

STAG Industrial, Inc.  
Form 424B5  
March 09, 2016

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**Filed Pursuant to Rule 424(b)(5)  
Registration Statement No. 333-209722**

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

*PROSPECTUS SUPPLEMENT (Subject to completion)  
(To prospectus dated February 25, 2016)*

*Issued March 9, 2016*

Shares

*% Series C Cumulative Redeemable Preferred Stock  
(Liquidation Preference \$25.00 per share)*

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We are offering \_\_\_\_\_ shares of our \_\_\_\_\_ % Series C Cumulative Redeemable Preferred Stock, \$0.01 par value per share ("Series C Preferred Stock").

We will pay cumulative dividends on the Series C Preferred Stock from the date of original issue at a rate of \_\_\_\_\_ % per annum of the \$25.00 liquidation preference per share (equivalent to the fixed annual rate of \$ \_\_\_\_\_ per share). Dividends on the Series C Preferred Stock will be payable quarterly in arrears on or about the last day of March, June, September and December of each year, beginning on June 30, 2016. The Series C Preferred Stock will rank on parity with our outstanding preferred stock and senior to our common stock with respect to dividend rights and rights upon our liquidation, dissolution or winding up.

Generally, we are not permitted to redeem the Series C Preferred Stock prior to March \_\_\_\_\_, 2021, except in limited circumstances relating to our ability to qualify as a real estate investment trust ("REIT") and pursuant to the special optional redemption provision below. On or after March \_\_\_\_\_, 2021, we may, at our option, redeem the Series C Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends on such Series C Preferred Stock to, but not including, the redemption date. In addition, upon the occurrence of a change of control, as a result of which neither our common stock, par value \$0.01 per share, nor the common securities of the acquiring or surviving entity (or American Depositary Receipts ("ADRs") representing such securities) is listed on the New York Stock Exchange ("NYSE"), the NYSE MKT LLC ("NYSE MKT") or the NASDAQ Stock Market ("NASDAQ"), or listed or quoted on a successor exchange or quotation system, we may, at our option, redeem the Series C Preferred Stock, in whole or in part within 120 days after the first date on which such change of control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If we exercise any of our redemption rights relating to the Series C Preferred Stock, the holders of Series C Preferred Stock will not have the conversion right described below. The Series C Preferred Stock has no stated maturity and is not subject to mandatory redemption or any sinking fund. Holders of shares of the Series C Preferred Stock will generally have no voting rights except for limited voting rights if we fail to pay dividends for six or more quarterly periods (whether or not consecutive) and in certain other circumstances.

Upon the occurrence of a change of control, as a result of which neither our common stock nor the common securities of the acquiring or surviving entity (or ADRs representing such securities) is listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on a successor exchange or quotation system, each holder of Series C Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date (as defined herein), we have provided or provide notice of our election to redeem the Series C Preferred Stock) to convert some or all of the Series C Preferred Stock held by it into a number of shares of our common stock per share of Series C Preferred Stock to be converted equal to the lesser of:

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the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series C Preferred Stock dividend payment and prior to the corresponding Series C Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined herein); and

(the "Share Cap"), subject to certain adjustments;

subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

To assist us in qualifying as a REIT, our charter contains certain restrictions relating to the ownership and transfer of our capital stock, including an ownership limit of 9.8%, in value or in number of shares, whichever is more restrictive, of the aggregate outstanding shares of the Series C Preferred Stock.

No market currently exists for the Series C Preferred Stock. We intend to apply to list the Series C Preferred Stock on the New York Stock Exchange under the symbol "STAG Pr C." If the application is approved, trading of the Series C Preferred Stock is expected to commence within 30 days after the date of initial delivery of the Series C Preferred Stock.

**The Series C Preferred Stock is rated below investment grade. Investing in the Series C Preferred Stock involves risks, including risks associated with below investment grade-related securities. You should read carefully and consider "Risk Factors" included in our most recent Annual Report on Form 10-K and beginning on page S-9 of this prospectus supplement and in the other documents incorporated by reference in the accompanying prospectus before investing in the Series C Preferred Stock.**

	<i>Per Share</i>	<i>Total<sup>(1)</sup></i>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

(1)

Assumes no exercise of the underwriters' option to purchase additional shares described below.

