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Registration No. 333-200464

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
SUPPLEMENT NO. 3, DATED NOVEMBER 22, 2016, TO PROSPECTUS DATED JUNE 30, 2016

This prospectus supplement, dated November 22, 2016 ("Supplement No. 3") is part of the prospectus of Lightstone Real Estate Income Trust Inc. (the "Company," "we," "us" or "our"), dated June 30, 2016 (the "Prospectus"), as supplemented by Supplement No. 1, dated July 22, 2016 ("Supplement No. 1"), and Supplement No. 2, dated August 31. 2016 ("Supplement No. 2"). This Supplement No. 3 supplements, modifies or supersedes certain information contained in the Prospectus and Supplements No. 1 and No.2, and must be read in conjunction with the Prospectus and Supplements No. 1 and No.2 . This Supplement No. 3 forms a part of, and must be accompanied by, the Prospectus and Supplements No. 1 and No. 2.

The primary purposes of this Supplement No. 3 are to:

1. provide our estimated net asset value, or NAV, and resulting estimated NAV per share of common stock, or Common Share, both as of September 30, 2016;

2. provide an update on the status of our initial public offering;

3. provide an update on our specific investments;

4. communicate our board of directors has determined no change is currently necessary to our offering price of $10.00 per share under our primary offering; and

5. attach as Annex A to this Supplement No. 3 our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, filed with the Securities and Exchange Commission on November 21, 2016 (excluding the exhibits thereto), Amendment No. 1 to Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, filed with the Securities and Exchange Commission on November 21, 2016 (excluding the exhibits thereto) and Amendment No. 1 to Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed with the Securities and Exchange Commission on November 21, 2016 (excluding the exhibits thereto)

Status of the Offering

We commenced our best efforts initial public offering of up to 30.0 million Common Shares (excluding shares to be issued under the distribution reinvestment plan, or DRIP), on February 26, 2015. On June 12, 2015, we satisfied the general escrow conditions of our public offering of common stock. On such date, we received and accepted aggregate subscriptions in excess of 200,000 Common Shares, broke general escrow and issued Common Shares to our initial investors. On July 13, 2016, we received and accepted aggregate subscriptions in excess of $15.0 million of common stock, the minimum offering amount needed in order to release from escrow proceeds received, if any, from both Pennsylvania and Washington residents and issue Common Shares to such investors.

We will offer shares of our common stock until February 26, 2017, unless the offering is extended in accordance with the Prospectus, provided that the offering will be terminated if all 30.0 million shares of our common stock are sold before such date (subject to our right to reallocate shares offered pursuant to the DRIP for sale in our primary offering).

Shares Currently Available for Sale

As of September 30, 2016, we had received aggregate gross proceeds of $44.7 million from the sale of approximately 4.8 million Common Shares in our primary offering (including approximately 222,222 Common Shares at a purchase price of $9.00 per Common Share, for an aggregate subscription amount of $2.0 million, to an entity 100% owned by David Lichtenstein, who also owns a majority interest in our sponsor). Through September 30, 2016, we have also issued approximately 24,500 Common Shares under our DRIP. As of September 30, 2016, there were approximately 4.8 million Common Shares outstanding, including shares issued under the DRIP. As of September 30, 2016, there were approximately 25.2 million Common Shares available for sale, excluding shares available under our DRIP

PROSPECTUS UPDATES

Cover Page

The second paragraph on the cover page of the Prospectus is hereby deleted and replaced with the following:

"We are offering up to 30 million shares of our common stock, $0.01 par value per share, or Common Shares, in our primary offering at an initial offering price of $10.00 per Common Share on a "best efforts" basis through Orchard Securities, LLC, or Orchard Securities, our dealer manager. "Best efforts" means that our dealer manager is not obligated to purchase any specific number or dollar amount of Common Shares. We offered our Common Shares at an initial offering price of $10.00 per Common Share in our primary offering. On June 30, we adjusted our offering price to $9.14 per Common Share in our primary offering, which was equal to the estimated net asset value, or NAV, per Common Share as of March 31, 2016, and effective July 25, 2016, our offering price was adjusted to $10.00 per Common Share in our primary offering, which was equal to the estimated NAV per Common Share as of June 30, 2016. On November 14, 2016, we determined our offering price would remain unchanged at $10.00 per Common Share in our primary offering, which is equal to the estimated NAV per Common Share as of September 30, 2016."

Prospectus Summary

The first paragraph on page 18 of the Prospectus underneath the question "What kind of offering is this?" is hereby deleted and replaced with the following:

"We are offering up to 30 million Common Shares on a "best efforts" basis at an initial price of $10.00 per share. On June 30, 2016, we adjusted our offering price to $9.14 per Common Share in our primary offering, which was equal to the NAV per Common Share as of March 31, 2016, and effective July 25, 2016, our offering price was adjusted to $10.00 per Common Share in our primary offering, which was equal to the NAV per Common Share as of June 30, 2016. On November 14, 20126, we determined our offering price would remain unchanged at $10.00 per Common Share in our primary offering, which is equal to the NAV per Common Share as of September 30, 2016. Investors may be entitled to volume discounts. Discounts also are available for certain categories of purchaser, as described under "Plan of Distribution — Common Shares Purchased by Affiliates, Friends, Institutional Investors and Participating Broker-Dealers." We also are offering up to 10 million Common Shares pursuant to our DRIP. The offering price per Common Share under our DRIP initially will be $9.50, or 95% of the estimated NAV per Common Share. We reserve the right to reallocate the Common Shares we are offering between the primary offering and our DRIP."

Risk Factors

The Risk Factor captioned "On May 13, 2016, our board of directors established our estimated NAV per share of $9.14 as of March 31, 2016. We intend to continue to disclose an estimated NAV per Common Share on a quarterly basis during this offering for as long as the special limited partner's obligation to purchase subordinated participation interests continues, and such estimated NAV per share may be lower than the purchase price you pay for Common Shares in this offering. The estimated NAV per share may not be an accurate reflection of the fair value of our assets and liabilities and likely will not represent the amount of net proceeds that would result if we were liquidated or dissolved or completed a merger or other sale of our Company." on pages 28 - 29 of the Prospectus is hereby deleted and replaced with the following:

"***On November 14, 2016, our board of directors established our most current estimated NAV per share as of September 30, 2016. We currently expect that our advisor will estimate our NAV on a quarterly basis, but our advisor will estimate our NAV on at least an annual basis, and such estimated NAV per share may be lower than the purchase price you pay for Common Shares in this offering. The estimated NAV per share may not be an accurate reflection of the fair value of our assets and liabilities and likely will not represent the amount of net proceeds that would result if we were liquidated or dissolved or completed a merger or other sale of our Company.***

Recent amendments to rules promulgated by FINRA required us to disclose an estimated NAV per share of our Common Shares no later than May 10, 2017, which would have been 150 days following the second anniversary of the date on which we broke escrow in this offering. On May 13, 2016, our board of directors established our initial estimated NAV per Common Share as of March 31, 2016 and on November 14, 2016 our board of directors established our most current estimated NAV per Common Share as of September 30, 2016. We currently expect that our advisor will estimate our NAV on a quarterly basis, but our advisor will estimate our NAV on at least an annual basis. Our board of directors may determine to modify the offering price, including the price at which the shares are offered pursuant to the DRIP, to reflect the most current estimated NAV per Common Share. Pursuant to an amendment to NASD Rule 2340 that took effect on April 11, 2016, if we had not yet disclosed an estimated NAV per Common Share before the amended rule took effect, then our stockholders' customer account statements would have reported the value of our Common Shares using the "net investment method." Under this method, the statement amount for an investment in Common Shares would have been equal to the gross offering price less organization and offering expenses (including selling commissions, dealer manager fees and issuer costs) that are paid from gross proceeds of this offering."

ESTIMATION OF NAV AND SPONSOR SUBORDINATED LOAN AGREEMENT

The section titled "ESTIMATION OF NAV AND SPONSOR SUBORDINATED LOAN AGREEMENT" on pages 64 – 70 of the Prospectus is hereby deleted and replaced with the following:

"**ESTIMATION OF NAV AND SPONSOR SUBORDINATED LOAN AGREEMENT**

In October 2014, the SEC approved amendments to FINRA Rule 2310 and NASD Rule 2340 to modify the requirements relating to the inclusion of per share estimated value for non-traded REITs in customer account statements. Pursuant to these rules, our stockholders' customer account statements were required to include an estimated value of our Common Shares by April 2016 using one of two methods: the "net investment method" or the "appraised value method." We opted to implement the appraised value method, as described in further detail below.

Unless and until our Common Shares are listed for trading on a national securities exchange, it is not expected that a public market for our shares will develop. We currently expect that our advisor will update our estimate of NAV on a quarterly basis, but our advisor will update our NAV on at least an annual basis. Our board of directors will review and approve each estimate of NAV. These estimates will not reflect the proceeds you would receive upon our liquidation or upon the sale of your shares. For a description of how we determined our NAV per Common Share, please refer to "Estimated NAV and NAV per Share" below.

Sponsor Subordinated Loan Agreement

Our sponsor has committed to make a significant subordinated investment in the Company, through a subordinated unsecured loan agreement, or subordinated agreement, of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the subordinated agreement with the sponsor provides for quarterly draws or advances in an amount equal to the product of (i) $10.00 minus the then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the subordinated agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the subordinated agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the subordinated agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the sponsor until holders of our Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The subordinated agreement with the sponsor will continue until the earlier of: (i) the termination of this offering; (ii) advances under the agreement are equal to an aggregate of $36.0 million; and (iii) we receive gross offering proceeds of $300.0 million. The advances under the subordinated agreement will have the effect of increasing our NAV per share until holders of our Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. We cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with our liquidation initially will be made to holders of our Common Shares, until holders of our Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, we will be obligated to repay the outstanding advances under the subordinated agreement and accrued interest to the sponsor, as described in the subordinated agreement, to the extent liquidation distribution are available to do so. In the unlikely event that additional liquidation distributions are available after we repay in full the outstanding advances under the subordinated agreement and accrued interest to our sponsor, such additional distributions will be paid to holders of our Common Shares and our sponsor: 85.0% of the aggregate amount will be payable to holders of our Common Shares and the remaining 15.0% will be payable to the sponsor.

