

# Nontraded REIT Industry Review: First Quarter 2015

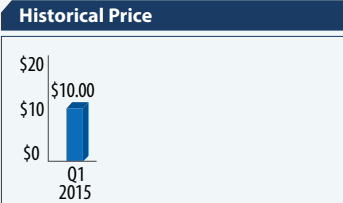
## Lightstone Value Plus Real Estate Investment Trust III, Inc.

|                          |                |
|--------------------------|----------------|
| Total Assets.....        | \$14.0 Million |
| Real Estate Assets ..... | \$10.8 Million |
| Cash .....               | \$2.7 Million  |
| Securities .....         | \$0.0 Million  |
| Other .....              | \$0.4 Million  |



Initial Offering Date: ..... July 16, 2014  
 Offering Status..... Initial  
 Number of Months Fundraising: ..... 7  
 Anticipated Offering Close Date: ..... July 17, 2016  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 19.6%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 1  
 Square Feet / Units / Rooms / Acres: ..... 120 Rooms  
 Percent Leased: ..... 72%  
 Weighted Average Lease Term Remaining: ..... Not Applicable  
 LifeStage: ..... Emerging  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 528,564

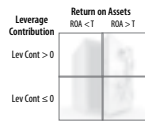


**Contact Information**

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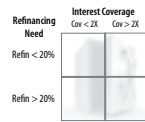
**Performance Profiles**

**Operating Performance**



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics.

**Financing Outlook**



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful interest coverage ratios. REITs in the Emerging LifeStage often rely on short-term financing with variable rates which will later be refinanced with longer maturity debt.

**Cumulative MFFO Payout**

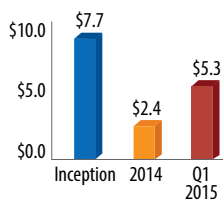


For this Emerging LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios. REITs in the Emerging LifeStage may fund a portion of cash distributions in the first year of operations from offering proceeds until MFFO is sufficient to fund them.

**Summary**

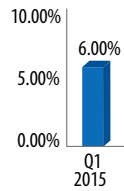
As a REIT with less than five quarters of operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 1Q 2016 the profiles will begin to show meaningful results.

**Gross Dollars Raised\***

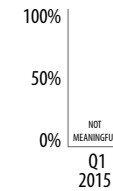


\*Includes reinvested distributions (in millions)

**Historical Distribution**

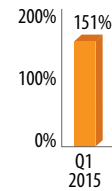


**Historical FFO Payout Ratio**



2015 YTD Dist. Paid: ..... \$50,539  
 2015 YTD FFO: ..... (\$159,163)

**Historical MFFO Payout Ratio**



2015 YTD Dist. Paid: ..... \$50,539  
 2015 YTD MFFO: ..... \$33,407  
 BVP Adjusted MFFO - see notes

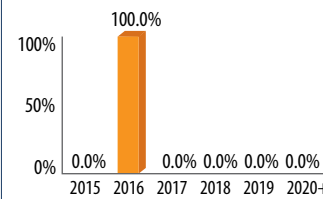
**Redemptions**



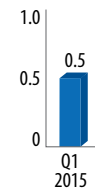
**Debt Breakdown**

Debt to Total Assets Ratio: ..... 50.1%  
 Total: ..... \$7.0 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$7.0 Million  
 Avg. Wtd. Rate: ..... 6.30%  
 Loan Term: ..... 1 yr

**Debt Repayment Schedule**



**Interest Coverage Ratio**



**Source of Distributions, Trends and Items of Note**

- On February 4, 2015, the Company completed the acquisition of a 120-room select service hotel located in Des Moines, Iowa from an unrelated third party, for an aggregate purchase price of approximately \$10.9 million less adjustments, paid in cash, excluding closing and other related transaction costs.
- On May 15, 2015 the Company completed the acquisition of a 146-room select service hotel in Durham, North Carolina for approximately \$16.0 million, excluding closing costs.
- On May 13, 2015, the Board of Directors authorized and the Company declared a distribution for each month during the three-month period ending September 30, 2015. The distribution will be calculated based on shareholders of record each day during this three-month period at a rate of \$0.00164383 per day, and will equal a daily amount that, if paid each day for a 365-day period, would equal a 6.0% annualized rate based on a share price of \$10.00 payable on by the 15th day following each month end to stockholders of record at the close of business each day during the prior month.
- This REIT has limited trend data due to the fact it began operations in 4Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- As of April 15, 2015, the total distribution for the three-month period ending March 31, 2015 of approximately \$87,526 was paid from offering proceeds and DRIP proceeds. Cash flows used by operations on a GAAP basis were \$106,309 for the three-month period ended March 31, 2015.