securities markets at the time of this offering, and the recent market prices of, and the demand for, publicly traded shares of generally comparable companies. The initial public offering price does not necessarily bear any relationship to the book value or the fair market value of such assets. As a result, the consideration for these assets in our formation transactions may exceed their book value and fair market value.

The cash available for distribution to shareholders may not be sufficient to pay dividends at expected levels, nor can we assure you of our ability to make distributions in the future. We may use borrowed funds to make distributions.

All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for U.S. federal income tax purposes to the extent of the holder's adjusted tax basis in its shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock. See "U.S. Federal Income Tax Considerations Taxation of Shareholders." If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

Our ability to pay our estimated initial annual distribution depends upon our actual operating results, and, in adverse scenarios, we may have to borrow funds under our secured corporate revolving credit facility to pay this distribution, which could slow our growth.

We expect to pay an initial annual dividend of $1.024 per share, or $22.1 million in the aggregate, which represents approximately 93.7% of our estimated cash available for distribution of $23.6 million for the 12 months ending December 31, 2011 calculated as described in "Distribution Policy" (which does not take into account future tenant retention and potential acquisitions). Our ability to pay our estimated initial annual distribution depends upon our actual operating results, and, in adverse scenarios, we may be required either to fund future distributions from cash balances, borrowings under our secured corporate revolving credit facility or to reduce such distributions. Use of our secured corporate revolving credit facility to pay distributions will reduce the amount of our borrowing capacity available for other purposes. If we need to borrow funds on a regular basis to meet our distribution requirements or if we reduce the amount of our distribution, our stock price may be adversely affected.

We have owned our properties for a limited time, and we may not be aware of characteristics or deficiencies involving any one or all of them.

Prior to our formation transactions and this offering, Fund III, Fund IV and STAG GI owned or controlled our 91 initial properties comprising an aggregate 13.9 million rentable square feet. All of these properties have been under management for less than four years. The properties may have characteristics or deficiencies unknown to us that could affect their valuation or revenue potential and such properties may not ultimately perform up to our expectations. We cannot assure you that the operating performance of the properties will not decline under our management.

Risks Related to Our Organization and Structure

We may pursue less vigorous enforcement of terms of contribution, purchase and sale and other agreements because of conflicts of interest with certain of our officers and directors.

Certain of our directors and executive officers have ownership interests in the other entities or properties to be contributed to us in our formation transactions, including Fund III, Fund IV, STAG GI and the management company. Following the completion of our formation transactions and this offering, under the contribution agreements with certain of our directors and executive officers and their affiliates, we will be entitled to indemnification in the event of breaches of the representations and warranties made by them with respect to the entities and properties to be acquired by us. Such indemnification is limited and we are not entitled to any other indemnification in connection with our formation transactions. In addition, we expect that our executive officers will enter into employment agreements with us pursuant to which they will agree, among other things, not to engage in certain business activities in competition with us and pursuant to which they will devote substantially all of their business time to our business. See "Management Employment Agreements." We may choose not to enforce, or to enforce less vigorously, our rights under these agreements due to our ongoing relationship with our directors and executive officers.

Certain of our directors and executive officers exercised significant influence with respect to the terms of our formation transactions, including the economic benefits they will receive, and as a result, the consideration given by us may exceed the fair market value of the properties.

We did not conduct arm's-length negotiations with respect to all of the terms of our formation transactions. In the course of structuring our formation transactions, our directors and executive officers had the ability to influence the type and level of benefits that they and our other officers will receive from us. In addition, certain of our directors and executive officers had substantial pre-existing ownership interests in Fund III, Fund IV, STAG GI and the management company, and will receive substantial economic benefits as a result of our formation transactions. The formation transaction documents provide that the individual allocations of the total formation transaction value to each prior investor are determined by the provisions of the applicable partnership agreement or organizational document of the relevant fund. Also, our directors and executive officers have assumed management and/or director positions with us, for which they will obtain certain other benefits such as employment agreements, restricted stock or LTIP unit grants and other compensation.

Our executive officers and directors have duties to Fund II, Fund III, Fund IV and STAG GI which may create conflicts of interest, which may impede business decisions that could benefit our shareholders.

Certain of our executive officers and directors also serve on the board of managers and/or management committees of the managers of Fund II, Fund III and Fund IV, and are members of the board of directors of STAG GI. Our officers and directors may have conflicting duties because they have a duty to both us and to Fund II (which will retain ownership of its properties and continue as a private, fully-invested fund until liquidated), Fund III (which will retain ownership of the Option Properties), Fund IV and STAG GI. Upon completion of our formation transactions, all of these entities will be fully invested and, as a result, will not be making any additional investments in income properties. However, some Fund II properties may be competitive with our current or future properties. It is possible that the executive officers' and board members' fiduciary duty to Fund II, Fund III, Fund IV and STAG GI, including, without limitation, their interests in Fund II and the Option Properties, will conflict with what will be in the best interests of our company.

Our fiduciary duties as sole member of the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

After the consummation of this offering, we, as the sole member of the general partner of our operating partnership, will have fiduciary duties to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of our shareholders. The limited partners of our operating partnership have agreed that, in the event of a conflict in the fiduciary duties owed by us to our shareholders and, in our capacity as indirect general partner of our operating partnership, to such limited partners, we are under no obligation to give priority to the interests of such limited partners. In addition, those persons holding common units will have the right to vote on certain amendments to the operating partnership agreement (which require approval by a majority in interest of the limited partners, including us) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our shareholders. For example, we are unable to modify the rights of limited partners to receive distributions as set forth in the operating partnership agreement in a manner that adversely affects their rights without their consent, even though such modification might be in the best interest of our shareholders.

In addition, conflicts may arise when the interests of our shareholders and the limited partners of the operating partnership diverge, particularly in circumstances in which there may be an adverse tax consequence to the limited partners. Tax consequences to holders of common units upon a sale or refinancing of our properties may cause the interests of our senior management to differ from your own. As a result of unrealized built-in gain attributable to contributed property at the time of contribution, some holders of common units, including our principals, may suffer different and more adverse tax consequences than holders of our common stock upon the sale or refinancing of the properties owned by our operating partnership, including disproportionately greater allocations of items of taxable income and gain upon a realization event. As those holders will not receive a correspondingly greater distribution of cash proceeds, they may have different objectives regarding the appropriate pricing, timing and other material terms of any sale or refinancing of certain properties, or whether to sell or refinance such properties at all.