The underwriters may purchase up to an additional \_\_\_\_\_ shares of the Series C Preferred Stock from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

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

The underwriters expect to deliver the Series C Preferred Stock through the facilities of The Depository Trust Company on or about March \_\_\_\_\_, 2016, which is the fifth business day following the pricing of this offering.

MORGAN STANLEY

BofA MERRILL LYNCH

RAYMOND JAMES

WELLS FARGO SECURITIES

March \_\_\_\_\_, 2016

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**Prospectus**

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You should rely only on the information contained in this prospectus supplement, the accompanying prospectus or 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 or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell or soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus prepared by us and the documents incorporated by reference in the accompanying prospectus is accurate only as of their respective dates or on the date or dates which are specified in those documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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**PROSPECTUS SUPPLEMENT SUMMARY**

**About this Prospectus Supplement**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and supplements and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference therein, the information in this prospectus supplement will supersede such information.

This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in the accompanying prospectus. See "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference" in the accompanying prospectus.

*Unless otherwise indicated or the context requires otherwise, in this prospectus supplement references to "our company," "we," "us," and "our" refer to STAG Industrial, Inc., a Maryland corporation, and its consolidated subsidiaries, including STAG Industrial Operating Partnership, L.P., a Delaware limited partnership, which we refer to in this prospectus supplement as our "operating partnership." As used herein, "annualized base rental revenue" refers to the contractual monthly base rent as of December 31, 2015 multiplied by 12. If a tenant is in a free rent period as of December 31, 2015, the annualized base rental revenue is calculated based on the first contractual monthly base rent amount multiplied by 12.*

**Our Company**

STAG Industrial, Inc. is a fully-integrated real estate company focused on the acquisition and operation of single-tenant industrial properties throughout the United States. As of December 31, 2015, we owned 291 buildings in 38 states with approximately 54.7 million rentable square feet, consisting of 223 warehouse/distribution buildings, 47 light manufacturing buildings and 21 flex/office buildings. We also owned four vacant land parcels adjacent to four of our buildings. Subject to receipt of any required governmental permits, these vacant parcels may be developed or sold as developable parcels. As of December 31, 2015, our buildings were approximately 95.6% leased to 266 tenants, with no single tenant accounting for more than approximately 3.3% of our total annualized base rental revenue and no single industry accounting for more than approximately 12.2% of our total annualized base rental revenue.

We were incorporated on July 21, 2010 under the laws of the State of Maryland. We are organized and conduct our operations to maintain our qualification as a REIT under Sections 856 through 859 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, we generally are not subject to federal income tax on our income to the extent we currently distribute our income to our stockholders and maintain our qualification as a REIT. We are structured as an umbrella partnership REIT, commonly called an UPREIT, and own substantially all of our assets and conduct substantially all of our business through our operating partnership, STAG Industrial Operating Partnership, L.P., a Delaware limited partnership. As of December 31, 2015, we owned a 95.1% limited partnership interest in our operating partnership.

Our principal executive offices are located at One Federal Street, 23<sup>rd</sup> Floor, Boston, Massachusetts 02110, and our telephone number is (617) 574-4777. Our website is [www.stagindustrial.com](http://www.stagindustrial.com). However, the information located on, or accessible from, our website is not, and should not be deemed to be, part of this prospectus supplement, the accompanying prospectus or any free writing prospectus or incorporated into any other filing that we submit to the Securities and Exchange Commission ("SEC").

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**The Offering**

The offering terms are summarized below solely for your convenience. For a more complete description of the terms of the Series C Preferred Stock, see "Description of Series C Preferred Stock" in this prospectus supplement.

Issuer	STAG Industrial, Inc., a Maryland corporation
Series C Preferred Stock Offered	_____ shares of _____ % Series C Cumulative Redeemable Preferred Stock (plus up to an additional _____ shares of Series C Preferred Stock that we may issue and sell upon the exercise of the underwriters' option to purchase additional shares). We reserve the right to reopen this series and issue additional shares of Series C Preferred Stock either through public or private sales at any time and from time to time.
Ranking	The Series C Preferred Stock will rank, with respect to dividend rights and rights upon our liquidation, dissolution or winding up:

senior to all classes or series of our common stock, and to any other class or series of our capital stock expressly designated as ranking junior to the Series C Preferred Stock;

on parity with our 9.0% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock"), our 6.625% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), and any future class or series of our capital stock expressly designated as ranking on parity with the Series C Preferred Stock; and

junior to any other class or series of our capital stock expressly designated as ranking senior to the Series C Preferred Stock, none of which exists on the date hereof. The term "capital stock" does not include convertible or exchangeable debt securities, none of which is outstanding as of the date hereof, which, prior to conversion or exchange, will rank senior in right of payment to the Series C Preferred Stock. The Series C Preferred Stock will also rank junior in right of payment to our other existing and future debt obligations.

