Lightstone Value Plus REIT, Inc.
Investor Newsletter | Q1 2013

Tender Offer

The Company commenced a tender offer on May 1, 2013, pursuant to which it offered to acquire up to 4.7 million shares of its common stock from the holders of the shares at a purchase price equal to $10.60 per share, in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in an offer to purchase and in the related letter of transmittal.

Additional information relating to the Tender Offer can be found at www.LightstoneCapitalMarkets.com.

Distribution Payment

On April 15, 2013, the distribution for the three-month period ending March 31, 2013 was paid in full using a combination of cash and approximately 0.1 million shares of the Company's common stock issued pursuant to the Company's DRIP, at a discounted price of $11.21 per share. The distribution was paid from cash flows provided from operations (approximately $2.2 million or 42%), cash other than cash flows provided from operations (approximately $1.4 million or 26%) and excess cash proceeds from the issuance of common stock through the Company's Distribution Reinvestment Program (approximately $1.6 million or 32%).

Lightstone Value Plus Real Estate Investment Trust, Inc. ("Lightstone REIT"), a Maryland corporation, was formed on June 8, 2004 and subsequently qualified as a real estate investment trust ("REIT") during the year ending December 31, 2006.

As of March 31, 2013, the Company (i) wholly owned and consolidates the operating results and financial condition of 5 retail properties containing a total of approximately 0.9 million square feet of retail space, 15 industrial properties containing a total of approximately 1.3 million square feet of industrial space, 6 multi-family residential properties containing a total of 1,585 units, and 8 hotel hospitality properties containing a total of 1,178 rooms, (ii) majority owned and consolidates the operating results and financial condition of 1 residential development project, and (iii) owned an interest accounted for under the equity method of accounting in 1 office property containing a total of approximately 1.1 million square feet of office space. All of the Company's properties are located within the United States. As of March 31, 2013, the retail properties, the industrial properties, the multi-family residential properties and the office property were 84.4%, 83.0%, 95.5% and 81.0% occupied based on a weighted-average basis, respectively. Its hotel hospitality properties' average revenue per available room ("Rev PAR") was $51.43 and occupancy was 59.1%, respectively for the three months ended March 31, 2013.

Additional information can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.

Paragon Outlets, *San Francisco Bay Area, CA*

Portfolio Summary *(as of March 31, 2013)*

RETAIL	Location	Year Built (Range of years built)	Leasable Sq. Ft.	Percentage Occupied	Annualized Revenues based on rents	Annualized Revenues per square foot
St. Augustine Outlet Center	St. Augustine, FL	1998	330,246	82.7%	$3.8 million	$13.91
Oakview Plaza	Omaha, NE	1999-2005	176,774	89.7%	$2.3 million	$14.37
Crowe's Crossing	Stone Mountain, GA	1986	93,728	84.0%	$0.7 million	$9.16
DePaul Plaza	Bridgeton, MO	1985	187,090	79.6%	$1.6 million	$10.89
Everson Pointe	Snellville, GA	1999	81,428	90.8%	$0.8 million	$11.34
		Retail Total	**869,266**	**84.4%**		

INDUSTRIAL	Location	Year Built (Range of years built)	Leasable Sq. Ft.	Percentage Occupied	Annualized Revenues based on rents	Annualized Revenues per square foot
7 Flex/Office/Industrial Buildings within the Gulf Coast Industrial Portfolio	New Orleans, LA	1980-2000	339,700	82.9%	$3.1 million	$10.96
4 Flex/Industrial Building within the Gulf Coast Industrial Porfolio	San Antonio, TX	1982-1986	484,364	73.6%	$1.6 million	$4.62
3 Flex/Industrial Building within the Gulf Coast Industrial Porfolio	Baton Rouge, LA	1985-1987	182,792	82.2%	$1.0 million	$6.53
Sarasota	Sarasota, FL	1992	280,242	100.0%	$0.3 million	$1.21
		Industrial Total	**1,287,098**	**83.0%**		

MULTI - FAMILY RESIDENTIAL	Location	Year Built (Range of years built)	Leasable Units	Percentage Occupied	Annualized Revenues based on rents	Annualized Revenues per square foot
Southeastern Michigan Multi-Family Properties (Four Apartment Buildings)	Southeast MI	1965-1972	1,017	94.9%	$7.8 million	$8,085
Camden Multi-Family Properties (Two Apartment Communitites)	Greensboro/ Charlotte, NC	1984-1985	568	96.7%	$4.0 million	$7,360
		Residential Total	**1,585**	**95.5%**		