We may experience conflicts of interest with several members of our senior management team who have or may become limited partners in our operating partnership through the receipt of LTIP units granted under our 2011 Equity Incentive Plan. See "Management Equity Incentive Plan."

Our growth depends on external sources of capital which are outside of our control, which may affect our ability to seize strategic opportunities, satisfy debt obligations and make distributions to our shareholders.

In order to maintain our qualification as a REIT, we are generally required under the Code to distribute annually at least 90% of our net 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 net 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 may rely on third-party sources to fund our capital needs. We may not be able to obtain financing on favorable terms or at all. Any additional debt we incur will increase our leverage. 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 dividends; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, meet the capital and operating needs of our existing properties or satisfy our debt service obligations. Further, in order to meet the REIT distribution requirements and maintain our REIT status and to avoid the payment of income and excise taxes, we may need to borrow funds on a short-term basis even if the then-prevailing market conditions are not favorable for these borrowings. These short-term borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes or the effect of non-deductible capital expenditures, the creation of reserves, certain restrictions on distributions under loan documents or required debt or amortization payments.

To the extent that capital is not available to acquire properties, profits may not be realized or their realization may be delayed, which could result in an earnings stream that is less predictable than some of our competitors and result in us not meeting our projected earnings and distributable cash flow levels in a particular reporting period. Failure to meet our projected earnings and distributable cash flow levels in a particular reporting period could have an adverse effect on our financial condition and on the market price of our common stock.

Our charter, the partnership agreement of our operating partnership and Maryland law contain provisions that may delay or prevent a change of control transaction.

Our charter contains 9.8% ownership limits. Our charter, subject to certain exceptions, authorizes our directors to take such actions as are necessary and desirable to limit any person to actual or constructive ownership of no more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our capital stock and no more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock. Our board of directors, in its sole discretion, may exempt a proposed transferee from the ownership limits. However, our board of directors may not grant an exemption from the ownership limits to any proposed transferee whose ownership, direct or indirect, of more than 9.8% of the value or number of our outstanding shares of our common stock could jeopardize our status as a REIT. The ownership limits contained in our charter and the restrictions on ownership of our common stock may delay or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our shareholders. See "Description of Stock Restrictions on Ownership and Transfer of Stock."

Our board of directors may create and issue a class or series of preferred stock without shareholder approval. Our board of directors is empowered under our charter to amend our charter to increase or decrease the aggregate number of shares of our common stock or the number of shares of stock of any class or series that we have authority to issue, to designate and issue from time to time one or more classes or series of preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock without shareholder approval. Our board of directors may determine the relative rights, preferences and privileges of any class or series of preferred stock issued. As a result, we may issue series or classes of preferred stock with preferences, dividends, powers and rights, voting or otherwise, senior to the rights of holders of our common stock. The issuance of preferred stock could also have the effect of delaying or preventing a change of control transaction that might otherwise be in the best interests of our shareholders.

Certain provisions in the partnership agreement for our operating partnership may delay or prevent unsolicited acquisitions of us. Provisions in the partnership agreement for our operating partnership may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some shareholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights of qualifying parties;
- transfer restrictions on our common units;
- the ability of the general partner in some cases to amend the partnership agreement without the consent of the limited partners; and
- the right of the limited partners to consent to transfers of the general partnership interest and mergers under specified circumstances.

Any potential change of control transaction may be further limited as a result of provisions of the partnership unit designation for the LTIP units, which require us to preserve the rights of LTIP unit holders and may restrict us from amending the partnership agreement for our operating partnership in a manner that would have an adverse effect on the rights of LTIP unit holders.

Certain provisions of Maryland law could inhibit changes in control. Certain provisions of the MGCL may have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control under circumstances that otherwise could provide our shareholders with the opportunity to realize a premium over the then-prevailing market price of our common stock, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested shareholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter impose special appraisal rights and special shareholder voting requirements on these combinations; and

- "control share" provisions that provide that "control shares" of our company (defined as shares which, when aggregated with other shares controlled by the shareholder, entitle the shareholder 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 "control shares") have no voting rights except to the extent approved by our shareholders 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 elected to opt 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 of the MGCL, pursuant to a provision in our bylaws. However, only upon the approval of our shareholders, our board of directors may by resolution elect to repeal the foregoing opt-outs from the business combination provisions of the MGCL and we may, only upon the approval of our shareholders, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Additionally, Title 8, Subtitle 3 of the MGCL, permits our board of directors, without shareholder approval and regardless of what is currently provided in our charter or our bylaws, to implement takeover defenses, some of which (for example, a classified board) we do not currently have. These provisions may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a change in control of our company under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-current market price.

Our charter, bylaws, the partnership agreement for our operating partnership and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our shareholders. See "Certain Provisions of Maryland Law and of Our Charter and Bylaws Our Board of Directors," " Business Combinations," " Control Share Acquisitions," " Maryland Unsolicited Takeovers Act," " Advance Notice of Director Nominations and New Business" and "Our Operating Partnership and the Partnership Agreement."

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RISK FACTORS

Under their employment agreements, our executive officers will have the right to terminate their employment and, under certain conditions, receive severance, which may adversely affect us.

In connection with this offering, we are entering into employment agreements with Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone. These employment agreements provide that each executive may terminate his or her employment and, under certain conditions, receive severance based on two or three times (depending on the officer) the annual total of salary and bonus and immediate vesting of all outstanding equity-based awards. In the case of certain terminations, they would not be restricted from competing with us after their departure. See "Management Employment Agreements" for further details about the terms of these employment agreements.

Compensation awards to our management may not be tied to or correspond with our improved financial results or share price, which may adversely affect us.

The compensation committee of our board of directors is responsible for overseeing our compensation and employee benefit plans and practices, including our executive compensation plans and our incentive compensation and equity-based compensation plans. Our compensation committee has significant discretion in structuring compensation packages and may make compensation decisions based on any number of factors. As a result, compensation awards may not be tied to or correspond with improved financial results at our company or the share price of our common stock.

If we fail to establish and maintain an effective system of integrated internal controls, we may not be able to accurately report our financial results.

In the past, we have reported our results to the investors in our predecessor business on a fund-by-fund basis. We have generally maintained separate systems and procedures for each fund, which makes it more difficult for us to evaluate and integrate their systems and procedures on a reliable company-wide basis. In addition, for certain funds we were not required to report our results on a GAAP basis. In connection with our operation as a public company, we will be required to report our operations on a consolidated basis under GAAP and, in some cases, on a property by property basis. We are in the process of implementing an internal audit function and modifying our company-wide systems and procedures in a number of areas to enable us to enhance our reporting on a consolidated basis under GAAP as we continue the process of integrating the financial reporting of our predecessor. If we fail to implement proper overall business controls, including as required to integrate our predecessor entities and support our growth, our results of operations could be harmed or we could fail to meet our reporting obligations.