The below table illustrates the amount of advances under the subordinated agreement from the sponsor in three hypothetical scenarios: (i) a 20% decrease in the value of our assets, (ii) no change in the value of our assets and (iii) a 20% increase in the value of our assets, each shown without including the effect of the advances under the subordinated agreement on our assets. The table assumes that we sell the maximum of 30.0 million Common Shares in this offering, in each case at an offering price of $10.00 per share, and does not give effect to special sales or volume discounts which could reduce selling commissions or dealer manager fees. Thus, the “no change” column below reflects estimated NAV of $264.0 million before the addition of advances under the subordinated agreement ($300.0 million in gross proceeds from our primary offering less $36.0 million in estimated selling commissions, dealer manager fees and other organization and offering expenses). The below table contains a number of assumptions, and the estimated NAV amounts presented in the table are shown for illustrative purposes only. For example, as of November 7, 2016, we had received aggregate gross proceeds of $50.0 million from the sale of approximately 5.3 million Common Shares in our initial public offering, which is significantly less than the maximum offering amount used in the below table.

HYPOTHETICAL CALCULATION OF NAV
(these calculations do not represent the NAV of the company)

	Change in Asset Value		
	20% Decrease	No Change	20% Increase
Estimated NAV prior to addition of advances from Sponsor under the subordinated agreement	$ 211,200,000	$ 264,000,000	$ 316,800,000
Common Shares outstanding	30,000,000	30,000,000	30,000,000
Estimated NAV per Common Share	$ 7.04	$ 8.80	$ 10.56
Advances from sponsor under the subordinated agreement	$ 36,000,000	$ 36,000,000	$ -
Estimated NAV per Common Share after addition of advances from sponsor under the subordinated agreement	$ 8.24	$ 10.00	$ 10.56

The sponsor has committed to make a significant subordinated investment in us, through the subordinated agreement, of up to $36.0 million with the intention of maintaining an estimated per share NAV of $10.00 or greater. As reflected in the above table, the sponsor will have no obligation to advance funds under the subordinated agreement in a given quarter if the estimated per share NAV for that quarter is equal to or greater than $10.00. Moreover, there is no assurance that estimated per share NAV will be $10.00 or greater, even after taking the advances under the subordinated agreement into account. In the calculation of our estimated NAV, no value will be allocated to the sponsor’s advances under the subordinated agreement until our estimated NAV exceeds the aggregate amount of gross proceeds received from investors plus a cumulative, pre-tax non-compounded annual return of 8.0%. If our estimated NAV exceeds the aggregate amount of gross proceeds received from investors plus a cumulative, pre-tax non-compounded annual return of 8.0%, then the allocation of any value under the subordinated agreement will be subtracted from the value of our net assets when our board of directors estimates the NAV. The allocation of value to the sponsor’s advances under the subordinated agreement could be substantial, which could result in a significant decrease in our per share NAV.

Under the terms of our charter, the sponsor cannot make a loan to us unless the loan is approved by a majority of our directors, including a majority of our independent directors not otherwise interested in the transaction as fair, competitive and commercially reasonable, and no less favorable to us than a comparable loan between unaffiliated parties. Our board of directors, including a majority of independent directors not otherwise interested in the transaction, has approved the subordinated agreement with the sponsor.

Estimated NAV and NAV per Share

On November 14, 2016, our board of directors approved our estimated NAV of approximately $47.8 million and resulting estimated NAV per share of 10.00, both as of September 30, 2016 and both after the addition of advances from the sponsor pursuant to the terms of the subordinated agreement. Through September 30, 2016, the sponsor had advanced an aggregate of approximately $10.4 million under the subordinated agreement. In the calculation of our estimated NAV, an approximately $0.5 million allocation of value was made to the sponsor's advances under the subordinated agreement representing the amount by which the estimated NAV per share would have exceeded an aggregate $10.00 price per share plus a cumulative, pre-tax non-compounded annual return of 8.0% as of September 30, 2016. Accordingly, the net portion of the NAV attributable to advances from the sponsor under the subordinated agreement was approximately $9.9 million as of September 30, 2016.

Process and Methodology

Our advisor, along with any necessary material assistance or confirmation of a third-party valuation expert or service, is responsible for calculating our NAV, which we currently expect will be done on a quarterly basis for as long as the sponsor's obligation to fund quarterly draws under the subordinated agreement continues and thereafter, will be done on at least an annual basis unless and until our Common Shares are approved for listing on a national securities exchange. Our board of directors will review each estimate of NAV and approve the resulting NAV per share.

Our estimated NAV per share as of September 30, 2016 was calculated with the assistance of both our advisor and Marshall & Steven's Incorporated ("M&S"), an independent third-party valuation firm engaged by us to assist with the valuation of our assets, liabilities and any allocations of value to the sponsor's advances under the subordinated agreement. The advisor recommended and the board of directors established the estimated NAV per share as of September 30, 2016 based upon the analyses and reports provided by the advisor and M&S. The process for estimating the value of our assets, liabilities and allocations of value to the sponsor's advances under the subordinated agreement is performed in accordance with the provisions of the Investment Program Association (the "IPA") Practice Guideline 2013-01, "Valuations of Publicly Registered Non-Listed REITs," issued April 29, 2013. We believe that our valuations were developed in a manner reasonably designed to ensure their reliability.

The engagement of M&S with respect to our NAV per share as of September 30, 2016 was approved by our board of directors, including all of our independent directors. M&S has extensive experience in conducting asset valuations, included valuations of commercial real estate, debt, properties and real estate-related investments.

With respect to our NAV per share as of September 30, 2016, M&S prepared a NAV report (the "September 2016 NAV Report") which estimated the NAV per share as of September 30, 2016. The September 2016 NAV Report relied upon M&S's estimated value of our investment in related party and the advisor's estimate of the value of our cash and cash equivalents, other assets, due to related parties, other liabilities and allocations of value to the sponsor's advances under the subordinated agreement, to calculate estimated NAV per share, all as of September 30, 2016.

The table below sets forth the calculation of our estimated NAV and resulting estimated NAV per share as of September 30, 2016 compared to June 30, 2016 and March 31, 2016:

	As of September 30, 2016		*As of June 30, 2016*		*As of March 31, 2016*	
	Value	*Per Share*	*Value*	*Per Share*	*Value*	*Per Share*
Net Assets:						
Investment in related party	**$ 22,194,001**	**$ 4.64**	**$ 15,900,000**	**$ 10.60**	**$ 6,100,000**	**$ 5.62**
Non-Real Estate Assets:						
Cash and cash equivalents	23,407,820		512,321		4,219,688	
Other assets	3,418,768		5,302		6,265	
Total non-real estate assets	**26,826,588**	**5.61**	**517,623**	**0.34**	**4,225,953**	**3.90**
Total Assets	**49,020,589**	**10.25**	**16,417,623**	**10.94**	**10,325,953**	**9.52**
Liabilities:						
Due to related parties	(1,536)		(609)		(14,353)	
Other liabilities	(684,942)		(426,511)		(395,176)	
Subordinated advances - related party	(506,201)		(986,653)		-	
Total liabilities	**(1,192,679)**	**(0.25)**	**(1,413,773)**	**(0.94)**	**(409,529)**	**(0.38)**
Adjusted NAV after giving effect to advances from sponsor under subordinated agreement	**$ 47,827,910**	**$ 10.00**	**$ 15,003,850**	**$ 10.00**	**$ 9,916,424**	**$ 9.14**
Shares of Common Stock Outstanding	**4,782,791**		**1,500,385**		**1,084,525**	
	-		-			
NAV attributable to advances from sponsor under the subordinated agreement	$ 9,925,812	$ 2.08	$ 4,695,360	$ 3.13	$ 3,109,013	$ 2.87
NAV without advances from sponsor under the subordinated agreement	$ 37,902,098	$ 7.92	$ 10,308,490	$ 6.87	$ 6,807,411	$ 6.27

As discussed above, our advisor is responsible for calculating our NAV. In connection with determining our NAV, our advisor may rely on the material assistance or confirmation of a third-party valuation expert or service. In this regard, M&S was selected by our board of directors to assist our advisor in the calculation of our estimated NAV and resulting estimated NAV per share as of September 30, 2016. M&S services included estimating the fair value of our investment in related party and preparing the September 2016 NAV Report. M&S is engaged in the business of appraising commercial real estate properties and is not affiliated with us or the advisor. The compensation we paid to M&S was based on the scope of work and not on the estimated fair value of our investment in related party. In preparing its report, M&S did not, and was not requested to, solicit third-party indications of interest for our common stock in connection with possible purchases thereof or the acquisition of all or any part of us.

M&S collected reasonably available material information that it deemed relevant in estimating the fair value of our investment in related party.

In conducting their investigation and analyses, M&S took into account customary and accepted financial and commercial procedures and considerations as they deemed relevant. Although M&S reviewed information supplied or otherwise made available by us or the advisor for reasonableness, they assumed and relied upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to them by any other party and did not independently verify any such information. M&S assumed that any operating or financial forecasts and other information and data provided to or otherwise reviewed by or discussed with M&S were reasonably prepared in good faith on bases reflecting the then best currently available estimates and judgments of our management, our board of directors, and/or the advisor. M&S relied on us to advise them promptly if any information previously provided became inaccurate or was required to be updated during the period of their review.

