

NETREIT, INC. ANNOUNCES THIRD QUARTER 2016 RESULTS

Escondido, CA – November 2016 – When NetREIT was initially designed, many factors came into play and two of the most important were which liquidity path would be best for the company and in what time frame could that path most likely be achieved? While the intended time frame may have gone beyond our intended timeline, our objective to still seek liquidity remains clear. During the third quarter, NetREIT, Inc. continued to follow its business plan and remains dedicated to seeking a successful outcome for all stockholders. Here are some highlights from the third quarter.

Total Portfolio:

As of September 30, 2016, the Company's portfolio includes:

- Seventeen (17) office buildings and two industrial properties ("Office/Industrial Properties") which total approximately 1,500,000 rentable square feet; and
- Six (6) retail shopping centers ("Retail Properties") which total approximately 236,000 rentable square feet.

Leasing:

During the quarter ended September 30, 2016, we signed 26 leases (9 new leases and 17 renewals) for a total of 91,450 square feet of comparable space leases, at an average rental rate increase of 6.7% on a cash basis and an average rental increase of 10.2% on a straight-line basis. Year to date, we've completed eighty-six (86) leasing and renewal transactions totaling over 338,000 square feet.

Sales:

We review our portfolio of investment properties for value appreciation potential on an on-going basis, and dispose of any properties that no longer satisfy our requirements in this regard. The proceeds from any such property sale, after repayment of any associated mortgage, are available

for investing in properties that we believe will have a much greater likelihood of future price appreciation. As such, on July 15, 2016, the Company sold the Havana Parker Complex for approximately \$3.3 million and recognized a gain of approximately \$668,000. On June 7, 2016, the Company sold a parcel of land and its building at the Yucca Valley Retail Center for approximately \$1.3 million and recognized a gain of approximately \$831,000.

Revenues:

Total revenue was \$7.9 million for the three (3) months ended September 30, 2016 compared to \$6.1 million for the same period in 2015, an increase of \$1.8 million or 29.5 %. The increase in rental income as reported for the three month period in 2016 as compared to 2015 is due to a net increase in industrial and office properties rental income of \$1.6 million as a result of the six property acquisitions made during the third and fourth quarters of 2015. The remaining increase is due to an increase in same store occupancy and rental rate increases. Same store occupancy was at 91.4% as of September 30, 2016.

Total revenue was \$24.1 million for the nine (9) months ended September 30, 2016 compared to \$17.1 million for the same period in 2015, an increase of \$7.0 million or 40.9 %. The increase in rental income as reported for the nine month period in 2016 as compared to 2015 primarily reflects a net increase in industrial and office properties rental income of \$5.5 million as a result of the six property acquisitions made during the third and fourth quarters in 2015, a net increase in rental income due to an early lease termination fee totaling \$376,000, and a net increase in rental income related to same store properties of \$1.2 million as a result of increases in rental rates and occupancy.