Our board of directors can take many actions without shareholder approval.

Our board of directors has overall authority to oversee our operations and determine our major corporate policies. This authority includes significant flexibility. For example, our board of directors can do the following:

- amend or revise at any time and from time to time our investment, financing, borrowing and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization and operations;

- amend our policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements;

- within the limits provided in our charter, prevent the ownership, transfer and/or accumulation of shares in order to protect our status as a REIT or for any other reason deemed to be in the best interests of us and our shareholders;

- issue additional shares without obtaining shareholder approval, which could dilute the ownership of our then-current shareholders;
- amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series, without obtaining shareholder approval;
- classify or reclassify any unissued shares of our common stock or preferred stock and set the preferences, rights and other terms of such classified or reclassified shares, without obtaining shareholder approval;
- employ and compensate affiliates;
- direct our resources toward investments that do not ultimately appreciate over time;
- change creditworthiness standards with respect to third-party tenants; and
- determine that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Any of these actions could increase our operating expenses, impact our ability to make distributions or reduce the value of our assets without giving you, as a shareholder, the right to vote.

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

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our shareholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our bylaws require us to indemnify our directors and officers to the maximum extent permitted by Maryland law for liability actually incurred in connection with any proceeding to which they may be made, or threatened to be made, a party, except to the extent that the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or was the result of active and deliberate dishonesty, the director or officer actually received an improper personal benefit in money, property or services, or, in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. As a result, we and our shareholders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

General Real Estate Risks

Our performance and value are subject to general economic conditions and risks associated with our real estate assets.

The investment returns available from equity investments in real estate depend on the amount of income earned and capital appreciation generated by the properties, as well as the expenses incurred in connection with the properties. If our properties do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, then our ability to pay distributions to our shareholders could be adversely affected. In addition, there are significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) that

generally do not decline when circumstances reduce the income from the property. Income from and the value of our properties may be adversely affected by:

- changes in general or local economic climate;
- the attractiveness of our properties to potential tenants;
- changes in supply of or demand for similar or competing properties in an area;
- bankruptcies, financial difficulties or lease defaults by our tenants;
- changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive or otherwise reduce returns to shareholders;
- changes in operating costs and expenses and our ability to control rents;
- changes in or increased costs of compliance with governmental rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder;
- our ability to provide adequate maintenance and insurance;
- changes in the cost or availability of insurance, including coverage for mold or asbestos;
- unanticipated changes in costs associated with known adverse environmental conditions or retained liabilities for such conditions;
- periods of high interest rates and tight money supply;
- tenant turnover;
- general overbuilding or excess supply in the market; and
- disruptions in the global supply chain caused by political, regulatory or other factors including terrorism.

In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or public perception that any of these events may occur, would result in a general decrease in rents or an increased occurrence of defaults under existing leases, which would adversely affect our financial condition and results of operations. Future terrorist attacks may result in declining economic activity, which could reduce the demand for, and the value of, our properties. To the extent that future attacks impact our tenants, their businesses similarly could be adversely affected, including their ability to continue to honor their existing leases.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

Actions by our competitors may decrease or prevent increases in the occupancy and rental rates of our properties.

We compete with other owners, operators and developers of real estate, some of which own properties similar to ours in the same markets and 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 potential tenants, and we may be pressured to reduce our rental rates below those we currently charge in order to retain tenants when our tenants' leases expire. As a result, our financial condition, cash flows, cash available for distribution, trading price of our common stock and ability to satisfy our debt service obligations could be materially adversely affected.

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A significant portion of our properties have leases that expire in the next three years and we may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our results of operations, cash flows and the value of our common stock.

Our results of operations, cash flows and the value of our common stock would be adversely affected if we are unable to lease, on economically favorable terms, a significant amount of space in our operating properties. As of December 31, 2010, leases with respect to 30.2% of our total annualized rent will expire on or before December 31, 2013. We cannot assure you expiring leases will be renewed or that our properties will be re-leased at base rental rates equal to or above the current average base rental rates. In addition, the number of vacant or partially vacant industrial properties in a market or submarket could adversely affect our ability to re-lease the space at attractive rental rates.

A property that incurs a vacancy could be difficult to sell or re-lease, which could adversely affect our results of operations, cash flows and the value of our common stock.

A property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of one of our leases. In addition, certain of the properties we acquire may have some level of vacancy at the time of closing. Certain of our properties may be specifically suited to the particular needs of a tenant. We may have difficulty obtaining a new tenant for any vacant space we have in our properties. If the vacancy continues for a long period of time, we may suffer reduced revenue resulting in less cash available to be distributed to shareholders. In addition, the resale value of a property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

We may not have funding for future tenant improvements, which could adversely affect our results of operations, cash flows and the value of our common stock.

When a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new tenants, we will be required to expend funds to construct new tenant improvements in the vacated space. Except with respect to our current reserves for capital expenditures, tenant improvements and leasing commissions, we cannot assure you that we will have adequate sources of funding available to us for such purposes in the future.

Bankruptcy laws will limit our remedies if a tenant becomes bankrupt and rejects the lease and we may be unable to collect balances due on our leases.

If a tenant becomes bankrupt or insolvent, that could diminish the income we receive from that tenant's leases. Our tenants may experience downturns in their operating results due to adverse changes to their business or economic conditions, and those tenants that are highly leveraged may have a higher possibility of filing for bankruptcy or insolvency. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be an unsecured prepetition claim subject to statutory limitations, and therefore such amounts received in bankruptcy are likely to be substantially less than the remaining rent we otherwise were owed under the leases. In addition, any claim we have for unpaid past rent could be substantially less than the amount owed. If the lease for such a property is rejected in bankruptcy, our revenue would be reduced and could cause us to reduce distributions to shareholders.

The fact that real estate investments are not as liquid as other types of assets may reduce economic returns to investors.

Real estate investments are not as liquid as other types of investments, and this lack of liquidity may limit our ability to react promptly to changes in economic or other conditions. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investments. In addition, we intend to comply with the safe harbor rules relating to the number of properties that can be disposed of in a year, the tax bases and the costs of improvements made to these properties, and other items that enable a REIT to avoid punitive taxation on the sale of assets. Thus, our ability at any time to sell assets or contribute assets to property funds or other entities in which we have an ownership interest may be restricted. This lack of liquidity may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the market price of, our common stock.