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Dividends

Holders of shares of the Series C Preferred Stock will be entitled to receive cumulative cash dividends on the Series C Preferred Stock when, as and if authorized by our board of directors from and including the date of original issue, payable quarterly in arrears on or about the last day of March, June, September and December of each year, beginning on June 30, 2016, at the rate of % per annum of the \$25.00 liquidation preference per share (equivalent to the fixed annual rate of \$ per share). The first dividend payable on the Series C Preferred Stock is scheduled to be paid on June 30, 2016 and will be a pro rata dividend from, and including, the original issue date to and including June 30, 2016 in the amount of \$ per share. Dividends on the Series C Preferred Stock will accrue whether or not (i) we have earnings, (ii) there are funds legally available for the payment of such dividends and (iii) such dividends are authorized or declared.

Liquidation Preference

If we liquidate, dissolve or wind up, holders of shares of the Series C Preferred Stock will have the right to receive \$25.00 per share of the Series C Preferred Stock, plus accrued and unpaid dividends (whether or not authorized or declared) to but excluding the date of payment, before any distribution or payment is made to holders of our common stock and any other class or series of capital stock ranking junior to the Series C Preferred Stock as to rights upon our liquidation, dissolution or winding up. We may only issue equity securities ranking senior to the Series C Preferred Stock with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution and winding up if we obtain the affirmative vote of the holders of at least two-thirds of the shares outstanding at the time of Series C Preferred Stock and each other class or series of preferred stock ranking on parity with the Series C Preferred Stock with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up and upon which like voting rights have been conferred (voting together as a single class). The rights of holders of shares of the Series C Preferred Stock to receive their liquidation preference will be subject to the proportionate rights of any other class or series of our capital stock ranking on parity with the Series C Preferred Stock, including the Series A Preferred Stock and the Series B Preferred Stock, as to rights upon our liquidation, dissolution or winding up, and junior to the rights of any class or series of our capital stock expressly designated as ranking senior to the Series C Preferred Stock.

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Optional Redemption

We may not redeem the Series C Preferred Stock prior to March , 2021, except in limited circumstances relating to maintaining our qualification as a REIT, as described in "Description of Series C Preferred Stock Optional Redemption" in this prospectus supplement and pursuant to the special optional redemption provision below. On and after March , 2021, the Series C Preferred Stock will be redeemable at our option, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus accrued and unpaid dividends (whether or not authorized or declared) to, but not including, the redemption date. Any partial redemption will be on a pro rata basis.

Special Optional Redemption

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series C Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date, we exercise any of our redemption rights relating to the Series C Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of Series C Preferred Stock will not have the conversion right described below. A "Change of Control" is when, after the original issuance of the Series C Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of our company entitling that person to exercise more than 50% of the total voting power of all stock of our company entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

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Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series C Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series C Preferred Stock) to convert some or all of the Series C Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of our common stock per share of Series C Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series C Preferred Stock dividend payment and prior to the corresponding Series C Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price; and

(i.e., the Share Cap), subject to certain adjustments; subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

If, prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series C Preferred Stock will not have any right to convert the Series C Preferred Stock in connection with the Change of Control Conversion Right and any shares of Series C Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of "Change of Control Conversion Right," "Change of Control Conversion Date" and "Common Stock Price" and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see "Description of Series C Preferred Stock Conversion Rights" in this prospectus supplement.

Except as provided above in connection with a Change of Control, the Series C Preferred Stock is not convertible into or exchangeable for any other securities or property.



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No Maturity, Sinking Fund or Mandatory Redemption

The Series C Preferred Stock has no stated maturity date and is not subject to mandatory redemption or any sinking fund. We are not required to set aside funds to redeem the Series C Preferred Stock. Accordingly, the Series C Preferred Stock will remain outstanding indefinitely unless we decide to redeem the shares at our option or, under circumstances where the holders of the Series C Preferred Stock have a conversion right, such holders decide to convert the Series C Preferred Stock into our common stock.

