



STAG INDUSTRIAL ANNOUNCES ACQUISITION, DISPOSITION AND LEASING ACTIVITY FOR THE THIRD QUARTER OF 2016

Boston, MA - October 13, 2016 - STAG Industrial, Inc. (the "Company") (NYSE:STAG), a real estate investment trust (REIT) focused on the acquisition and operation of single-tenant, industrial properties throughout the United States, today announced its acquisition, disposition and leasing activity for the third quarter of 2016.

Acquisition & Disposition Activity

For the three months ended September 30, 2016, the Company acquired 13 buildings for \$166.0 million with an Occupancy Rate of 100% upon acquisition. The chart below details the acquisition activity for the quarter:

THIRD QUARTER 2016 ACQUISITION ACTIVITY

Location (CBSA)	Date Acquired	Square Feet	Buildings	Purchase Price (\$MM)	Weighted Average Lease Term (Years)	Capitalization Rate
Columbia, SC	7/11/2016	185,600	1	\$7.3	10.0	
Augusta-Richmond County, GA-SC	7/11/2016	450,000	1	15.7	3.5	
Greenville-Anderson-Mauldin, SC	7/11/2016	168,087	1	7.0	3.2	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8/11/2016	217,000	2	11.2	2.1	
Detroit-Warren-Dearborn, MI	8/12/2016	268,000	1	18.7	9.2	
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8/18/2016	485,987	1	27.5	15.0	
Worcester, MA-CT	9/12/2016	121,700	1	7.9	4.3	
Dallas-Fort Worth-Arlington, TX	9/22/2016	420,000	1	19.1	3.0	
Atlanta-Sandy Springs-Roswell, GA	9/22/2016	799,200	2	24.9	3.1	
Charlotte-Concord-Gastonia, NC-SC	9/29/2016	315,520	1	9.9	1.8	
Augusta-Waterville, ME	9/30/2016	265,000	1	16.8	14.8	
Total / weighted average		3,696,094	13	\$166.0	6.2	7.9%

The chart below details the 2016 acquisition activity and pipeline through October 13, 2016:

2016 ACQUISITION ACTIVITY & PIPELINE DETAIL

	Square Feet	Buildings	Purchase Price (\$MM)	Weighted Average Lease Term (Years)	Capitalization Rate
Q1	710,754	5	\$27.9	4.3	8.5%
Q2	1,389,639	5	58.2	6.6	7.9%
Q3	3,696,094	13	166.0	6.2	7.9%
2016 closed acquisitions	5,796,487	23	\$252.1	6.1	8.0%
As of October 13, 2016 ⁽¹⁾					
Under contract and non-binding Letter of Intent ("LOI")	4,138,416	23	\$200.1		
Total under contract & LOI	4,138,416	23	\$200.1		
Forward commitment for Build-to-Suit ("BTS") takeout - 2017	906,204	2	\$51.1		
Pipeline	34.7 million	149	\$1,668.3		

(1) The purchase and sale agreements for the properties under contract are subject to satisfaction of closing conditions, and the properties under letter of intent require the negotiation and execution of definitive purchase and sale agreements. There can be no assurance that any of the properties under contract or letter of intent will be acquired on the terms anticipated or at all.

During the three months ended September 30, 2016, the Company sold three buildings consisting of 139,509 square feet for \$835,000. The chart below details the disposition activity for the nine months ended September 30, 2016:

2016 DISPOSITION ACTIVITY

Year	Square Feet	Buildings	Gross Proceeds (\$MM)
Q1	1,182,450	4	\$32.8
Q2	634,404	7	17.8
Q3	139,509	3	0.8
Total	1,956,363	14	\$51.4

Subsequent to quarter end, the Company entered into a purchase and sale agreement to sell a portfolio of six buildings with expected gross proceeds of approximately \$80 million. The transaction is expected to close in the fourth quarter of 2016.⁽¹⁾

Operating Portfolio Leasing Activity

For the three months ended September 30, 2016, the Company executed 11 leases for approximately 1.1 million square feet. The chart below details the leasing activity for leases signed during the quarter:

THIRD QUARTER 2016 LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent \$/SF	GAAP Base Rent \$/SF	Lease Commissions \$/SF	Tenant Improvements \$/SF	Total Costs \$/SF	Cash Rent Change	GAAP Rent Change
New leases	75,500	1.9	\$3.89	\$3.89	\$0.10	\$0.09	\$0.19	(2.1)%	(2.1)%
Renewal leases	774,749	5.2	3.48	3.61	0.51	0.56	1.07	7.2%	17.8%
Total / weighted average	850,249	4.9	\$3.51	\$3.63	\$0.48	\$0.52	\$1.00	6.6%	16.4%
Temporary leases	272,080								
Total leasing activity	1,122,329								