M&S is actively engaged in the business of appraising commercial real estate properties and real estate related-investments similar to those owned or invested by us in connection with public security offerings, private placements, business combinations, and similar transactions. We do not believe that there are any material conflicts of interest between M&S, on the one hand, and us, the Sponsor, the advisor, and our affiliates, on the other hand. Our advisor engaged M&S on behalf of our board of directors to deliver their reports to assist in the NAV calculation as of September 30, 2016 and M&S received compensation for those efforts. In addition, we agreed to indemnify M&S against certain liabilities arising out of this engagement. M&S has previously assisted in our prior NAV calculations and has also been engaged by us for certain valuation services with respect to our investments. M&S may from time to time in the future perform other services for us and our Sponsor or other affiliates of the Sponsor, so long as such other services do not adversely affect the independence of M&S.

Although M&S considered any comments received from us and the advisor relating to their reports, the final estimated fair value of our investment in related party was determined by M&S. The reports were addressed to our board of directors to assist our board of directors in calculating an estimated value per share of our common stock as of September 30, 2016. The reports were not addressed to the public, may not be relied upon by any other person to establish an estimated value per share of our common stock, and do not constitute a recommendation to any person to purchase or sell any shares of our common stock.

Our goal in calculating our estimated NAV is to arrive at values that are reasonable and supportable using what we deem to be appropriate valuation methodologies and assumptions. The reports, including the analysis, opinions, and conclusions set forth in such reports, are qualified by the assumptions, qualifications, and limitations set forth in the respective reports. The following is a summary of our valuation methodologies used to value our assets and liabilities by key component:

Investment in Related Party: During the fourth quarter of 2015, we initially entered into an agreement with various related party entities that provided for us to make aggregate preferred equity contributions of up to $20.0 million in various affiliates of our sponsor which own a parcel of land located at 105-109 W. 28th Street, New York, NY on which they are constructing a 343-room Marriott Moxy hotel. During the third quarter of 2016, the agreement was amended to provide for us to make aggregate preferred equity contributions of up to $37.0 million. These contributions are made pursuant to an instrument (the "Preferred Investment") that entitles us to monthly preferred distributions at a rate of 12% per annum. Our Preferred Investment is classified as a held-to-maturity security and is recorded at cost. As of September 30, 2016, the estimated value of our Preferred Investment of approximately $22.2 million approximated its carrying value based on market rates for similar instruments.

Cash and Cash Equivalents: The estimated values of our cash and cash equivalents approximate their carrying values due to their short maturities.

Other Assets: Our other assets consist of deposits, prepaid expenses and other assets. The estimated values of these items approximate their carrying values due to their short maturities.

Due to Related Parties: The estimated value of our due to related parties approximates its carrying value due to its short maturity.

Other Liabilities: Our other liabilities consist of our accounts payable and accrued expenses and distributions payable. The carrying values of these items were considered to equal their fair value due to their short maturities.

Subordinated Advances – Related Party: Our subordinated advances from our sponsor are classified as a liability on our consolidated balance sheet. However, for purposes of our NAV, we do not estimate their fair value in accordance with GAAP. Rather, the IPA's Practice Guideline 2013-01provides for adjustments to the NAV for preferred securities, special interests and incentive fees based on the aggregate NAV of the company and payable to the sponsor in a hypothetical liquidation of the company as of the valuation date in accordance with the provisions of the partnership or advisory agreements and the terms of the preferred securities. Because our subordinated advances are only payable to the sponsor in a liquidation event, we believe they should be valued for our NAV in accordance with these provisions.

Accordingly, pursuant to the terms of the subordinated agreement, no allocations of value are made to the sponsor's advances under the subordinated agreement unless the estimated NAV per share would have exceeded $10.00 per share plus a cumulative, pre-tax non-compounded annual return of 8.0% as of the indicated valuation date. Through September 30, 2016, the sponsor had advanced approximately $10.4 million under the subordinated agreement. In the calculation of our estimated NAV as of September 30, 2016, an approximately $0.5 million allocation of value was made to the sponsor's advances under the subordinated agreement representing the amount by which the estimated NAV per share would have exceeded an aggregate $10.00 price per share plus a cumulative, pre-tax non-compounded annual return of 8.0% as of September 30, 2016. Accordingly, the net portion of the NAV attributable to advances from the sponsor under the subordinated agreement was approximately $9.9 million as of September 30, 2016.

Limitations and Risks

As with any valuation methodology, the methodology used to determine our estimated NAV and resulting estimated NAV per share is based upon a number of estimates and assumptions that may prove later not to be accurate or complete. Further, different market participants with different property-specific and general real estate and capital market assumptions, estimates, judgments and standards could derive different estimated NAVs per share, which could be significantly different from the estimated NAV per share approved by our board of directors. The estimated NAV per share approved by our board of directors does not represent the fair value of our assets less liabilities in accordance GAAP, and such estimated NAV per share is not a representation, warranty or guarantee that:

- a stockholder would be able to resell his or her shares of common stock at the estimated NAV per share;
- a stockholder would ultimately realize distributions per share of common stock equal to the estimated NAV per share upon liquidation of our assets and settlement of our liabilities or a sale of the Company;

- our shares of common stock would trade at the estimated NAV per share on a national securities exchange;
- an independent third-party appraiser or other third-party valuation firm would agree with the estimated NAV per share; or
- the methodology used to estimate our NAV per share would be acceptable to FINRA or under the Employee Retirement Income Security Act with respect to their respective requirements.

The Internal Revenue Service and the Department of Labor do not provide any guidance on the methodology an issuer must use to determine its estimated NAV per share.

FINRA guidance provides that NAV valuations be derived from a methodology that conforms to industry practice.

As with any valuation methodology, our methodology is based upon a number of estimates and assumptions that may not be accurate or complete. Different parties with different assumptions and estimates could derive different estimated NAVs per share, and these differences could be significant. The estimated NAV per share is not audited and does not represent the fair value of our assets less our liabilities in accordance with GAAP, nor do they represent an actual liquidation value of our assets and liabilities or the price that shares of our common stock would trade at on a national securities exchange. As of the date of this filing, although we have not sought stockholder approval to adopt a plan of liquidation of the Company, certain distributions may be payable to our sponsor pursuant to the terms of the subordinated agreement in connection with a liquidation event. Accordingly, our estimated NAV per share reflects any allocation of value to the sponsor's advances under the subordinated agreement representing the amount that would be payable to the sponsor in connection with a liquidation event pursuant to the guidelines for estimating NAV contained in IPA Practice Guideline 2013-01, "Valuation of Publicly Registered Non-Listed REITs". Our estimated NAV per share is based on the estimated value of our assets less the estimated value of our liabilities less any allocations of value to the sponsor's advances under the subordinated agreement divided by the number of our diluted shares of common stock outstanding, all as of the date indicated. Our estimated NAV per share does not reflect a discount for the fact we are externally managed, nor does it reflect a real estate portfolio premium/discount versus the sum of the individual property values. Our estimated NAV per share does not take into account estimated disposition costs or fees or penalties, if any, that may apply upon the prepayment of certain of our debt obligations or the impact of restrictions on the assumption of certain debt. Our NAV per share will fluctuate over time as a result of, among other things, future acquisitions or dispositions of assets, developments related to individual assets and the management of those assets and changes in the real estate and capital markets. Different parties using different assumptions and estimates could derive different NAVs and resulting estimated NAVs per share, and these differences could be significant. Markets for real estate and real estate-related investments can fluctuate and values are expected to change in the future. We currently expect that our advisor will estimate our NAV on a quarterly basis for as long as our sponsor's obligation to fund quarterly draws under the subordinated agreement continues and thereafter, our advisor will estimate our NAV on at least an annual basis. Our board of directors will review and approve each estimate of NAV.

The following factors may cause a stockholder not to ultimately realize distributions per share of common stock equal to the estimated NAV per share upon liquidation:

- The methodology used to determine estimated NAV per share includes a number of estimates and assumptions that may not prove to be accurate or complete as compared to the actual amounts received in the liquidation;
- In a liquidation, certain assets may not be liquidated at their estimated values because of transfer fees and disposition fees, which are not reflected in the estimated NAV calculation;
- In a liquidation, debt obligations may have to be prepaid and the costs of any prepayment penalties may reduce the liquidation amounts. Prepayment penalties are not included in determining the estimated value of liabilities in determining estimated NAV;
- In a liquidation, the real estate assets may derive a portfolio premium which premium is not considered in determining estimated NAV;
- In a liquidation, the potential buyers of the assets may use different estimates and assumptions than those used in determining estimated NAV;
- If the liquidation occurs through a listing of the common stock on a national securities exchange, the capital markets may value the Company's net assets at a different amount than the estimated NAV. Such valuation would likely be based upon customary REIT valuation methodology including funds from operation, or FFO, multiples of other comparable REITs, FFO coverage of dividends and adjusted FFO payout of the Company's anticipated dividend; and

- If the liquidation occurs through a merger of the Company with another REIT, the amount realized for the common stock may not equal the estimated NAV per share because of many factors including the aggregate consideration received, the make-up of the consideration (e.g., cash, stock or both), the performance of any stock received as part of the consideration during the merger process and thereafter, the reception of the merger in the market and whether the market believes the pricing of the merger was fair to both parties."

DESCRIPTION OF INVESTMENTS

The second and third paragraph under the section titled "DESCRIPTION OF INVESTMENTS – Specific Investments – Preferred Investment – 105-109 W. 28th Street Preferred Investment" on page 109 of the Prospectus is hereby deleted and replaced with the following:

"Contributions from the Company to NYC Acquisitions IV LLC have been and will be made pursuant to an instrument, the 105-109 W. 28th Street Preferred Investment, that entitles the Company to monthly preferred distributions at a rate of 12% per annum and is redeemable by the Company on the earlier of (i) the date that is two years from the date of the Company's final contribution and (ii) the third anniversary of this agreement. The Company may also request redemption any time prior to the acceptance of construction financing. On June 30, 2016, the Company and the Developer amended the Moxy Transaction so that the Company's contributions would become redeemable on the fifth anniversary of the Moxy Transaction. Any redemption by the Company or the Developer under the 105-109 W. 28th Street Preferred Investment will be made at an amount equal to the amount invested by the Company plus a 12.0% annual cumulative, pre-tax, non-compounded return on the aggregate amount invested by the Company. On August 30, 2016, the Company and the Developer amended the Moxy Transaction so that Company's total aggregate contributions under the 105-109 W. 28th Street Preferred Investment would increase by $17.0 million to $37.0 million.