Limited Voting Rights

Holders of shares of the Series C Preferred Stock will generally have no voting rights. However, if we are in arrears on dividends on the Series C Preferred Stock for six or more quarterly periods, whether or not consecutive, holders of shares of the Series C Preferred Stock (voting separately as a class together with the holders of all other classes or series of preferred stock ranking on parity with the Series C Preferred Stock with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, including the Series A Preferred Stock and the Series B Preferred Stock) will be entitled to vote at a special meeting called upon the written request of holders of at least 10% of such stock or at our next annual meeting and each subsequent annual meeting of stockholders for the election of two additional directors to serve on our board of directors until all unpaid dividends with respect to the Series C Preferred Stock and such other classes or series of preferred stock on parity with the Series C Preferred Stock have been paid or declared and a sum sufficient for the payment thereof set aside for payment. In addition, the affirmative vote or consent of the holders of at least two-thirds of the shares outstanding at the time of the Series C Preferred Stock and each other class or series of preferred stock ranking on parity with the Series C Preferred Stock with respect to the payment of dividends and distribution of assets upon our liquidation, dissolution or winding up and upon which like voting rights have been conferred (voting together as a single class) is required for us to authorize or issue any class or series of capital stock ranking, as to payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, senior to the Series C Preferred Stock or to amend any provision of our charter so as to materially and adversely affect the terms of the Series C Preferred Stock. If such amendment to our charter does not equally affect the terms of the Series C Preferred Stock and one or more other classes or series of preferred stock ranking, as to payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, on parity with the Series C Preferred Stock, the affirmative vote or consent of the holders of two-thirds of the shares outstanding at the time of Series C Preferred Stock, voting separately as a class, is required. Holders of shares of Series C Preferred Stock also will have the exclusive right to vote on any amendment to our charter on which holders of the Series C Preferred Stock are otherwise entitled to vote and that would alter only the contract rights, as expressly set forth in our charter, of the Series C

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Listing	<p>We intend to apply to list the Series C Preferred Stock on the NYSE under the symbol "STAG Pr C." If the application is approved, trading of the Series C Preferred Stock is expected to commence within 30 days after the date of initial delivery of the Series C Preferred Stock. The underwriters have advised us that they intend to make a market in the Series C Preferred Stock prior to commencement of any trading on the NYSE, but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series C Preferred Stock.</p>
Restrictions on Ownership and Transfer	<p>To assist us in maintaining our qualification as a REIT, our charter, subject to certain exceptions, contains, and the Series C Preferred Stock articles supplementary will contain, restrictions on the number of shares of our common stock, Series C Preferred Stock and our capital stock that a person may own. Our charter provides that generally no person may 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 aggregate outstanding shares of capital stock, or more than 9.8% in value or in number of shares, whichever is more restrictive, of our aggregate outstanding shares of common stock. In addition, the Series C Preferred Stock articles supplementary will provide that generally no person may 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 the aggregate outstanding shares of Series C Preferred Stock. See "Description of Series C Preferred Stock Restrictions on Ownership and Transfer" in this prospectus supplement.</p>
Use of Proceeds	<p>We estimate that the net proceeds from the sale of the Series C Preferred Stock in this offering will be approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares is exercised in full), after deducting underwriting discounts of approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares is exercised in full) and estimated offering expenses of \$150,000 payable by us. We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for % Series C Cumulative Redeemable Preferred Units of partnership interest in our operating partnership ("Series C Preferred Units") that will have rights as to distributions and upon liquidation, dissolution or winding up that are substantially similar to those of the Series C Preferred Stock.</p> <p>Our operating partnership intends to use the net proceeds from this offering to fund acquisitions, to repay indebtedness outstanding under our \$450.0 million unsecured credit facility (which indebtedness was used to fund recent acquisitions), for general working capital purposes or a combination of the foregoing. See "Use of Proceeds."</p>