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

We have acquired, and may continue to acquire, properties in markets that are new to us. When we acquire properties located in these markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures.

Uninsured losses relating to real property may adversely affect your returns.

We attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenue in these properties and could potentially remain obligated under any recourse debt associated with the property. Moreover, we, as the indirect general partner of our operating partnership, generally will be liable for all of our operating partnership's unsatisfied recourse obligations, including any obligations incurred by our operating partnership as the general partner of joint ventures. Any such losses could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the market price of, our common stock. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future. We evaluate our insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

Contingent or unknown liabilities could adversely affect our financial condition.

As part of our formation transactions, we will assume existing liabilities of contributed operating companies and liabilities in connection with contributed properties, some of which may be unknown or unquantifiable at the time this offering is consummated. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions beyond the scope of our environmental

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insurance coverage, claims of tenants, vendors or other persons dealing with the entities prior to this offering, tax liabilities, and accrued but unpaid liabilities whether incurred in the ordinary course of business or otherwise. As part of our formation transactions, the owners of our predecessor business have only made limited representations and warranties to us regarding the entities, properties and assets that we will own following our formation transactions that survive for a period of one year and agreed to indemnify us and our operating partnership for breaches of such representations subject to specified deductibles and caps, as applicable. Because many liabilities, including tax liabilities, may not be identified within such period, we may have no recourse against any of the owners of our predecessor business for these liabilities.

In addition, we may in the future acquire properties, or may have previously owned properties, subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based on ownership of any of these entities or properties, then we might have to pay substantial sums to settle it, which could adversely affect our cash flows.

Environmentally hazardous conditions may adversely affect our operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, assets or results of operations and, consequently, amounts available for distribution to our shareholders.

Environmental laws in the United States also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties contain asbestos-containing building materials.

We invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that have contained or currently contain underground storage tanks used to store petroleum products or other hazardous or toxic substances. In addition, certain of our properties are on or are adjacent to or near other properties upon which others, including former owners or tenants of our properties, have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.

From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the cost. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

Preliminary assessments of environmental conditions at a property that meet certain specifications are often referred to as "Phase I environmental site assessments" or "Phase I environmental assessments." They are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. Phase I environmental assessments generally include an historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. In connection with our secured corporate revolving credit facility and STAG GI's recent acquisition activity, 65.4% of the total rentable square feet of our portfolio have Phase I environmental site assessments that are less than 12 months old. Material environmental conditions, liabilities or compliance concerns may arise after the environmental assessment has been completed. Moreover, there can be no assurance that:

- future laws, ordinances or regulations will not impose any material environmental liability; or

- the current environmental condition of our properties will not be affected by tenants, by the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third parties unrelated to us.

Compliance or failure to comply with the Americans with Disabilities Act and other similar regulations could result in substantial costs.

Under the Americans with Disabilities Act of 1990, as amended (the "ADA"), places of public accommodation must meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If we are required to make unanticipated expenditures to comply with the ADA, including removing access barriers, then our cash flows and the amounts available for distributions to our shareholders may be adversely affected. While we believe that our properties are currently in material compliance with these regulatory requirements, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us that will affect our cash flows and results of operations.

One of our properties is subject to a ground lease that exposes us to the loss of such property upon breach or termination of the ground lease and may limit our ability to sell this property.

We own one of our properties through a leasehold interest in the land underlying the building and we may acquire additional buildings in the future that are subject to similar ground leases. As lessee under a ground lease, we are exposed to the possibility of losing the property upon expiration, or an earlier breach by us, of the ground lease, which may have an adverse effect on our business, financial condition and results of operations, our ability to make distributions to our shareholders and the trading price of our common stock.

In the future, our ground leases may contain certain provisions that may limit our ability to sell certain of our properties. In addition, in the future, in order to assign or transfer our rights and obligations under certain of our ground leases, we may be required to obtain the consent of the landlord which, in turn, could adversely impact the price realized from any such sale.

We also own one property that benefits from payment in lieu of tax ("PILOT") programs and to facilitate such tax treatment our ownership in this property is structured as a leasehold interest with the relevant municipality serving as lessor. With respect to such arrangement, we have the right to purchase the fee interest in the property for a nominal purchase price, so the risk factors set forth above for traditional ground leases are mitigated by our ability to convert such leasehold interest to fee interest. In the event of such a conversion of our ownership interest, however, any preferential tax treatment offered by the PILOT program will be lost.

We may be unable to sell a property if or when we decide to do so, including as a result of uncertain market conditions, which could adversely affect the return on your investment.

We expect to hold the various real properties in which we invest until such time as we decide that a sale or other disposition is appropriate given our investment objectives. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. We cannot predict the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will be dependent upon fluctuating market conditions.

Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct such defects or to make such improvements.

We may acquire properties with "lock-out" provisions which may affect our ability to dispose of the properties.

We may acquire properties through contracts that could restrict our ability to dispose of the property for a period of time. These "lock-out" provisions could affect our ability to turn our investments into cash and could affect cash available for distributions to you. Lock-out provisions could also impair our ability to take actions during the lock-out period that would otherwise be in the best interest of our shareholders and, therefore, may have an adverse impact on the value of our common stock relative to the value that would result if the lock-out provisions did not exist.

If we sell properties and provide financing to purchasers, defaults by the purchasers would adversely affect our cash flows.

If we decide to sell any of our properties, we presently intend to use our best efforts to sell them for cash. However, in some instances we may sell our properties by providing financing to purchasers. If we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash distributions to shareholders and result in litigation and related expenses.

Even in the absence of a purchaser default, the distribution of the proceeds of sales to our shareholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon a sale are actually paid, sold, refinanced or otherwise disposed of.

Risks Related to Our Debt Financings

Our operating results and financial condition could be adversely affected if we are unable to make required payments on our debt.

Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and we are subject to risks normally associated with debt financing, including the risk that our cash flows will be insufficient to meet required payments of principal and interest. There can be no assurance that we will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable as the terms of the maturing indebtedness or that we will be able to otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

In particular, loans obtained to fund property acquisitions will generally be secured by first mortgages on such properties. If we are unable to make our debt service payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment, which in turn could cause the value of our common stock and distributions payable to shareholders to be reduced. Certain of our existing and future indebtedness is and may be cross-collateralized and, consequently, a default on this indebtedness could cause us to lose part or all of our investment in multiple properties. See "Policies With Respect to Certain Activities Financing Policies."