HOSPITALITY	Location	Year Built	Year to date Available Rooms	Percentage Occupied	Revenue per Available Room	Average Daily Rate For the Three Months Ended
Houston Extended Stay Hotels (Two Hotels)	Houston, TX	1998	26,190	82.1%	$37.37	$45.52
CP Boston Property (Hotel and Water Park Resort)	Danvers, MA	1978	32,670	39.7%	$38.67	$97.40
Courtyard by Marriott Parsippany	Parsippany, NJ	2001	14,043	55.5%	$78.16	$140.96
Courtyard Willoughby	Willoughby, OH	1999	8,100	72.5%	$82.74	$114.10
Fairfield Inn DesMoines	West Des Moines, IA	1997	9,180	50.4%	$50.13	$99.55
SpringHill Suites DesMoines	West Des Moines, IA	1999	8,730	55.8%	$56.90	$101.98
Holiday Inn Auburn	Auburn, AL	2002	5,986	72.1%	$71.61	$99.29
		Hospitality Total	**104,899**	**59.1%**	**$51.43**	

OFFICE	Location	Year Built	Leasable Square Feet	Percentage Occupied	Annualized Revenues based on rents	Annualized Revenues per square foot
1407 Broadway[1]	New York, NY	1952	1,114,695	81.0%	$36.5 million	$40.44

(1) - Sub-lease interest indirectly owned by 1407 Broadway Mezz II, LLC, in which we have an 49.0% ownership interest.

Annualized revenue is defined as the minimum monthly payments due as of March 31, 2013 annualized, excluding periodic contractual fixed increases and rents calculated based on a percentage of tenants' sales. The annualized base rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants.


View from 1407 Broadway, *New York, NY*

LIGHTSTONE
Value Plus REIT

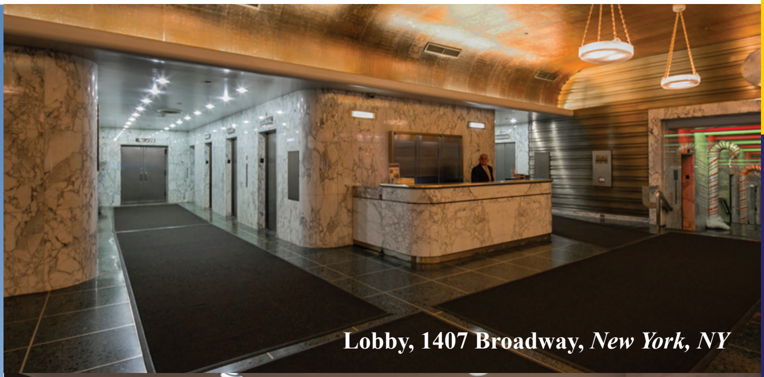
Portfolio Update

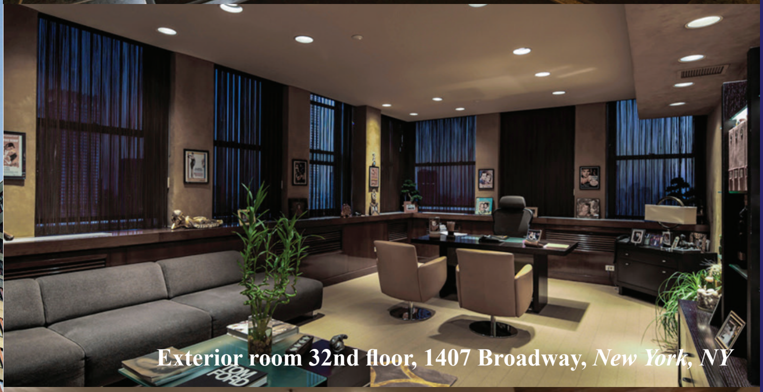
1407 Broadway

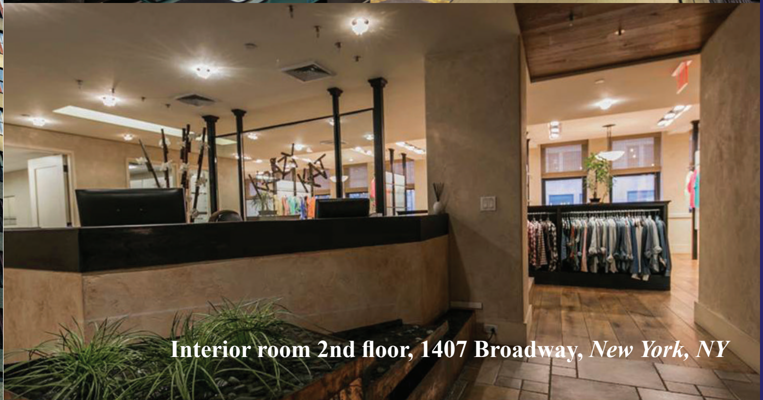
The Company has a 49.0% ownership in 1407 Broadway, which has a sub-leasehold interest in a ground lease to an office building located at 1407 Broadway in New York, New York. During the second quarter of 2011, the Company's share of cumulative losses resulting from its ownership interest in 1407 Broadway brought the carrying value of its investment in 1407 Broadway to zero. Since the Company was not obligated to fund 1407 Broadway's deficits and the balance of the Company's investment in 1407 Broadway was zero, the Company suspended the recording of its portion of equity losses or earnings from 1407 Broadway until such time as the Company's investment in 1407 Broadway was greater than zero.