The chart below details the leasing activity for leases signed during the nine months ended September 30, 2016:

2016 LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent \$/SF	GAAP Base Rent \$/SF	Lease Commissions \$/SF	Tenant Improvement \$/SF	Total Costs \$/SF	Cash Rent Change	GAAP Rent Change
New leases	295,880	5.5	\$4.20	\$4.37	\$1.45	\$0.02	\$1.47	(2.1)%	(2.1)%
Renewal leases	4,185,546	4.6	3.95	4.08	0.31	0.32	0.63	0.5%	6.9%
Total / weighted average	4,481,426	4.6	\$3.96	\$4.09	\$0.38	\$0.30	\$0.68	0.5%	6.8%
Temporary leases	935,820								
Total leasing activity	5,417,246								

The Company experienced 92.4% Retention for leases expiring in the quarter. The chart below details the Retention activity for the nine months ended September 30, 2016:

2016 RETENTION

Quarter	Expiring Square Footage	Retained Square Footage	W.A. Lease Term (Years)	Retention	Cash Rent Change	GAAP Rent Change
Q1	1,251,975	530,485	3.2	42.4%	3.1%	6.1%
Q2	921,971	695,395	5.0	75.4%	5.8%	9.9%
Q3	1,276,074	1,178,574	4.2	92.4%	2.5%	3.4%
Total / weighted average	3,450,020	2,404,454	4.2	69.7%	3.6%	5.9%

The Occupancy Rate of the Operating Portfolio as of September 30, 2016 was 96.4%.

As of September 30, 2016, the Company's portfolio included 16 non-core, flex/office buildings that constituted approximately 2% of the overall portfolio's square footage and approximately 3% of the overall portfolio's annualized base rental revenue.

(1) The purchase and sale agreement for the properties under contract are subject to satisfaction of closing conditions.

Non-GAAP Financial Measures and Other Definitions

Acquisition Capital Expenditure: We define Acquisition Capital Expenditure as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition and underwritten to occur in the first twelve months. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under STAG's ownership.

Capitalization Rate: We define Capitalization Rate as the estimated weighted average cash capitalization rate, calculated by dividing (i) the Company's estimate of year one net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the purchase price plus estimated Acquisition Capital Expenditures. These capitalization rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2015.

Comparable Lease: We define a Comparable Lease as a lease with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under STAG's ownership, leases on space with downtime in excess of two years, leases associated with non-core flex/office assets, and leases with materially different lease structures.

Core Based Statistical Area (CBSA): We define Core Based Statistical Area as a U.S. geographic area defined by the Office of Management and Budget that consists of one or more counties (or equivalents) anchored by an urban center of at least 10,000 people plus adjacent counties that are socioeconomically tied to the urban center by commuting.

GAAP Rent Change: We define GAAP Rent Change as the change in the average base rent over the contractual lease term (excluding above/below market lease amortization) of the Comparable Lease.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements.

Occupancy Rate: We define Occupancy Rate as the percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

Operating Portfolio: We define our Operating Portfolio as including all warehouse and light manufacturing assets and excluding non-core flex/office assets and assets under redevelopment. The Operating Portfolio also excludes leases associated with billboard, parking lot and cell tower leases.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for twelve months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration and (iii) an early renewal or workout, which ultimately does extend the original term for twelve months or more, but the renewal term commences before the lease expiration of their current lease. Renewal Leases include Operating Portfolio assets unless otherwise defined.

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square feet of leases expiring in the period. Neither the Renewal Leases nor leases expiring include Temporary Leases or License Agreements. Retention is calculated based on our Operating Portfolio unless otherwise defined.

Temporary Leases/License Agreements: We define a Temporary Lease or a License Agreement as any lease that is signed for an initial term of less than twelve months; this includes short-term new leases and short-term renewal leases.

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.

About STAG Industrial, Inc.

STAG Industrial, Inc. is a real estate investment trust (REIT) focused on the acquisition and operation of single-tenant, industrial properties throughout the United States. The Company's portfolio consists of 300 properties in 37 states with approximately 58.6 million rentable square feet.

For additional information, please visit the Company's website at www.stagindustrial.com.

Forward-Looking Statements

This press release, together with other statements and information publicly disseminated by the Company, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should," "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond the Company's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in the Company's annual report on Form 10-K for the year ended December 31, 2015 as updated by the Company's quarterly reports on Form 10-Q. Accordingly, there is no assurance that the Company's expectations will be realized. Except as otherwise required by the federal securities laws, the Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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