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to make distributions to our shareholders.

As of December 31, 2010, we had total pro forma outstanding debt of approximately $213.9 million, and we expect that we will incur additional indebtedness in the future. Interest we pay reduces our cash available for distributions. We have entered into interest rate swaps to mitigate the risk of increasing interest rates for our $109.8 million in variable rate debt. Since we have incurred and may continue to incur variable rate debt, increases in interest rates raise our interest costs, which reduces our cash flows and our ability to make distributions to you. If we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected, and we may lose the property securing such indebtedness. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments.

Covenants in our mortgage loans and any future credit facility could limit our flexibility and adversely affect our financial condition or our status as a REIT.

The terms of our mortgage loans require us to comply with loan-to-collateral-value ratios, debt service coverage ratios and, in the case of an event of default, limitations on the ability of our subsidiaries that are borrowers under our mortgage loans to make distributions to us or our other subsidiaries. We have executed a loan agreement with several financial institutions establishing a $100 million secured corporate revolving credit facility (subject to increase to $200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from

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STAG GI that currently has $30.4 million of borrowing capacity and a commitment letter for an additional $65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all. Any facility we obtain will likely include a number of additional customary financial and other covenants. Any of our existing loan covenants or future credit facility covenants may limit our flexibility in our operations and prevent us from making distributions to our shareholders, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we have satisfied our payment obligations.

As of December 31, 2010, we had certain secured loans that are cross-collateralized by multiple properties. If we default on any of these loans we may then be required to repay such indebtedness, together with applicable prepayment charges, to avoid foreclosure on all cross-collateralized properties within the applicable pool. Moreover, any future corporate credit facility of ours may contain certain cross-default provisions which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure the facility in addition to any mortgage or other debt that is in default. If our properties were foreclosed upon, or if we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected.

We are a holding company and conduct all of our operations through our operating partnership. We do not have, apart from our ownership of 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 our common stock. We will also rely on distributions from our operating partnership to meet our debt service and other obligations, including our obligations to make distributions required to maintain our REIT status. The ability of subsidiaries of our operating partnership to make distributions to the operating partnership, and the ability of our operating partnership to make distributions to us in turn, will depend on their operating results and on the terms of any loans that encumber the properties owned by them. Such loans may contain lockbox arrangements, reserve requirements, financial covenants and other provisions that restrict the distribution of funds. In the event of a default under these loans, the defaulting subsidiary would be prohibited from distributing cash. For example, our subsidiaries are party to mortgage loans that prohibit, in the event of default, their distribution of any cash to a related party, including our operating partnership. As a result, a default under any of these loans by the borrower subsidiaries could cause us to have insufficient cash to make distributions on our common stock required to maintain our REIT status.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions.

Some of our financing arrangements require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the rate of return to shareholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

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High mortgage rates may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire 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. In addition, we run the risk of being unable to refinance mortgage debt when the loans come due or of being unable to refinance such debt on favorable terms. If interest rates are higher when we refinance such debt, our income could be reduced. We may be unable to refinance such debt at appropriate times, which may require us to sell properties on terms that are not advantageous to us or could result in the foreclosure of such properties. If any of these events occur, our cash flows would be reduced. This, in turn, would reduce cash available for distribution to you and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Our hedging strategies may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on your investment.

We use various derivative financial instruments to provide a level of protection against interest rate risks, but no hedging strategy can protect us completely. These instruments involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such agreements are not legally enforceable. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the 75% or 95% REIT income tests. In addition, the nature and timing of hedging transactions may influence the effectiveness of our hedging strategies. Poorly designed strategies or improperly executed transactions could actually increase our risk and losses. Moreover, hedging strategies involve transaction and other costs. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging transactions will not result in losses that may reduce the overall return on your investment.

Risks Related to this Offering

The purchase price per share of our common stock may not accurately reflect the future value of our company.

The purchase price per share of our common stock offered pursuant to this prospectus reflects the result of negotiations between us and the representatives of the underwriters. The purchase price may not accurately reflect the future value of our company, and the offering price may not be realized upon any subsequent disposition of the shares.

Future offerings of debt securities, which would rank senior to our common stock upon liquidation, and future offerings of equity securities, which would dilute our existing shareholders and may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, senior or subordinated notes and series of preferred stock or common stock. Upon liquidation, holders of our debt securities and shares of preferred stock, if any, and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common stock, or both. Preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments or both that could limit our ability to make a dividend distribution to the holders of our common stock. Because our decision to issue 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 our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

The number of shares of our common stock available for future sale, including by our affiliates and other continuing investors, could adversely affect the market price of our common stock, and future sales by us of shares of our common stock may be dilutive to existing shareholders.

Sales of substantial amounts of shares of our common stock in the public market, or upon exchange of common units or exercise of any options, or the perception that such sales might occur could adversely affect the market price of our common stock. The exchange of common units for common stock, the exercise of any stock options or the vesting of any restricted stock granted under our 2011 Equity Incentive Plan, the issuance of our common stock or common units in connection with property, portfolio or business acquisitions and other issuances of our common stock or common units could have an adverse effect on the market price of the shares of our common stock. Also, continuing investors that will hold 7,590,000 common units on a pro forma basis are parties to an agreement that provides for registration rights. The exercise of these registration rights could depress the price of our common stock. The existence of shares of our common stock reserved for issuance as restricted shares or upon exchange of options or common units may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future sales by us of our common stock may be dilutive to existing shareholders.

Lock-up agreements may not limit the number of shares of common stock that will be available for sale into the market, which could reduce the market price for our common stock.

Our executive officers and our directors and the owners of the management company, Fund III, Fund IV and STAG GI have entered into lock-up agreements that, subject to exceptions, prohibit them from selling, pledging, transferring or otherwise disposing of our common stock or securities convertible into our common stock for a period of 12 months after the date of this prospectus. The representatives of the underwriters may, in their discretion, release all or any portion of the common stock subject to the lock-up agreements with our directors and officers and the owners of the management company, Fund III, Fund IV and STAG GI at any time without notice or shareholder approval. If the restrictions under the lock-up agreements are waived or terminated, up to approximately 7,790,441 shares of common stock, including securities convertible into our common stock, will be available for sale into the market, subject only to applicable securities rules and regulations and, in some cases, vesting requirements, which could reduce the market price for our common stock.

There are no established trading markets for our common stock and broad market fluctuations could negatively impact the market price of our stock.