On March 11, 2013, 1407 Broadway completed a restructuring of its outstanding non-recourse mortgage note payable with a then outstanding principal balance of approximately $127.3 million with Swedbank AB. In connection with the restructuring, 1407 Broadway made a principal pay down of approximately $1.3 million, bringing the new loan balance to $126.0 million, and extended the maturity of the loan to January 12, 2023. Additionally, during the first quarter of 2013, 1407 Broadway's members made capital contributions aggregating $15.5 million, of which $13.5 million was placed into a capital reserve account with the lender pursuant to the terms of the restructuring. As a result of the Company's capital contributions which totaled $11.1 million, it commenced recording equity earnings in the first quarter of 2013. The Company's equity earnings for the first quarter of 2013 include (i) recording previously unrecorded losses aggregating $5.2 million through December 31, 2012 and (ii) $3.1 million of earnings representing its pro rata share of 1407 Broadway's net income during the 1st quarter of 2013.


1407 Broadway, *New York, NY*


Lobby, 1407 Broadway, *New York, NY*


Exterior room 32nd floor, 1407 Broadway, *New York, NY*


Interior room 2nd floor, 1407 Broadway, *New York, NY*

Outlet Centers Transactions

Pursuant to the terms of the Outlet Centers Transactions, the aggregate consideration received at closing is subject to certain true-ups and adjustments, including a final valuation of the Grand Prairie Outlet Center and the Livermore Valley Outlet Center, to be completed no later than April 1, 2014, based on their aggregate net operating income during the 2013 calendar year. Furthermore, the Holding Entities, subject to the satisfaction of certain conditions, may (i) receive $5.0 million of additional consideration for the Livermore Land Parcel or (ii) elect to repurchase the Livermore Land Parcel for $35.0 million. During the first quarter of 2013, the Holding Entities received an additional $3.0 million, of which the Company's share was $1.2 million, related to the disposition of its ownership interest in the Grand Prairie Outlet Center resulting from the satisfaction of certain conditions.

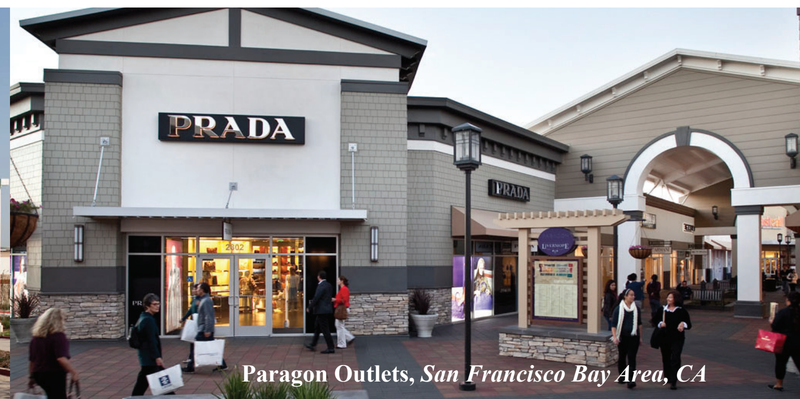
Acquisition of Hotels

On May 10, 2013, the Company acquired a portfolio of two hotels (comprised of the Courtyard by Marriott Siegen Lane, and the Residence Inn by Marriott Siegen Lane, both located in Baton Rouge, Louisiana) from an unrelated third party, for an aggregate purchase price of approximately $15.6 million, excluding closing and other related transaction costs. In connection with the acquisition, the Company's Advisor received an acquisition fee equal to 2.75% of the contractual purchase price, approximately $0.4 million. The acquisition was funded with cash.

2nd Street Project

During the second quarter of 2012, we commenced construction of a residential project (the "2nd Street Project") which is currently expected to consist of approximately 200 apartment units at an estimated total development cost of approximately $81.4 million, inclusive of the land acquisition cost, with an estimated completion in mid-2014. On September 28, 2012 we entered into a construction loan (the "Construction Loan") providing up to $51.0 million to fund the costs of development and construction of the 2nd Street Project. The outstanding balance of the Construction Loan was $19.9 million as of March 31, 2013. As of March 31, 2013, the remaining amount available under the Construction Loan was $31.1 million which we believe will be sufficient to fund the remaining anticipated costs related to the development and construction of the 2nd Street Project.

Paragon Outlets, ***Grand Prairie, TX***



Paragon Outlets, ***San Francisco Bay Area, CA***

the Lightstone Group

About The Lightstone Group

The Lightstone Group, founded in 1988, is a privately held real estate company with one of the most diversified real estate portfolios in the United States. Today, Lightstone's portfolio consists of more than 11,000 multifamily units, 8.1 million square feet of office, hotel, retail and industrial assets, and 12,000 fully-improved residential lots throughout the United States.

Lightstone and its affiliates have been one of the largest developers of outlet shopping centers in the United States over the last 10 years. The company has owned, managed and developed 25 outlet centers totaling over 8 million square feet.

Lightstone is one of the most active residential developers in New York City with more than 1,600 rental units currently under development in Manhattan, Brooklyn and Queens.

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