The Company commenced making contributions to NYC Acquisitions IV LLC during the fourth quarter of 2015, and as of September 30, 2016, the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $22.2 million, and an aggregate of $14.8 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. The Company funded its contributions using proceeds from its initial public offering".

The following disclosure is added on page 109 of the Prospectus after the end of section titled "DESCRIPTION OF INVESTMENTS – Specific Investments - Preferred Investment:

"***Cove Transaction***

On September 29, 2016, we, through our wholly owned subsidiary, REIT Cove LLC, LSG Cove LLC, an affiliate of our sponsor and a related party, and Maximus Cove Investor LLC, an unrelated third party, or collectively, the Cove Buyer, entered into an agreement of sale and purchase, or the Cove Transaction, with an unrelated third party, RP Cove, L.L.C, or the Cove Seller, pursuant to which the Cove Buyer will acquire the Cove Seller's membership interest in the Cove at Tiburon, a 281-unit, luxury waterfront multifamily rental property located in Tiburon, California, for approximately $255.0 million. Upon entering into the Cove Transaction, the Cove Buyer made a nonrefundable deposit of $7.5 million, of which we paid $3.4 million. The Cove Transaction is currently expected to close during the first quarter of 2017."

ERISA CONSIDERATIONS

The third paragraph under the heading titled "Annual or More Frequent Valuation Requirement" on page 141 of the Prospectus is hereby deleted and replaced with the following:

"On November 14, 2016, our board of directors established our most current estimated NAV per share as of September 30, 2016. We currently expect that our advisor will estimate our NAV on a quarterly basis, but our advisor will estimate our NAV on at least an annual basis. These estimates will not reflect the proceeds you would receive upon our liquidation or upon the sale of your shares."

REPORTS TO STOCKHOLDERS

The seventh paragraph under the section titled "REPORTS TO STOCKHOLDERS" on pages 168-169 of the Prospectus is hereby deleted and replaced with the following:

"Unless and until our Common Shares are listed for trading on a national securities exchange, it is not expected that a public market for our shares will develop. On June 30, 2016, which we refer to as the NAV pricing date, we provided our initial per share estimated NAV of our Common Shares as determined by our advisor, along with the material assistance or confirmation of a third party valuation expert or service as of March 31, 2016. On November 14, 2016, our board of directors established our most current estimated NAV per share as of September 30, 2016. We currently expect that our advisor will estimate our NAV on a quarterly basis, but our advisor will estimate our NAV on at least an annual basis. Our board of directors will review and approve each estimate of NAV. These estimates will not reflect the proceeds you would receive upon our liquidation or upon the sale of your shares. In providing any estimate of NAV per Common Share, neither we nor our affiliates thereby make any warranty, guarantee or representation that (i) we or our stockholders, upon liquidation, will actually realize the estimated NAV per Common Share or (ii) our stockholders will realize the estimated NAV per Common Share if they attempt to sell their Common Shares."

Annex A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q
(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission file number 333- 200464

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland **(State or Other Jurisdiction of Incorporation or Organization)**	**47-1796830** **(I.R.S. Employer Identification No.)**
1985 Cedar Bridge Avenue, Suite 1 **Lakewood, New Jersey** **(Address of Principal Executive Offices)**	**08701** **(Zip Code)**

(732) 367-0129
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of November 7, 2016, there were 5.3 million outstanding shares of common stock of Lightstone Real Estate Income Trust Inc.

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
INDEX

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	September 30, 2016 (Unaudited)	December 31, 2015
Assets		
Investment in related party	$ 22,194,001	$ 4,000,000
Cash	23,407,820	1,213,014
Deposit and other assets	3,418,768	434
Total Assets	$ 49,020,589	$ 5,213,448
Liabilities and Stockholders' Equity		
Accounts payable and other accrued expenses	$ 383,488	$ 171,105
Due to related parties	1,536	865,436
Distributions payable	301,454	46,170
Subordinated advances - related party	10,464,800	-
Total liabilities	11,151,278	1,082,711
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $0.01 par value; 200,000,000 shares authorized, 4,782,791 and 723,975 shares issued and outstanding, respectively	47,828	7,240
Additional paid-in-capital	38,494,302	4,425,374
Subscription receivable	(40,000)	(1,000)
Accumulated deficit	(632,819)	(300,877)
Total Stockholders' Equity	37,869,311	4,130,737
Total Liabilities and Stockholders' Equity	$ 49,020,589	$ 5,213,448

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Investment income	$ 600,366	$ -	$ 1,103,133	$ -
Expenses:				
General and administrative costs	85,273	45,678	207,553	98,349
Interest expense	21,138	-	32,787	-
Total expenses	106,411	45,678	240,340	98,349
Net income/(loss)	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
Net income/(loss) per common share, basic and diluted	$ 0.13	$ (0.14)	$ 0.43	$ (0.73)
Weighted average number of common shares outstanding, basic and diluted	3,730,626	321,539	2,009,286	135,227

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION:
ITEM 1. FINANCIAL STATEMENTS.

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-In	Subscription	Accumulated	Total
	Shares	Amount	Capital	Receivable	Deficit	Equity
BALANCE, December 31, 2015	723,975	$ 7,240	$ 4,425,374	$ (1,000)	$ (300,877)	$ 4,130,737
Net income	-	-	-	-	862,793	862,793
Distributions declared	-	-	-	-	(1,194,735)	(1,194,735)
Proceeds from offering	4,035,890	40,359	37,948,708	(39,000)	-	37,950,067
Shares issued from distribution reinvestment program	22,926	229	215,019	-	-	215,248
Selling commissions and dealer manager fees	-	-	(3,444,017)	-	-	(3,444,017)
Other offering costs	-	-	(650,782)	-	-	(650,782)
BALANCE, September 30, 2016	4,782,791	$ 47,828	$38,494,302	$ (40,000)	$ (632,819)	$37,869,311

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 862,793	$ (98,349)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Changes in assets and liabilities:		
Increase in prepaid expenses and other assets	(5,834)	-
Increase in accounts payable and other accrued expenses	4,969	20,022
Interest payable - subordinated advances	32,787	-
(Decrease)/increase in due to related parties	(37,774)	38,813
Net cash provided by/(used in) operating activities	856,941	(39,514)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in related party	(18,194,001)	-
Deposit on real estate investment	(3,412,500)	-
Cash used in investing activities	(21,606,501)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	37,950,067	3,514,850
Proceeds from subordinated advances - related party	10,432,013	-
Payment of commissions and offering costs	(4,713,533)	(784,012)
Distributions paid to common stockholders	(724,181)	-
Net cash provided by financing activities	42,944,366	2,730,838
Net change in cash	22,194,806	2,691,324
Cash, beginning of year	1,213,014	200,000
Cash, end of period	$ 23,407,820	$ 2,891,324
Supplemental disclosure of cash flow information:		
Distributions declared, but not paid	$ 301,454	$ -
Commissions and other offering costs accrued but not paid	$ 352,045	$ 1,199,793
Subscription receivable	$ 39,000	$ 358,500
Value of shares issued from distribution reinvestment program	$ 215,248	$ -

The accompanying notes are an integral part of these financial statements.

LIGHTSTONE REAL ESTATE INCOME TRUST INC. AND SUBSIDIARY
Notes To Consolidated Financial Statements

1. Organization

Lightstone Real Estate Income Trust Inc. (‘‘Lightstone Income Trust’’), incorporated on September 9, 2014, in Maryland, intends to elect to qualify and be taxed as a real estate investment trust (‘‘REIT’’) for U.S. federal income tax purposes beginning with the taxable year ended December 31, 2016.

Lightstone Income Trust sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ‘‘Advisor’’), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of Lightstone Income Trust’s sponsor, The Lightstone Group, LLC (the ‘‘Sponsor’’). Subject to the oversight of the Company’s board of directors (the “Board of Directors”), the Advisor has primary responsibility for making investment decisions and managing the Company’s day-to-day operations. Mr. Lichtenstein also acts as the Company’s Chairman and Chief Executive Officer. As a result, he exerts influence over but does not control the Lightstone Income Trust.

Lightstone Income Trust, together with its wholly owned subsidiary, the REIT Cove LLC (the “Subsidiary”) (see Note 5), is collectively referred to as the ‘‘Company’’ and the use of ‘‘we,’’ ‘‘our,’’ ‘‘us’’ or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

The Company’s registration statement on Form S-11 (the “Offering”), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock, par value $0.01 per share (which may be referred to herein as ‘‘shares of common stock’’ or as ‘‘Common Shares’’) for an initial offering price of $10.00 per share, subject to certain volume and other discounts (the “Primary Offering”) (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment program (the ‘‘DRIP’’) which are offered at a discounted price equivalent to 95% of the Primary Offering Price per Common Share) was declared effective by the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, the Company adjusted its offering price to $9.14 per Common Share in its Primary Offering, which was equal to the Company’s estimated net asset value (“NAV”) per Common Share as of March 31, 2016, and effective July 25, 2016, the Company’s offering price was adjusted to $10.00 per Common Share in its Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016. As of September 30, 2016, we had received gross proceeds of $44.7 million from the sale of 4.8 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company’s Sponsor). The Company intends to sell shares of its common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. The Company reserves the right to reallocate the shares of common stock it is offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time.

The Company has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. The Company may also invest in debt and derivative securities related to real estate assets. The Company expects that a majority of its investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

The Company has no employees. The Company retains the Advisor to manage its affairs on a day-to-day basis. Orchard Securities, LLC (the ‘‘Dealer Manager’’), a third party not affiliated with the Company, the Sponsor or the Advisor, serves as the dealer manager of the Offering. The Advisor is an affiliate of the Sponsor and will receive compensation and fees for services related to the investment and management of the Company’s assets.

