

CAPITAL MARKETS ANNOUNCEMENT

Trade Street Residential (NASDAQ: TSRE; Aventura, FL) Closes \$62.5 Million Initial Public Offering of Common Equity

Sandler O'Neill + Partners L.P. served as lead book manager for this offering.

This transaction represents the 1st initial public offering of common stock for a REIT in which Sandler O'Neill acted as a lead book manager. Since 2010, Sandler O'Neill has been involved in approximately \$7.1 billion of common, preferred, and debt offerings as a lead book manager, co-lead manager or co-manager ⁽¹⁾.

About the Offering:

On May 16, 2013, Trade Street Residential (the "Company" or "TSRE") completed the public offering of \$62.5 million in common equity. The offering was comprised of 6,250,000 common shares and was priced at \$10.00 per share. The company intends to use the proceeds to repurchase equity interests in certain of its subsidiaries from its joint venture partners pursuant to the governing documents of such subsidiaries, to fund pending acquisitions and for general corporate and working capital purposes, including future acquisitions, the repayment of indebtedness and the funding of capital improvements at the company's apartment communities.

Sandler O'Neill + Partners, L.P. acted as lead book manager for the offering.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

About the Company:

Trade Street Residential, Inc. is a full service, vertically integrated, self-administered and self-managed REIT focused on acquiring, owning, operating and managing conveniently located, garden-style and mid-rise apartment communities in mid-sized cities and suburban submarkets of larger cities primarily in the southeastern United States, including Texas.

(1) Source: SNL Financial

May 16, 2013

\$62.5 Million
Initial Public Offering



TRADE STREET
RESIDENTIAL

Sole Book-Runner

SANDLER O'NEILL + PARTNERS

Financial Highlights

| | | |
|--------------------------|----|--------|
| Market Cap. (Mil) | \$ | 112.40 |
| Shares Outstanding (Mil) | | 11.2 |
| Offering Price | \$ | 10.00 |
| Annual Dividend | \$ | 0.63 |
| Dividend Yield | | 6.3% |

Source: TSRE Prospectus

Sandler O'Neill Contacts:

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