Currently, there is no established trading market for our common stock. Our shares of common stock have been approved for listing on the New York Stock Exchange ("NYSE"), subject to official notice of issuance, under the symbol "STIR." We cannot assure you that an active trading market for our common stock will develop after the offering or if one does develop, that it will be sustained.

Even if an active trading market develops, the market price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines, you may be unable to resell your shares at or above the initial public offering price. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some of the factors that could affect our stock price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results;
- changes in our operations or earnings estimates or publication of research reports about us or the industry;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional shareholders;
- speculation in the press or investment community; and
- general market and economic conditions.

In addition, the stock market has experienced price and volume fluctuations that have affected the market prices of many companies in industries similar or related to ours and may have been unrelated to operating performances of these companies. These broad market fluctuations could reduce the market price of our common stock.

Differences between the book value of the assets to be acquired in our formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock.

As of December 31, 2010, the pro forma net tangible book value of the assets to be acquired by us in our formation transactions was approximately $105.7 million, or $4.95 per share of our common stock held by our continuing investors, assuming the exchange of common units for shares of our common stock on a one-for-one basis. As a result, the pro forma net tangible book value per share of our common stock after the consummation of our formation transactions and this offering will be less than the initial public offering price. The purchasers of our common stock offered hereby will experience immediate and substantial dilution of $11.05 per share in the pro forma net tangible book value per share of our common stock.

Increases in market interest rates may result in a decrease of the value of our common stock.

One of the factors that will influence the price of our common stock will be the dividend yield on our common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield and, if we are unable to pay such yield, the market price of our common stock could decrease.

The market price of our common stock could be adversely affected by our level of cash dividends.

The market value of the equity securities of a REIT is based primarily upon the market's perception of the REIT's growth potential and its current and potential future cash distributions, whether from operations, sales or refinancings, and is secondarily based upon the real estate market value of the underlying assets. For that reason, our common stock may trade at prices that are higher or lower than our net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common stock. Our failure to meet the market's expectations with regard to future earnings and cash distributions likely would adversely affect the market price of our common stock.

STAG Predecessor Group has experienced historical net losses and accumulated deficits after depreciation and amortization and we may experience future losses.

STAG Predecessor Group had historical net losses of $2.9 million, $5.6 million and $7.7 million for the years ended December 31, 2010, 2009 and 2008, respectively. STAG Predecessor Group had historical accumulated deficits after effects of depreciation and amortization of $8.3 million and $1.5 million as of December 31, 2010 and December 31, 2009, respectively. There can be no assurance that we will not continue to incur net losses in the future, which could adversely affect our ability to service our indebtedness and our ability to pay dividends or make distributions, any of which could adversely affect the trading price of our common stock.

We will become subject to financial reporting and other requirements for which our accounting, internal audit and other management systems and resources may not be adequately prepared and we may not be able to accurately report our financial results.

Following this offering, we will become subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the requirements of Section 404 of the Sarbanes-Oxley Act. Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm addressing these assessments. These reporting and other obligations will place significant demands on our management, administrative, operational, internal audit and accounting resources and will cause us to incur significant expenses. We may need to upgrade our systems or create new systems; implement additional financial and management controls, reporting systems and procedures; expand our internal audit function; and hire additional accounting, internal audit and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on our business, operating results and stock price.

U.S. Federal Income Tax Risks

Failure to qualify as a REIT would reduce our net earnings available for investment or distribution.

Our qualification as a REIT will depend upon our ability to meet requirements regarding our organization and ownership, distributions of our income, the nature and diversification of our income and assets and other tests imposed by the Code. If we fail to qualify as a REIT for any taxable year after electing REIT status, we will be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to shareholders because of the additional tax liability. In addition, dividends to shareholders would no longer qualify for the dividends-paid deduction and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax. For a discussion of the REIT qualification tests and other considerations relating to our election to be taxed as REIT, see "U.S. Federal Income Tax Considerations."

Our shareholders may have current tax liability on distributions they elect to reinvest in our common stock.

In the future, we may institute a dividend reinvestment plan, which would allow our shareholders to acquire additional shares of common stock by automatically reinvesting their cash dividends. If our shareholders participate in a dividend reinvestment plan, they will be deemed to have received, and for income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. In addition, our shareholders will be treated for tax purposes as having received an additional distribution to the extent the shares are purchased at a discount to fair market value. As a result, unless a shareholder is a tax-exempt entity, it may have to use funds from other sources to pay its tax liability on the value of the shares of common stock received.

Even if we qualify as a REIT for U.S. federal income tax purposes, we may be subject to other tax liabilities that reduce our cash flow and our ability to make distributions to our shareholders.

Even if we qualify as a REIT for U.S. federal income tax purposes, we may be subject to some U.S. federal, state and local taxes on our income or property. For example:

- In order to qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income to our shareholders (which is determined without regard to the dividends-paid deduction or net capital gain). To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on the undistributed income.

- We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay 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.

- If we have net income from the sale of foreclosure property that we hold primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we must pay a tax on that income at the highest corporate income tax rate.

- If we sell an asset, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% "prohibited transaction" tax unless such sale were made by our taxable REIT subsidiary ("TRS") or if we qualify for a safe harbor from tax.

We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

REIT distribution requirements could adversely affect our ability to execute our business plan.

From time to time, we may generate taxable income greater than our income for financial reporting purposes, or our taxable income may be greater than our cash flow available for distribution to shareholders (for example, where a borrower defers the payment of interest in cash pursuant to a contractual right or otherwise). If we do not have other funds available in these situations we could be required to borrow funds, sell investments at disadvantageous prices or find another alternative source of funds to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce the value of our equity. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

To maintain our REIT status, we may be forced to forego otherwise attractive opportunities, which may delay or hinder our ability to meet our investment objectives and reduce our shareholders' overall return.

To qualify as a REIT, we must satisfy certain tests on an ongoing basis concerning, among other things, the sources of our income, nature of our assets and the amounts we distribute to our shareholders. We may be required to make distributions to shareholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for distribution. Compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits and the value of our shareholders' investment.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status.

We expect to purchase real properties and lease them back to the sellers of such properties. While we will use commercially reasonable efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes, we cannot assure you that the Internal Revenue Service ("IRS") will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests" or "income tests" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

The "taxable mortgage pool" rules may increase the taxes that we or our shareholders incur and may limit the manner in which we conduct securitizations.