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Conflicts of Interest	Affiliates of Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Wells Fargo Securities, LLC are lenders under our unsecured credit facility. To the extent that we use any of the net proceeds of this offering to repay borrowings outstanding under our unsecured credit facility, such affiliates of these underwriters will receive their proportionate share of any amount of our unsecured credit facility that is repaid with the net proceeds of this offering. See "Underwriting."
Transfer Agent and Registrar	The transfer agent and registrar for the Series C Preferred Stock is Continental Stock Transfer & Trust Company.
Settlement	Delivery of the shares of Series C Preferred Stock will be made against payment therefor on or about March , 2016, which is the fifth business day following the pricing of this offering.
Risk Factors	Investing in the Series C Preferred Stock involves various risks. You should read carefully and consider the matters discussed under the caption entitled "Risk Factors" included in our most recent Annual Report on Form 10-K, under the caption entitled "Risk Factors" beginning on page S-9 of this prospectus supplement and in the other documents incorporated by reference in the accompanying prospectus before making a decision to invest in the Series C Preferred Stock.

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**RISK FACTORS**

Investing in the Series C Preferred Stock involves risks. Before purchasing the shares of Series C Preferred Stock offered by this prospectus supplement, in addition to other information contained in this prospectus supplement and the accompanying prospectus, you should consider carefully the risk factors incorporated by reference in the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 25, 2016. The risks and uncertainties we discuss in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference in the accompanying prospectus are those that we currently believe may materially affect our company. Additional risks not presently known, or currently deemed immaterial, also could materially and adversely affect our financial condition, results of operations, business and prospects.

In addition to the risks identified in our Annual Report on Form 10-K for the year ended December 31, 2015, we are also subject to the following risks:

***The Series C Preferred Stock will be rated below investment grade by the rating agency that currently covers our securities.***

The Series C Preferred Stock will not be rated investment grade by the rating agency that currently covers our securities and will be subject to a higher risk of price volatility than similar, higher-rated securities. Furthermore, increases in leverage of, or deteriorating outlooks for, an issuer, or volatile markets, could lead to significant deterioration in market prices of below-investment grade rated securities.

Ratings only reflect the views of the issuing rating agency and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series C Preferred Stock. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any rating of the Series C Preferred Stock may not reflect all risks related to our company and our business, or the structure or market value of the Series C Preferred Stock.

***The Series C Preferred Stock is a new issuance with no stated maturity date and does not have an established trading market, which may negatively affect its market value and your ability to transfer or sell your shares.***

The shares of Series C Preferred Stock are a new issue of securities with no established trading market. In addition, since the Series C Preferred Stock has no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market. We intend to apply to list the Series C Preferred Stock on the NYSE under the symbol "STAG PR C", but there can be no assurance that the NYSE will accept the Series C Preferred Stock for listing. Even if the application is approved, however, an active trading market on the NYSE for the shares may not develop or, even if it develops, may not last, in which case the trading price of the shares could be adversely affected and your ability to transfer your shares of Series C Preferred Stock will be limited. If an active trading market does develop on the NYSE, the Series C Preferred Stock may trade at prices lower than the initial offering price. The trading price of the Series C Preferred Stock would depend on many factors, including:

prevailing interest rates;

the market for similar securities;

general economic and financial market conditions;

our issuance of debt or preferred equity securities; and

our financial condition, results of operations and prospects.



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We have been advised by the underwriters that they intend to make a market in the shares of the Series C Preferred Stock, but they are not obligated to do so and may discontinue market-making at any time without notice.

***The Series C Preferred Stock is subordinate to our debt, and your interests could be diluted by the issuance of additional shares of preferred stock, including additional shares of Series C Preferred Stock, and by other transactions.***

As of December 31, 2015, our total indebtedness was approximately \$987.2 million, and we may incur significant additional debt to finance future acquisition activities. The Series C Preferred Stock is subordinate to all of our existing and future debt. Our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends to preferred stockholders in the event of a default under the debt facilities. Our charter currently authorizes the issuance of up to 10,000,000 shares of preferred stock in one or more classes or series. The issuance of additional preferred stock on parity with or senior to the Series C Preferred Stock would dilute the interests of the holders of the Series C Preferred Stock, and any issuance of preferred stock senior to the Series C Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on the Series C Preferred Stock. Other than the conversion right afforded to holders of Series C Preferred Stock upon the occurrence of a Change of Control as described under "Description of Series C Preferred Stock Conversion Rights" and other than the limited voting rights as described under "Description of the Series C Preferred Stock Voting Rights" below, none of the provisions relating to the Series C Preferred Stock relate to or limit our indebtedness or afford the holders of the Series C Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of the Series C Preferred Stock.