2. Summary of Significant Accounting Policies

The accompanying unaudited interim consolidated financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair presentation of the results for the periods presented. The accompanying unaudited consolidated financial statements of the Lightstone Income Trust and Subsidiary have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (''GAAP''). GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to the valuation of real estate debt investments and securities, the valuation of the investment in related party and revenue recognition. Application of these assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

The unaudited statements of operations for interim periods are not necessarily indicative of results for the full year or any other period.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Lightstone Income Trust and Subsidiary (over which the Company exercises financial and operating control). All inter-company accounts and transactions have been eliminated in consolidation. In determining whether the Company has a controlling financial interest in a joint venture and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions and contractual and substantive participating rights of the other partners or members as well as whether the entity is a variable interest entity for which the Company is the primary beneficiary.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which provides guidance on the classification of certain cash receipts and cash payments in the statement of cash flows, including those related to debt prepayment or debt extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance, and distributions received from equity method investees. This guidance is effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The guidance must be adopted on a retrospective basis and must be applied to all periods presented, but may be applied prospectively if retrospective application would be impracticable. We are currently evaluating the impact, if any, that the adoption of this guidance will have on its consolidated statement of cash flows.

In June 2016, the FASB issued an accounting standards update which replaces the incurred loss impairment methodology current in use with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the effect that the new guidance will have on its consolidated financial statements and disclosures.

In January 2016, the FASB issued an accounting standards update that eliminates the requirement for public business entities to disclose the method and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet and is effective for periods beginning after December 15, 2017 and early adoption is not permitted. This guidance will not have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued an accounting standards update that provides for a single five-step model to be applied to all revenue contracts with customers as well as requires additional financial statement disclosures that will enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows relating to customer contracts. Companies have an option to use either a retrospective approach or cumulative effect adjustment approach to implement the standard. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The Company does not expect the adoption of this standard to have a material impact on its financial position, results of operations or cash flows.

The Company has reviewed and determined that other recently issued accounting pronouncements will not have a material impact on its financial position, results of operations and cash flows, or do not apply to its current operations.

3. Stockholders' Equity

Earnings per Share

The Company had no potentially dilutive securities outstanding during the periods presented. Accordingly, earnings per share is calculated by dividing net income/(loss) by the weighted-average number of shares of common stock outstanding during the applicable period.

Subscription Receivable

The subscription receivable relates to shares issued to the Company's shareholders for which the proceeds have not yet been received by the Company solely due to timing of transfers from the escrow agent holding the funds.

Distributions

Distribution Declaration

On November 14, 2016, the Board of Directors authorized and the Company declared a distribution for each month during the three-month period ending March 31, 2017. The distributions will be calculated based on shareholders of record at a rate of $0.002191781 per day, and will equal a daily amount that, if paid each day for a 365-day period, would equal a 8.0% annualized rate based on a share price of $10.00 payable on or about the 15th day following each month end to stockholders of record at the close of business on the last day of the prior month. The Company's stockholders have an option to elect the receipt of Common Shares under the Company's DRIP.

Distribution Payments

On August 14, 2016, September 15, 2016 and October 14, 2016, the Company paid distributions for the months ended July 31, 2016, August 31, 2016 and September 30, 2016, respectively, totaling $748,238. The distributions were paid in full using a combination of cash and 25,371 shares of the Company's common stock issued pursuant to the Company's DRIP, at a discounted price of $9.50 per share. The distributions were paid from a combination of cash flows provided by operations ($507,217 or 68%) and excess cash proceeds from the issuance of common stock through the Company's DRIP ($241,022 or 32%).

4. Selling Commissions, Dealer Manager Fees and Other Offering Costs

Selling commissions and dealer manager fees are paid to the Dealer Manager, pursuant to various agreements, and other third-party offering costs such as registration fees, due diligence fees, marketing costs, and professional fees are accounted for as a reduction against additional paid-in capital as costs are incurred. Organizational costs are expensed as general and administrative costs. The following table represents the selling commissions and dealer manager and other offering costs for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Selling commissions and dealer manager fees	$ 2,752,667	$ 106,027	$ 3,444,017	$ 118,402
Other offering costs	$ (96,486)	$ 286,173	$ 650,782	$ 1,865,403

Since the Company's inception through September 30, 2016, it has incurred approximately $3.7 million in selling commissions and dealer manager fees and $2.8 million of other offering costs in connection with the public offering of shares of its common stock.

5. Related Party Transaction and Other Arrangements

In addition to certain agreements with the Sponsor and Dealer Manager (see Note 4), the Company has agreements with the Advisor to pay certain fees, in exchange for services performed by the Advisor and/or its affiliated entities. Furthermore, the Advisor has and is expected to continue to advance certain organization and offering costs on behalf of the Company to the extent the Company does not have sufficient funds to pay such costs. As of December 31, 2015, the Company owed the Advisor and its affiliated entities an aggregate of $865,436, which was principally for commissions and offering costs paid on its behalf, and is classified as due to related parties on the balance sheet. During the nine months ended September 30, 2016, the Company was (i) charged $41,579 for certain services and costs paid on its behalf, including $36,298 of offering-related costs that were recorded as a reduction to additional paid in capital, and (ii) made payments totaling $905,479 and as a result, the amount due to related parties on the balance sheet was $1,536 as of September 30, 2016.

Cove Transaction

On September 29, 2016, the Company, through its wholly owned subsidiary, REIT Cove LLC, LSG Cove LLC, an affiliate of the Company's Sponsor and a related party, and Maximus Cove Investor LLC, an unrelated third party (collectively, the "Buyer"), entered into an agreement of sale and purchase (the "Cove Transaction") with an unrelated third party, RP Cove, L.L.C (the "Seller"), pursuant to which the Buyer will acquire the Seller's membership interest in the Cove at Tiburon, a 281-unit, luxury waterfront multifamily rental property located in Tiburon, California, for approximately $255.0 million. Upon entering into the Cove Transaction, the Buyer made a nonrefundable deposit of approximately $7.5 million, of which the Company's share was approximately $3.4 million which is included in deposits and other assets on the consolidated balance sheet as of September 30, 2016. The Cove Transaction is currently expected to close during the first quarter of 2017.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, the Company entered into an agreement (the "Moxy Transaction") with various related party entities that provides for the Company to make aggregate preferred equity contributions (the "105-109 W. 28th Street Preferred Investment") of up to $20.0 million in various affiliates of its Sponsor (the "Developer") which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment is made pursuant to an instrument that entitles the Company to monthly preferred distributions at a rate of 12% per annum and was redeemable by the Company at the earlier of (i) the date that is two years from the date of the Company's final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. The Company may also request redemption or a restructuring of the agreement prior to the acceptance of any construction financing. On June 30, 2016, the Company and the Developer amended the Moxy Transaction so that the Company's contributions would become redeemable on the fifth anniversary of the Moxy Transaction. The 105-109 W. 28th Street Preferred Investment is classified as a held-to-maturity security and recorded at cost.

On August 30, 2016, the Company and the Developer amended the Moxy Transaction so that Company's total aggregate contributions under the 105-109 W. 28th Street Preferred Investment would increase by $17.0 million to $37.0 million.

The Company made an initial contribution of $4.0 million during the fourth quarter of 2015 and additional contributions of $18.2 million during the nine months ended September 30, 2016. As of September 30, 2016 and December 31, 2015, the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $22.2 million and $4.0 million, respectively, which is classified in investment in related party on the consolidated balance sheets. As of September 30, 2016, an aggregate of $14.8 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. The Company has funded contributions using proceeds from its Offering and draws under the Subordinated Agreement. During the three and nine months ended September 30, 2016, the Company recorded $600,366 and $1,103,133 of investment income related to the 105-109 W. 28th Street Preferred Investment. The Company's Advisor elected to waive the acquisition fee associated with this transaction.

Subordinated Agreement

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the Company's then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company's Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing the Company's NAV per share until holders of its Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. The Company cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of its Common Shares until holders of its Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, the Company will be obligated to repay the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after the Company repays its holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to its Sponsor, such additional distributions will be paid to holders of its Common Shares and its Sponsor: 85.0% of the aggregate amount will be payable to holders of the Company's Common Shares and the remaining 15.0% will be payable to the Sponsor.

The Subordinated Advances and its related interest are subordinate to all of the Company's obligations as well as to the holders of its Common Shares in an amount equal to the shareholder's net investment plus a cumulative, pre-tax, non-compounded annual return of 8.0% and only potentially payable in the event of a liquidation of the Company.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of September 30, 2016 an aggregate of approximately $10.4 million of Subordinated Advances had been funded, which along with the related accrued interest of $32,787, are classified as a liability on the consolidated balance sheet.

6. Commitments and Contingencies

Legal Proceedings

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

PART I. FINANCIAL INFORMATION, CONTINUED:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements of Lightstone Real Estate Income Trust Inc. and Subsidiary (''Lightstone Income Trust''), and the notes thereto. As used herein, the terms "we," "our" and "us" refer to Lightstone Real Estate Income Trust Inc., a Maryland corporation, and its subsidiary.

Forward-Looking Statements

Certain information included in this Quarterly Report on Form 10-Q contains, and other materials filed or to be filed by us with the Securities and Exchange Commission (the "SEC"), contain or will contain, forward-looking statements. All statements, other than statements of historical facts, including, among others, statements regarding our possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives, are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Lightstone Real Estate Income Trust Inc. and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements.

Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ from the results discussed in the forward-looking statements.