We may be deemed to be, or make investments in entities that own or are themselves deemed to be, taxable mortgage pools. Similarly, certain of our securitizations or other borrowings could be considered to result in the creation of a taxable mortgage pool for U.S. federal income tax purposes. As a REIT, provided that we own 100% of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. Certain categories of shareholders, however, such as foreign shareholders eligible for treaty or other benefits, shareholders with net operating losses, and certain tax-exempt shareholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. In addition, to the extent that our stock is owned by tax-exempt "disqualified organizations," such as certain government-related entities that are not subject to tax on unrelated business income, we will incur a corporate-level tax on a portion of our income from the taxable mortgage pool. In that case, we are authorized to reduce and intend to reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax by the amount of such tax paid by us that is attributable to such shareholder's ownership. Moreover, we would be precluded from selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for U.S. federal income tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

We may be subject to adverse legislative or regulatory tax changes affecting REITs that could have a negative effect on us.

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, with or without retroactive application, could adversely affect our shareholders or us. We cannot predict how changes in the tax laws might affect our shareholders 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.

Our formation transactions may be treated other than as a tax-free transaction for federal income tax purposes and our contributors could be required to recognize taxable gain.

As a result of our formation transactions described above, the contributors expect to defer approximately $41.4 million of taxable income and taxable gain. The contribution transactions are expected to be tax free, in whole or in part, to us, our operating partnership and the contributors. Our operating partnership will have a carryover tax basis in the assets of the limited liability companies acquired by us by contribution such that our basis will be the same as the basis immediately before our formation transactions, adjusted upward by the gain, if any, recognized by the contributors. As a result of the contributions, we will have substantial built-in taxable income in our assets immediately after our formation transactions.

We intend to take the position that each of the contributions of the interests in the limited liability companies qualify as a tax-free transaction, in whole or in part, under the Code. To the extent any of these contributions does not so qualify, then the contribution would be treated as a taxable asset sale in which the contributors would be required to recognize taxable gain. If the contribution is treated as a taxable event, our adjusted tax basis in the assets of the limited liability companies is expected to equal the then fair market value of the consideration paid for such assets.

ERISA Risks

If you fail to meet the fiduciary and other standards under ERISA or the Code as a result of an investment in our common stock, you could be subject to criminal and civil penalties

Fiduciaries of employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") should take into account their fiduciary responsibilities in connection with a decision to invest in our common stock. If such fiduciaries breach their responsibilities, including (among other things) the responsibility to act prudently, to diversify the plan's assets, and to follow plan documents and investment policies, they may be held liable for plan losses and may be subject to civil or criminal penalties and excise taxes. Similar consequences may result if a plan's investment in shares of our stock constitutes a so-called "prohibited transaction" under ERISA. Plans or arrangements that are not subject to ERISA, such as individual retirement accounts, may be subject to Section 4975 of the Code, which contains similar prohibited transaction rules.

Although it is intended that our underlying assets and our operating partnership's underlying assets will not constitute "plan assets" of ERISA plans within the meaning of Department of Labor regulations and Section 3(42) of ERISA, there can be no assurance in this regard. If our assets or our operating partnership's assets constitute plan assets under ERISA, certain transactions in which we might normally engage could constitute prohibited transactions under ERISA or the Code. If our assets or our operating partnership's assets are plan assets, our managers may be fiduciaries under ERISA.

Governmental employee benefit plans and certain church plans are exempt from ERISA, but these plans may be subject to federal, state or local laws that are similar to the ERISA laws and regulations discussed above.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this prospectus that are forward-looking statements, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the factors included in this prospectus, including those set forth under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business;"
- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- decreased rental rates or increasing vacancy rates;
- potential defaults on or non-renewal of leases by tenants;
- potential bankruptcy or insolvency of tenants;
- acquisition risks, including failure of such acquisitions to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- potential natural disasters such as hurricanes;
- national, international, regional and local economic conditions;
- the general level of interest rates;
- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or REIT tax laws, and potential increases in real property tax rates;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on

attractive terms or at all;

lack of or insufficient amounts of insurance;

our ability to qualify and maintain our qualification as a REIT;

litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and

possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Market data and industry forecasts and projections used in this prospectus have been obtained from CBRE-EA or other independent industry sources. Forecasts, projections and other forward-looking information obtained from CBRE-EA or other sources are subject to similar qualifications and uncertainties as other forward-looking statements in this prospectus.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately $199.1 million (or approximately $229.8 million if the underwriters exercise their overallotment option in full), in each case assuming a public offering price of $16.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions of approximately $14.9 million (or approximately $17.1 million if the underwriters exercise their overallotment option in full) and estimated organizational and offering expenses of approximately $6.1 million payable by us. We will contribute the net proceeds of this offering to our operating partnership in exchange for common units in our operating partnership.

We expect our operating partnership will use the net proceeds as follows:

- approximately $185.3 million (including principal and related accrued interest) to repay mortgage debt secured by certain of the properties we will acquire in our formation transactions, including approximately $5.4 million secured by the Option Properties (common units to be issued to Fund III in our formation transactions will be reduced accordingly), which bears interest at a weighted average rate of 4.4% per annum and has a weighted average remaining years to maturity of 1.72 years;

- approximately $4.4 million (including principal and related accrued interest) to repay the loan dated January 31, 2009 from an affiliate of NED to the Fund III subsidiaries that will be contributed to us in our formation transactions, which bears interest at LIBOR plus 12.50% per annum and is scheduled to mature on January 31, 2012;

- approximately $3.0 million (including principal and related accrued interest) to repay the loan originally drawn on May 15, 2007 from Fund III to the management company, of which $312,600 was advanced to the management company in the past 12 months for payment of general corporate expenses (including salaries, office rent, interest on corporate debt, etc.), which bears interest at 9.0% per annum and has no stated maturity date;

- approximately $2.5 million for general corporate purposes including acquisitions of real estate assets;

- approximately $1.0 million to terminate a portion of an interest rate swap due to the retirement of mortgage debt;

- approximately $1.2 million to repay expenditures associated with the retirement of indebtedness and the attainment of lender consents on existing indebtedness (including financing fees, related legal fees, and contingent waiver fees), and fees associated with the revolving credit facility;

- approximately $1.0 million (including principal and related accrued interest) to repay the line of credit dated May 15, 2007 from an affiliate of NED to the management company, which bears interest at 13.0% per annum and is scheduled to mature on December 31, 2011;

- approximately $0.5 million to pay transfer taxes associated with the contribution of our properties to us; and

- approximately $0.2 million to post as escrows for our mortgage debt.

