

## NETREIT, INC. ANNOUNCES FIRST QUARTER 2017 RESULTS

**Escondido, CA – May 2017** – The first quarter of 2017 proved to be a productive quarter for NetREIT, Inc. The Company continues to review the portfolio of investment properties for value appreciation potential on an ongoing 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. Following our objectives and business plan for 2017, the Company continued with the sale of two commercial assets (Rangewood Medical Building and Regatta Square), the sale of two model homes, and finished with a strong quarter of leasing. Below are some details of this activity from the first quarter:

### Dispositions

- On February 27, 2017, the Company sold the Rangewood Medical Building for approximately \$2.2 million;
- On March 31, 2017, the Company sold the Regatta Square Retail Center for approximately \$3.0 million;
- During the three months ended March 31, 2017 the Company disposed of two Model Homes for approximately \$815,000.

The Company recognized net gains from the sales of real estate of \$541,000 due to the sales of these four assets.

### Acquisitions

- The Company did not acquire any properties during the three months ended March 31, 2017.

### Leasing

- During the first quarter, the Company signed 18 comparable leases (6 new leases and 12

renewals) for a total of 52,308 square feet of comparable space leases, at an average rental rate increase of 2.1% on a cash basis and average rental increase of 3.3% on a straight-line basis. Six new office leases for comparable spaces were signed for 7,924 square feet at an average rental rate increase of 11.6% on a cash basis and an average rental rate increase of 17.4% on a straight-line basis. Renewals for comparable offices spaces were signed for 44,384 square feet at an average rental rate increase of 0.6% on a cash basis and an increase of 1.1% on a straight-line basis.

### Revenues

- Total revenue was \$8.2 million for the three months ended March 31, 2017 compared to \$8.5 million for the same period in 2016. The decrease in rental income as compared to first quarter 2016 is attributable to an early termination fee of \$376,000 which was offset by an increase of \$90,000 in model homes transaction fees recognized during 2017;
- Same store occupancy was at 90.9% and 87.8% as of March 31, 2017 and 2016 respectively.

### Total Portfolio

- As of March 31, 2017, the Company owned or had equity interest in 15 multi-tenant office properties, two industrial properties, one medical building, and five retail shopping centers, which total approximately 1,712,000 rentable square feet and 106 Model Homes through four affiliated limited partnerships and one limited liability company.