***Market interest rates and other factors may have an effect on the value of the Series C Preferred Stock.***

One of the factors that will influence the price of the Series C Preferred Stock will be the dividend yield on the Series C Preferred Stock (as a percentage of the price of the Series C Preferred Stock, as applicable) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Series C Preferred Stock to expect a higher dividend yield and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of the Series C Preferred Stock to decrease.

In addition, over the last several years, prices of equity securities in the U.S. trading markets have been experiencing extreme price fluctuations, and the market price of our common stock has also fluctuated significantly during this period. As a result of these and other factors, investors who purchase the Series C Preferred Stock in this offering may experience a decrease, which could be substantial and rapid, in the market price of the Series C Preferred Stock, including decreases unrelated to our operating performance or prospects. Likewise, in the event that the Series C Preferred Stock becomes convertible upon a change of control and is converted into our common stock, holders of our common stock issued on conversion may experience a similar decrease in the market price of our common stock.

***As a holder of Series C Preferred Stock you have extremely limited voting rights.***

Your voting rights as a holder of Series C Preferred Stock will be extremely limited. Our common stock is the only class or series of our stock carrying full voting rights. Voting rights for holders of Series C Preferred Stock exist primarily with respect to the ability to elect additional directors in the event that dividends for six quarterly dividend periods (whether or not consecutive) payable on the Series C Preferred Stock are in arrears, and with respect to voting on amendments to our charter that materially and adversely affect the rights of the Series C Preferred Stock or create additional classes or series of preferred stock that

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are senior to the Series C Preferred Stock. See "Description of Series C Preferred Stock Limited Voting Rights" in this prospectus supplement. Other than the limited circumstances described in this prospectus supplement, holders of Series C Preferred Stock will not have voting rights.

***The Change of Control conversion feature may not adequately compensate you and may make it more difficult for a party to take over our company or discourage a party from taking over our company.***

Upon the occurrence of a Change of Control, holders of the Series C Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series C Preferred Stock) to convert some or all of their Series C Preferred Stock into shares of our common stock (or equivalent value of alternative consideration). See "Description of Series C Preferred Stock Conversion Rights" in this prospectus supplement. Upon such a conversion, the holders will be limited to a maximum number of shares of our common stock equal to the Share Cap multiplied by the number of shares of Series C Preferred Stock converted. If the Common Stock Price is less than \$ (which is % of the per-share closing sale price of our common stock reported on the NYSE on March , 2016), subject to adjustment, the holders will receive a maximum of shares of our common stock per share of Series C Preferred Stock, which may result in a holder receiving a value that is less than the liquidation preference of the Series C Preferred Stock. In addition, the change of control conversion feature of the Series C Preferred Stock may have the effect of discouraging a third party from making an acquisition proposal for our company or of delaying, deferring or preventing certain change of control transactions of our company under circumstances that stockholders may otherwise believe is in their best interests.

***Our ability to pay dividends is limited by the requirements of Maryland law.***

Our ability to pay dividends on the Series C Preferred Stock is limited by the laws of Maryland. Under applicable Maryland law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter provides otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on the Series C Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of preferred stock then outstanding, if any, with preferences senior to those of the Series C Preferred Stock.

***If our common stock is delisted, your ability to transfer or sell your shares of the Series C Preferred Stock may be limited and the market value of the Series C Preferred Stock will be materially adversely affected.***

Other than in connection with certain change of control transactions, the Series C Preferred Stock does not contain provisions that protect you if our common stock is delisted. Since the Series C Preferred Stock has no stated maturity date, you may be forced to hold your shares of the Series C Preferred Stock and receive stated dividends on the stock when, as and if authorized by our board of directors and declared by us with no assurance as to ever receiving the liquidation preference. In addition, if our common stock is delisted, it is likely that the Series C Preferred Stock will be delisted as well. Accordingly, if our common stock is delisted, your ability to transfer or sell your shares of the Series C Preferred Stock may be limited and the market value of the Series C Preferred Stock will be materially adversely affected.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the documents that are incorporated by reference, each contain "forward-looking statements" within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act). You can identify forward-looking statements 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 our most recent Annual Report on Form 10-K, including those set forth under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and under the caption entitled "Risk Factors" beginning on page S-9 of this prospectus supplement;

our ability to raise equity capital on attractive terms;