Risks and other factors that might cause differences, some of which could be material, include, but are not limited to, economic and market conditions, competition, tenant or joint venture partner(s) bankruptcies, our lack of operating history, the availability of cash flows from operations to pay distributions, changes in governmental, tax, real estate and zoning laws and regulations, failure to increase tenant occupancy and operating income, rejection of leases by tenants in bankruptcy, financing and development risks, construction and lease-up delays, cost overruns, the level and volatility of interest rates, the rate of revenue increases versus expense increases, the financial stability of various tenants and industries, the failure of the Company to make additional investments in real estate properties, the failure to upgrade our tenant mix, restrictions in current financing arrangements, the failure to fully recover tenant obligations for common area maintenance, insurance, taxes and other property expenses, the failure of the Company to continue to qualify as a real estate investment trust ("REIT"), the failure to refinance debt at favorable terms and conditions, an increase in impairment charges, loss of key personnel, failure to achieve earnings/funds from operations targets or estimates, conflicts of interest with the Advisor and the Sponsor and their affiliates, failure of joint venture relationships, significant costs related to environmental issues as well as other risks listed from time to time in this Form 10-Q, our Registration Statements on Form S-11, as the same may be amended and supplemented from time to time, and in the Company's other reports filed with the SEC.

We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless required by law.

Overview

Lightstone Income Trust, together with its subsidiary, is collectively referred to as the ''Company'' and the use of ''we,'' ''our,'' ''us'' or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

Lightstone Income Trust has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. We may also invest in debt and derivative securities related to real estate assets. We expect that a majority of our investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

Capital required to originate and acquire investments and conduct our operations is expected to be obtained from public offerings of shares of our common stock and from any indebtedness that we may incur either in connection with the acquisition of any real estate and real estate related investments or thereafter. We are dependent upon the net proceeds from public offerings of our common stock to conduct our proposed activities.

Our registration statement on Form S-11(the “Offering”), pursuant to which we are offering to sell up to 30,000,000 shares of our common stock (which may be referred to herein as ‘‘shares of common stock’’ or as ‘‘Common Shares’’) for an initial offering price of $10.00 per share, subject to certain volume and other discounts (the “Primary Offering”) (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment plan (the “DRIP”) which are offered at a discounted price equivalent to 95% of the Primary Offering price per Common Share) was declared effective by the SEC under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, we adjusted our offering price to $9.14 per Common Share in our Primary offering, which was equal to our estimated net asset value (“NAV”) per Common Share as of March 31, 2016, and effective July 25, 2016, our offering price was adjusted to $10.00 per Common Share in our Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016.

We sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ‘‘Advisor’’), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of our sponsor, The Lightstone Group, LLC (the ‘‘Sponsor’’).

As of September 30, 2016, we had received gross proceeds of $44.7 million from the sale of 4.8 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company’s Sponsor).

We have no employees. We retained the Advisor to manage our affairs on a day-to-day basis. Orchard Securities, LLC (the ‘‘Dealer Manager’’) serves as the dealer manager of our public offering. The Advisor is an affiliate of the Sponsor. The Advisor will receive compensation and fees for services related to the investment and management of our assets during our offering, acquisition, operational and liquidation stages.

On March 18, 2016, we and our Sponsor entered into a subordinated unsecured loan agreement (the “Subordinated Agreement”) pursuant to which the Sponsor has committed to make a significant investment in us of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the “Subordinated Advances”) in an amount equal to the product of (i) $10.00 minus the Company’s then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company’s Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of our initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) we receive gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing our NAV per share until holders of our Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. We cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of our Common Shares until holders of our Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, we will be obligated to repay the holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after we repay the outstanding advances under the Subordinated Agreement and accrued interest to our Sponsor, such additional distributions will be paid to holders of our Common Shares and our Sponsor: 85.0% of the aggregate amount will be payable to holders of our Common Shares and the remaining 15.0% will be payable to the Sponsor.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of September 30, 2016 an aggregate of approximately $10.4 million of Subordinated Advances had been funded, which along with the related accrued interest of $32,787, is classified as a liability on the consolidated balance sheets.

Current Environment

Our operating results as well as our investment opportunities are impacted by the health of the North American economies. Our business and financial performance may be adversely affected by current and future economic conditions, such as availability of credit, financial markets volatility, and recession.

Our business may be affected by market and economic challenges experienced by the U.S. and global economies. These conditions may materially affect the value and performance of our properties, and may affect our ability to pay distributions, the availability or the terms of financing that we have or may anticipate utilizing, and our ability to make principal and interest payments on, or refinance, any outstanding debt when due.

We are not aware of any other material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from the acquisition and operation of real estate and real estate related investments, other than those referred to in this Form 10-Q.

Results of Operations

We were incorporated in the State of Maryland on September 9, 2014 and broke escrow on June 12, 2015. During the fourth quarter of 2015 we made our first real estate-related investment, the 105-109 W. 28th Street Preferred Investment (see Note 5 of the Notes to Consolidated Financial Statements). Prior to making our first real estate-related investment, we did not have any significant results of operations other than certain general and administrative costs.

For the Three Months Ended September 30, 2016

Investment income

Investment income, which was attributable to the 105-109 W. 28th Street Preferred Investment, was $600,366 for the three months ended September 30, 2016.

General and administrative expenses

General and administrative expense increased by $39,595 to $85,273 during the three months ended September 30, 2016 compared to $45,678 for the same period in 2015. The increase reflects higher board of directors' fees and an increase in accounting, legal and corporate filing fees.

Interest Expense

Interest expense, which was attributable to the Subordinated Advances – related party, was $21,138 for the three months ended September 30, 2016.

For the Nine Months Ended September 30, 2016

Investment income

Investment income, which was attributable to the 105-109 W. 28th Street Preferred Investment, was $1,103,133 for the nine months ended September 30, 2016.

General and administrative expenses

General and administrative expense increased by $109,204 to $207,553 during the nine months ended September 30, 2016 compared to $98,349 for the same period in 2015. The increase reflects higher board of directors' fees in the 2016 period and an increase in accounting, legal and corporate filing fees in the 2016 period.

Interest Expense

Interest expense, which was attributable to the Subordinated Advances – related party, was $32,787 for the nine months ended September 30, 2016.

Financial Condition, Liquidity and Capital Resources

For the nine months ended September 30, 2016 our primary source of funds were approximately $33.2 million of net proceeds from the sale of shares of common stock under our Offering and approximately $10.4 million of Subordinated Advances funded by our Sponsor.

Our future sources of funds will primarily consist of (i) proceeds from our sale of shares of common stock under our Offering, (ii) cash flows from our operations, (iii) proceeds from Subordinated Advances and (iv) our DRIP. We currently believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

We will be dependent upon the net proceeds from this offering to conduct our proposed operations. We will obtain the capital required to originate and acquire investments and conduct our operations from the proceeds of this Offering, any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations.

Once we have fully invested the proceeds of this Offering, assuming we sell the maximum amount, our portfolio-wide loan-to-value ratio (calculated after the close of this Offering) will be approximately 25%. For purposes of calculating our 25% target leverage, we will determine the loan-to-value ratio on our portfolio based on the greater of the aggregate cost and the fair market value of our investments and other assets. There is no limitation on the amount we may borrow for the purchase or origination of any single investment. Our charter allows us to incur leverage up to 300% of our total "net assets" (as defined in our charter) as of the date of any borrowing, which is generally expected to be approximately 75% of the cost of our investments. We may only exceed this 300% limit with the approval of a majority of our independent directors. During the early stages of this offering, our independent directors may be more likely to approve debt in excess of this limit. In all events, we expect that our secured and unsecured borrowings will be reasonable in relation to the net value of our assets and will be reviewed by our board of directors at least quarterly.

In addition to making investments in accordance with our investment objectives, we expect to use our capital resources to make certain payments to our Advisor and the Dealer Manager. During our organization and offering stage, these payments will include payments to the Dealer Manager for selling commissions and dealer manager fees. During this stage, we also will make payments to our Advisor for reimbursement of certain other organization and offering expenses. However, we do not expect that our total payments for other organization and offering expenses would exceed 2% of gross offering proceeds. In no event will aggregate organization and offering costs exceed 15.0% of gross offering proceeds over the life of the offering. During the initial stage of our Offering, the organization and offering costs may exceed 15.0% of gross offering proceeds since many of the expenses incurred in relation to the Offering are incurred prior to the sale of shares of our common stock.

Selling commissions and dealer manager fees are paid to the Dealer Manager or soliciting dealers, as applicable, pursuant to various agreements, and other third-party offering costs such as registration fees, due diligence fees, marketing costs, and professional fees are accounted for as a reduction against additional paid-in capital as costs are incurred. Any organizational costs are accounted for as general and administrative costs. The following table represents the selling commissions and dealer manager fees and other offering costs for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Selling commissions and dealer manager fees	$ 2,752,667	$ 106,027	$ 3,444,017	$ 118,402
Other offering costs	$ (96,486)	$ 286,173	$ 650,782	$ 1,865,403

We have agreements with the Advisor to pay certain fees, in exchange for services performed by the Advisor and/or its affiliated entities. Furthermore, the Advisor has and is expected to continue to advance certain organization and offering costs on our behalf to the extent we do not have sufficient funds to pay such costs. As of December 31, 2015, we owed the Advisor and its affiliated entities an aggregate of $865,436, which was principally for organization and offering costs paid on our behalf, and is classified as due to related parties on the balance sheet. During the nine months ended September 30, 2016, we were (i) charged $41,579 for certain services and costs paid on our behalf, including $36,298 of offering-related costs that were recorded as a reduction to additional paid in capital, and (ii) made payments totaling $905,479 and as a result, the amount due to related parties on the consolidated balance sheet was $1,536 as of September 30, 2016.

During our operational stage, we expect to make payments to our Advisor in connection with the selection and origination or purchase of investments and the management of our assets and to reimburse certain costs incurred by our Advisor in providing services to us. The advisory agreement has a one-year term but may be renewed for an unlimited number of successive one-year periods upon the mutual consent of our Advisor and our independent directors.