If the underwriters exercise their overallotment option in full, we expect to use the additional $30.8 million of net proceeds for general corporate purposes, including acquisitions of real estate assets.

The debt repayments described above are estimated based on principal and related accrued interest outstanding as of December 31, 2010. The actual amounts of the debt repayments will depend on the principal and related accrued interest outstanding at the time of payment and may be greater

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than or less than our estimates above. In addition, the debt repayments described above assume that 13,750,000 shares are sold by us at $16.00 per share, the midpoint of the range set forth on the front cover of this prospectus, raising net proceeds of approximately $199.1 million. If our actual net proceeds from this offering are less than our anticipated net proceeds, we would decrease the amount of outstanding borrowings we would repay under our Anglo Master Loan (Fund III).

Pending application of cash proceeds, we intend to invest the net proceeds temporarily in interest-bearing, short-term investment-grade securities, money-market accounts or checking accounts, which are consistent with our intention to qualify for taxation as a REIT. Such investments may include, for example, government and government agency certificates, certificates of deposit, interest-bearing bank deposits and mortgage loan participations. These initial investments are expected to provide a lower net return than we will seek to achieve from investments in our properties.

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DISTRIBUTION POLICY

We intend to elect and qualify to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2011. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains. We will not be required to make distributions with respect to income derived from the activities conducted through STAG Industrial TRS, LLC (our "TRS") that is not distributed to us. Our TRS is the entity through which we will provide any third-party management and advisory services, potentially including management services provided to Fund II, Fund III and Fund IV, unless such services can be provided without jeopardizing our REIT status. To the extent our TRS's income is not distributed and is instead reinvested with the operations of our TRS, the value of our equity interest in our TRS will increase. The aggregate value of the securities that we hold in our TRS may not exceed 25% of the total value of our gross assets. In part because of restrictions applicable to us as a REIT, distributions from our TRS to us will not exceed 25% of our gross income with respect to any given taxable year.

We are a newly formed company that has not commenced operations and, as a result, we have not paid distributions as of the date of this prospectus. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our taxable income to holders of our common stock out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of $0.256 per share for a full quarter. On an annualized basis, this would be $1.024 per share, or an annual distribution rate of approximately 6.4%, based on the midpoint of the range set forth on the cover page of this prospectus. We estimate that this initial annual distribution rate will represent approximately 93.7% of estimated cash available for distribution to our common shareholders for the 12 months ending December 31, 2011. Our intended initial annual distribution rate has been established based on our estimate of cash available for distribution for the 12 months ending December 31, 2011, which we have calculated based on adjustments to our pro forma net income for the 12 months ended December 31, 2010 (after giving effect to the offering and the formation transactions). This estimate was based on our pro forma operating results and does not take into account our growth strategy, nor does it take into account any unanticipated expenditures we may have to make or any debt we may have to incur. In estimating our cash available for distribution for the 12 months ending December 31, 2011, we have made certain assumptions as reflected in the table and footnotes below.

Our estimate of cash available for distribution does not include the effect of any changes in our working capital. Our estimate also does not reflect the amount of cash estimated to be used for investing activities for acquisition and other activities, other than a reserve for recurring capital expenditures and current contractual tenant improvement or leasing commission costs to be incurred in the 12 months ending December 31, 2011 related to any new leases or lease renewals entered into as of April 3, 2011. It also does not reflect the amount of cash estimated to be used for financing activities, other than scheduled debt principal payments on mortgage and other indebtedness that will be outstanding upon completion of this offering. Any such investing and/or financing activities may have a material effect on our estimate of cash available for distribution. Because we have made the assumptions set forth above in estimating cash available for distribution, we do not intend this estimate to be a projection or forecast of our actual results of operations or our liquidity, and we have estimated cash available for distribution for the sole purpose of determining the amount of our initial annual distribution rate. Our estimate of cash available for distribution should not be considered as an alternative to cash flow from operating activities (computed in accordance with GAAP). In addition,

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DISTRIBUTION POLICY

the methodology upon which we made the adjustments described below is not necessarily intended to be a basis for determining future dividends or other distributions.

We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. Any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification and the applicable provisions of the MGCL and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and we may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make distributions. We have no intention to use the net proceeds from this offering to make distributions nor do we intend to make distributions using shares of common stock. We cannot assure you that our distribution policy will not change in the future. Actual distributions may be significantly different from the expected distributions. For more information regarding risk factors that could materially adversely affect our earnings and financial condition, please see "Risk Factors."

We anticipate that, at least initially, our distributions will exceed our then current and accumulated earnings and profits as determined for U.S. federal income tax purposes due to non-cash expenses, primarily depreciation and amortization charges that we expect to incur. Therefore, a portion of these distributions may represent a return of capital for federal income tax purposes. Distributions in excess of our current and accumulated earnings and profits will not be taxable to a taxable U.S. shareholder under current U.S. federal income tax law to the extent those distributions do not exceed the shareholder's adjusted tax basis in his or her common stock, but rather will reduce the adjusted basis of the common stock. Therefore, the gain (or loss) recognized on the sale of that common stock or upon our liquidation will be increased (or decreased) accordingly. To the extent those distributions exceed a taxable U.S. shareholder's adjusted tax basis in his or her common stock, they generally will be treated as a capital gain realized from the taxable disposition of those shares. We expect that approximately 56% of our estimated initial dividend will represent a return of capital for the tax period ending December 31, 2011. The percentage of our shareholder distributions that exceeds our current and accumulated earnings and profits may vary substantially from year to year. For a more complete discussion of the tax treatment of distributions to holders of our common stock, see "U.S. Federal Income Tax Considerations."

The following table describes our pro forma net income before non-controlling interest for the year ended December 31, 2010, and the adjustments we have made thereto in order to estimate our initial cash available for distribution to the holders or our common stock for the year ending December 31, 2011 (dollars in thousands, except per share data). The table reflects our condensed consolidated information, including common units in our operating partnership. Each common unit in

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DISTRIBUTION POLICY

our operating partnership may be redeemed for cash, or at our option, one share of our common stock, beginning 12 months after completion of this offering.

Pro forma net income before non-controlling interest for the 12 months ended December 31, 2010	$ 1,831
Add: Pro forma real estate depreciation and amortization	26,845
Add: Amortization of deferred financing costs	433
Less: Net effects of straight-line rents and amortization of acquired above/below market lease intangibles	(519)
Add: Non-cash compensation expense	799
Less: Gain on interest rate swaps	(33)
Pro forma cash flows provided by operations for the 12 months ended December 31, 2010	29,356