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 (including bankruptcies or insolvency) on or non-renewal of leases by tenants;

acquisition risks, including our ability to identify and complete accretive acquisitions and/or failure of such acquisitions to perform in accordance with projections;

the timing of acquisitions and dispositions;

potential natural disasters and other potentially catastrophic events such as acts of war and/or terrorism;

national, international, regional and local economic conditions;

the general level of interest rates and currencies;

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;



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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;

credit risk in the event of non-performance by the counterparties to the interest rate swaps and revolving and unfunded debt;

lack of or insufficient amounts of insurance;

our ability to maintain our qualification as a REIT;

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our ability to retain key personnel;

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.

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. Accordingly, investors should use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section above entitled "Risk Factors," including the risks incorporated by reference in the accompanying prospectus from our most recent Annual Report on Form 10-K.

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**USE OF PROCEEDS**

We estimate that the net proceeds from the sale of the Series C Preferred Stock in this offering will be approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares is exercised in full), after deducting underwriting discounts of approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares is exercised in full) and estimated offering expenses of \$150,000 payable by us. We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for Series C Preferred Units that will have rights as to distributions and upon liquidation, dissolution or winding up that are substantially similar to those of the Series C Preferred Stock.

Our operating partnership intends to use the net proceeds from this offering to fund acquisitions, to repay indebtedness outstanding under our unsecured credit facility (which indebtedness was used to fund recent acquisitions), for general working capital purposes or a combination of the foregoing.

As of December 31, 2015, borrowings under our unsecured credit facility bore interest at LIBOR plus 1.15% and totaled approximately \$56.0 million. The proceeds from the borrowings under our unsecured credit facility were used for property acquisitions, working capital requirements and other general corporate purposes. Our unsecured credit facility matures on December 18, 2019.

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 qualification 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.

Affiliates of Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Wells Fargo Securities, LLC are lenders under our unsecured credit facility. To the extent that we use any of the net proceeds of this offering to repay borrowings outstanding under our unsecured credit facility, such affiliates of these underwriters will receive their proportionate share of any amount of our unsecured credit facility that is repaid with the net proceeds from this offering. See "Underwriting."

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**DESCRIPTION OF SERIES C PREFERRED STOCK**

*The following summary of the material terms and provisions of the Series C Preferred Stock does not purport to be complete and is subject to our charter, including the articles supplementary setting forth the terms of the Series C Preferred Stock, and our bylaws, each of which is available from us and is or will be filed with the SEC. This description of the particular terms of the Series C Preferred Stock supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of our preferred stock set forth in the accompanying prospectus.*

**General**

Prior to the closing of this offering, our board of directors will classify \_\_\_\_\_ shares of the company's authorized but unissued preferred stock as, and will approve articles supplementary setting forth the terms of, a series of the company's preferred stock, designated as the \_\_\_\_\_ % Series C Cumulative Redeemable Preferred Stock. When issued in accordance with this prospectus supplement and the accompanying prospectus, the Series C Preferred Stock will be validly issued, fully paid and nonassessable. Our board of directors may authorize the issuance and sale of additional shares of Series C Preferred Stock from time to time.

In connection with this offering, we, in accordance with the terms of the partnership agreement of our operating partnership, will contribute or otherwise transfer the net proceeds of the sale of the Series C Preferred Stock to our operating partnership, and our operating partnership will issue to us \_\_\_\_\_ % Series C Cumulative Redeemable Preferred Units. Our operating partnership will be required to make all required distributions on the Series C Preferred Units after any distribution of cash or assets to the holders of preferred units ranking senior to the Series C Preferred Units as to distributions and liquidations that we may issue and prior to any distribution of cash or assets to the holders of common units of limited partnership interests in our operating partnership or to the holders of any other equity interest of our operating partnership, except for any other series of preferred units ranking on a parity with the Series C Preferred Units as to distributions and liquidation, including our operating partnership's 9.0% Series A Cumulative Redeemable Preferred Units and 6.625% Series B Cumulative Redeemable Preferred Units, in which case distributions will be made pro rata with the Series C Preferred Units; provided however, that our operating partnership may make such distributions as are necessary to enable us to maintain our qualification as a REIT.