Summary of Cash Flows

The following summary discussion of our cash flows is based on the statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below:

		For the Nine Months Ended September 30, 2016		For the Nine Months Ended September 30, 2015
Cash flows provided by/(used) in operating activities	$	856,941	$	(39,514)
Cash flows used in investing activities		(21,606,501)		-
Cash flows provided by financing activities		42,944,366		2,730,838
Net change in cash and cash equivalents		22,194,806		2,691,324
Cash and cash equivalents, beginning of the year		1,213,014		200,000
Cash and cash equivalents, end of the period	$	23,407,820	$	2,891,324

Operating activities

The net cash provided by operating activities of $856,941 during the 2016 period primarily related to our net income of $862,793 offset by changes in assets and liabilities of $5,852.

Investing activities

The cash used in investing activities of $21.6 million during the 2016 period consisted of contributions of $18.2 million to the 105-109 W. 28th Street Preferred Investment and a payment of approximately $3.4 million representing our share of a nonrefundable deposit made for an acquisition expected to close in the first quarter of 2017 (see Note 5 of the Notes to Consolidated Financial Statements).

Financing activities

The net cash provided by financing activities of $42.9 million during the 2016 period principally consists of proceeds from the issuance of our common stock of $38.0 million and Subordinated Advances of $10.4 million; partially offset by the payment of selling commissions, dealer manager fees and other offering costs of approximately $4.7 and distributions of $0.7 million to common stockholders.

We believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

DRIP and Share Repurchase Program

Our DRIP provides our stockholders with an opportunity to purchase additional shares of our common stock at a discount by reinvesting distributions. The offering provides for 10.0 million shares available for issuance under our DRIP which are offered at a discounted price equivalent to 95% of our Primary Offering price per Common Share. Through September 30, 2016, approximately 24,500 shares of common stock had been issued under our DRIP and approximately 10.0 million shares remain available for issuance.

Our share repurchase program may provide our stockholders with limited, interim liquidity by enabling them to sell their shares of common stock back to us, subject to certain restrictions.

As of September 30, 2016 no shares have been repurchased under our share repurchase program.

Our Board of Directors reserves the right to terminate either program for any reason without cause by providing written notice of termination of the DRIP to all participants or written notice of termination of the share repurchase program to all stockholders.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, we entered into an agreement (the "Moxy Transaction") with various related party entities that provides for aggregate preferred equity contributions (the "105-109 W. 28th Street Preferred Investment") of up to $20.0 million in various affiliates of our Sponsor (the "Developer") which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment is made pursuant to an instrument that is entitled to monthly preferred distributions at a rate of 12% per annum and was redeemable by us at the earlier of (i) the date that is two years from the date of the Company's final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. On June 30, 2016, we amended the Moxy Transaction with the Developer so our contributions would become redeemable on the fifth anniversary of the Moxy Transaction and on August 30, 2016, we amended the Moxy Transaction so that Company's total aggregate contributions under the 105-109 W. 28th Street Preferred Investment would increase by $17.0 million to $37.0 million.

We made an initial contribution of $4.0 million during the fourth quarter of 2015 and additional contributions of $18.2 million during the nine months ended September 30, 2016. As of September 30, 2016 the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $22.2 million, which is classified in investment in related party on the consolidated balance sheets. The fair value of this investment is not practical to estimate due to the related party nature of the underlying transaction. As of September 30, 2016, an aggregate of $14.8 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment.

Funds from Operations and Modified Funds from Operations

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings, improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time. We believe that, because real estate values historically rise and fall with market conditions, including, but not limited to, inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using the historical accounting convention for depreciation and certain other items may be less informative.

Because of these factors, the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has published a standardized measure of performance known as funds from operations ("FFO"), which is used in the REIT industry as a supplemental performance measure. We believe FFO, which excludes certain items such as real estate-related depreciation and amortization, is an appropriate supplemental measure of a REIT's operating performance. FFO is not equivalent to our net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards set forth in the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, but excluding gains or losses from sales of property and real estate related impairments, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

We believe that the use of FFO provides a more complete understanding of our performance to investors and to management, and, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income.

Changes in the accounting and reporting promulgations under GAAP that were put into effect in 2009 subsequent to the establishment of NAREIT's definition of FFO, such as the change to expense as incurred rather than capitalize and depreciate acquisition fees and expenses incurred for business combinations, have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses, as items that are expensed under GAAP across all industries. These changes had a particularly significant impact on publicly registered, non-listed REITs, which typically have a significant amount of acquisition activity in the early part of their existence, particularly during the period when they are raising capital through ongoing initial public offerings.

Because of these factors, the Investment Program Association ("IPA"), an industry trade group, has published a standardized measure of performance known as modified funds from operations ("MFFO"), which the IPA has recommended as a supplemental measure for publicly registered, non-listed REITs. MFFO is designed to be reflective of the ongoing operating performance of publicly registered, non-listed REITs by adjusting for those costs that are more reflective of acquisitions and investment activity, along with other items the IPA believes are not indicative of the ongoing operating performance of a publicly registered, non-listed REIT, such as straight-lining of rents as required by GAAP. We believe it is appropriate to use MFFO as a supplemental measure of operating performance because we believe that, when compared year over year, both before and after we have deployed all of our offering proceeds and are no longer incurring a significant amount of acquisition fees or other related costs, it reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income. MFFO is not equivalent to our net income or loss as determined under GAAP.

We define MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations (the "Practice Guideline") issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for acquisition and transaction-related fees and expenses and other items. In calculating MFFO, we follow the Practice Guideline and exclude the following items:

- acquisition fees and expenses; non-cash amounts related to straight-line rent and the amortization of above- or below-market and in-place intangible lease assets and liabilities (which are adjusted in order to reflect such payments from an accrual basis of accounting under GAAP to a cash basis of accounting);
- amortization of a premium and accretion of a discount on debt investments;
- non-recurring impairment of real estate-related investments;
- realized gains (losses) from the early extinguishment of debt;

- realized gains (losses) on the extinguishment or sales of hedges, foreign exchange, securities and other derivative holdings except where the trading of such instruments is a fundamental attribute of our business;
- unrealized gains (losses) from fair value adjustments on real estate securities, including CMBS and other securities, interest rate swaps and other derivatives not deemed hedges and foreign exchange holdings;
- unrealized gains (losses) from the consolidation from, or deconsolidation to, equity accounting;
- adjustments related to contingent purchase price obligations; and
- adjustments for consolidated and unconsolidated partnerships and joint ventures calculated to reflect MFFO on the same basis as above.

Certain of the above adjustments are also made to reconcile net income (loss) to net cash provided by (used in) operating activities, such as for the amortization of a premium and accretion of a discount on debt and securities investments, amortization of fees, any unrealized gains (losses) on derivatives, securities or other investments, as well as other adjustments.

MFFO excludes non-recurring impairment of real estate-related investments. We assess the credit quality of our investments and adequacy of reserves on a quarterly basis, or more frequently as necessary. Significant judgment is required in this analysis. We consider the estimated net recoverable value of a loan as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the prospects for the borrower and the competitive situation of the region where the borrower does business.

We believe that, because MFFO excludes costs that we consider more reflective of acquisition activities and other non-operating items, MFFO can provide, on a going-forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of our operating performance after the period in which we are acquiring properties and once our portfolio is stabilized. We also believe that MFFO is a recognized measure of sustainable operating performance by the non-listed REIT industry and allows for an evaluation of our performance against other publicly registered, non-listed REITs.

Not all REITs, including publicly registered, non-listed REITs, calculate FFO and MFFO the same way. Accordingly, comparisons with other REITs, including publicly registered, non-listed REITs, may not be meaningful. Furthermore, FFO and MFFO are not indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as determined under GAAP as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. FFO and MFFO should be reviewed in conjunction with GAAP measurements as an indication of our performance. FFO and MFFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The methods utilized to evaluate the performance of a publicly registered, non-listed REIT under GAAP should be construed as more relevant measures of operational performance and considered more prominently than the non-GAAP measures, FFO and MFFO, and the adjustments to GAAP in calculating FFO and MFFO.

Neither the SEC, NAREIT, the IPA nor any other regulatory body or industry trade group has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, NAREIT, the IPA or another industry trade group may publish updates

The following table presents a reconciliation of FFO and MFFO to net income /(loss):

	For the Three Months Ended September 30, 2016	For the Three Months Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
Net income/(loss)	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
FFO adjustments:				
None	-	-	-	-
FFO	493,955	(45,678)	862,793	(98,349)
MFFO adjustments:				
Other adjustments:				
Acquisition and other transaction related costs expensed	-	-	4,000	-
MFFO	493,955	(45,678)	866,793	(98,349)
Straight-line rent(1)	-	-	-	-
MFFO - IPA recommended format	$ 493,955	$ (45,678)	$ 866,793	$ (98,349)
Net income/(loss)	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
Less: net (income)/loss attributable to noncontrolling interests	-	-	-	-
Net income/(loss) applicable to Company's common shares	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
Net loss per common share, basic and diluted	$ 0.13	$ (0.14)	$ 0.43	$ (0.73)
FFO	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
Less: FFO attributable to noncontrolling interests	-	-	-	-
FFO attributable to Company's common shares	$ 493,955	$ (45,678)	$ 862,793	$ (98,349)
FFO per common share, basic and diluted	$ 0.13	$ (0.14)	$ 0.43	$ (0.73)
MFFO - IPA recommended format	$ 493,955	$ (45,678)	$ 866,793	$ (98,349)
Less: MFFO attributable to noncontrolling interests	-	-	-	-
MFFO attributable to Company's common shares	$ 493,955	$ (45,678)	$ 866,793	$ (98,349)
Weighted average number of common shares outstanding, basic and diluted	3,730,626	321,539	2,009,286	135,227

(1) Under GAAP, rental receipts are allocated to periods using various methodologies. This may result in income recognition that is significantly different than underlying contract terms. By adjusting for these items (to reflect such payments from a GAAP accrual basis to a cash basis of disclosing the rent and lease payments), MFFO provides useful supplemental information on the realized economic impact of lease terms and debt investments, providing insight on the contractual cash flows of such lease terms and debt investments, and aligns results with management's analysis of operating performance.

Distributions Declared by our Board of Directors and Source of Distributions

The following table provides a summary of our quarterly distributions declared during the periods presented. The amount of distributions paid to our stockholders in the future will be determined by our Board of Directors and is dependent on a number of factors, including funds available for payment of dividends, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code. Additionally, our stockholders have the option to elect the receipt of shares in lieu of cash under our DRIP.

	Year to Date September 30, 2016		Three Months Ended September 30, 2016		Three Months Ended June 30, 2016		Three Months Ended March 31, 2016	
Distribution period:		Percentage of Distributions	Q3 2016	Percentage of Distributions	Q2 2016	Percentage of Distributions	Q1 2016	Percentage of Distributions
Date distribution declared			August 5, 2016		May 12, 2016		October 28, 2015, March 11, 2016	
Date distribution paid			August 15, 2016 September 15, 2016 October 14, 2016		May 14, 2016, June 15, 2016, & July 15, 2016		February 16, 2016, March 15, 2016, & April 15, 2016	
Distributions paid	$ 889,647		$ 507,217		$ 250,216		$ 132,214	
Distributions reinvested	305,089		241,022		27,019		37,048	
Total Distributions	$ 1,194,736		$ 748,239		$ 277,235		$ 169,262	
Source of distributions:								
Cash flows provided by operations	$ 856,941	72%	$ 507,217	68%	$ 250,216	90%	$ 65,948	39%
Offering proceeds	32,706	3%	-	-	-	-	66,266	39%
Proceeds from issuance of common stock through DRIP	305,089	26%	241,022	32%	27,019	10%	37,048	22%
Total Sources	$ 1,194,736	101%	$ 748,239	100%	$ 277,235	100%	$ 169,262	100%
Cash flows provided by operations (GAAP basis)	$ 856,941		$ 515,675		$ 275,318		$ 65,948	
Number of shares of common stock issued pursuant to the Company's DRIP	32,384		25,371		3,113		3,900	

The table below presents our cumulative FFO and distributions declared:

	For the period September 9, 2014 (date of inception) through September 30, 2016
FFO	$ 748,969
Distributions declared	$ 1,381,788

New Accounting Pronouncements

See Note 2 of the Notes to Consolidated Financial Statements for further information of certain accounting standards that have been issued or adopted during 2016 and certain accounting standards that we have not yet been required to implement and may be applicable to our future operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or rates. Our interest rate risk management objectives with respect to our long-term debt will be to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars, and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes. We do not anticipate having any foreign operations and thus we do not expect to be exposed to foreign currency fluctuations.

ITEM 4. CONTROLS AND PROCEDURES.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, at March 31, 2016, June 30, 2016 and September 30, 2016, our disclosure controls and procedures were not effective in recording, processing, summarizing and reporting, on a timely basis, information we are required to disclose in the reports that we file or submit under the Exchange Act, and our disclosure controls and procedures were also not effective to ensure that information we disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

As we describe below, we have implemented a process to remediate the material weakness in internal control over financial reporting that we identified as of March 31, 2016, June 30, 2016 and September 30, 2016. There were no other material changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

In connection with our management's assessment of our internal control over financial reporting as of March 31, 2016, June 30, 2016 and September 30, 2016, we identified a material weakness in our internal control over financial reporting pertaining to our accounting for a significant and unusual transaction related to advances made under a subordinated agreement which we entered into with our sponsor on March 18, 2016. Our control activities were not designed appropriately to ensure that our related accounting conclusions were sufficiently documented and reviewed for compliance with U.S. generally accepted accounting principles ("GAAP") with respect to the application of GAAP to this complex instrument which included characteristics of both debt and equity. The material weakness resulted in a balance sheet misclassification error as of March 31, 2016 and June 30, 2016 and an under-accrual of interest expense of $11,649 within our statements of operations for the three and six months ended June 30, 2016. As a result, we have restated our financial statements for the quarterly periods ended March 31, 2016 and June 30, 2016. Additionally, prior to the issuance of our consolidated financial statements for the quarterly period ended September 30, 2016, we have corrected the balance sheet misclassification error as of September 30, 2016 and properly accrued interest expense within our consolidated statements of operations for the three and nine months ended September 30, 2016.

Management has undertaken steps to enhance and revise the design of our controls and procedures over our accounting for instruments which have the characteristics of both debt and equity. The material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed prior to the end of fiscal year 2016.

PART II. OTHER INFORMATION:

ITEM 1. LEGAL PROCEEDINGS.

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

As of the date hereof, the Company is not a party to any material pending legal proceedings of which the outcome is probable or reasonably possible to have a material adverse effect on its results of operations or financial condition, which would require accrual or disclosure of the contingency and possible range of loss. Additionally, the Company has not recorded any loss contingencies related to legal proceedings in which the potential loss is deemed to be remote.

ITEM 1A. RISK FACTORS

We discuss in our Annual Report on Form 10-K various risks that may materially affect our business. We use this section to update this discussion to reflect material developments since our Form 10-K was filed. For the quarter ended September 30, 2016, there were no such material developments.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

During the period covered by this Form 10-Q, we did not sell any unregistered securities.

Use of Public Offering Proceeds

The Company's sponsor is David Lichtenstein ("Lichtenstein"), who does business as The Lightstone Group, LLC (the "Sponsor") and is the majority owner of the limited liability company of that name. The Company's advisor is Lightstone Real Estate Income LLC (the "Advisor"), which is wholly owned by our Sponsor.

On September 12, 2014, the Company sold 20,000 Common Shares to the Advisor for $10.00 per share.

The Company's registration statement on Form S-11 (File No. 333-200464), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock at a price for an initial offering price of $10.00 per share, subject to certain volume discounts (the "Primary Offering") (exclusive of 10,000,000 shares which are available pursuant to its distribution reinvestment plan (the "DRIP") which are offered a discounted price equivalent to 95% of the Primary Offering price per Common Share) was declared effective by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, the Company adjusted its offering price to $9.14 per Common Share in its Primary Offering, which was equal to the Company's estimated net asset value ("NAV") per Common Share as of March 31, 2016, and effective July 25, 2016, the Company's offering price was adjusted to $10.00 per Common Share in its Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016. As of September 30, 2016, we had received gross proceeds of $44.7 million from the sale of 4.8 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in our Sponsor).

We currently intend to sell shares of our common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. We reserve the right to reallocate the shares of common stock we are offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time.

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of September 30, 2016 an aggregate of approximately $10.4 million of Subordinated Advances had been funded, which along with related accrued interest of $32,787, is classified as a liability on the consolidated balance sheet.

We will utilize a portion of our public offering proceeds towards funding the dealer manager fees, selling commissions and organization and other offering costs.

Below is a summary of the expenses we have incurred in connection with the issuance and distribution of the registered securities since inception:

Type of Expense Amount		
Selling commissions and dealer manager fees	$	3,702,833
Other expenses incurred		2,760,740
Total offering costs incurred from inception through September 30, 2016	$	6,463,573

Cumulatively through September 30, 2016, we have used the net offering proceeds of $55.1 million (including aggregate advances from our Sponsor of $10.4 million under the Subordinated Agreement), after deduction of offering expenses paid since inception of $6.5 million, as follows:

Cash	$	23,078,735
Cash distributions not funded by operations		231,072
Investment in related party		22,194,001
Deposit on Real Estate Investment		3,412,500
Other uses (primarily timing of payables)		(279,558)
Total uses	$	48,636,750

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101*	XBRL (eXtensible Business Reporting Language).The following financial information from Lightstone Real Estate Income Trust Inc. on Form 10-Q for the quarter ended September 30, 2016, filed with the SEC on November 21, 2016, formatted in XBRL includes: (1) Consolidated Balance Sheets, (2) Consolidated Statements of Operations, (3) Consolidated Statements of Stockholders' Equity, (4) Consolidated Statements of Cash Flows, and (5) the Notes to the Consolidated Financial Statement.

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		LIGHTSTONE REAL ESTATE INCOME TRUST INC.
Date: November 21, 2016	By:	/s/ David Lichtenstein David Lichtenstein Chairman and Chief Executive Officer (Principal Executive Officer)
Date: November 21, 2016	By:	/s/ Donna Brandin Donna Brandin Chief Financial Officer (Duly Authorized Officer and Principal Financial and Accounting Officer)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission file number 333- 200464

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland **(State or Other Jurisdiction of Incorporation or Organization)**	**47-1796830** **(I.R.S. Employer Identification No.)**
1985 Cedar Bridge Avenue, Suite 1 **Lakewood, New Jersey** **(Address of Principal Executive Offices)**	**08701** **(Zip Code)**

(732) 367-0129
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of November 7, 2016, there were 5.3 million outstanding shares of common stock of Lightstone Real Estate Income Trust Inc.

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-Q/A to amend and restate in their entirety the following items of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 as originally filed with the Securities and Exchange Commission on August 15, 2016 (the "Original Form 10-Q"): (i) Item 1 of Part I "Financial Information," (ii) Item 2 of Part I, "Management's Discussion and Analysis of Financial Condition and Results of Operations," (iii) Item 4 of Part I, "Controls and Procedures," and (iv) Item 6 of Part II, "Exhibits", and we have also updated the signature page, the certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31.1, 31.2, 32.1 and 32.2, and our financial statements formatted in Extensible Business Reporting Language (XBRL) in Exhibits 101. No other sections were affected, but for the convenience of the reader, this report on Form 10-Q/A restates in its entirety, as amended, our Original Form 10-Q. This report on Form 10-Q/A is presented as of the filing date of the Original Form 10-Q and does not reflect events occurring after that date, or modify or update disclosures in any way other than as required to reflect the restatement described below.

We have determined that our previously reported results for the quarter ended June 30, 2016 erroneously classified aggregate advances made under the subordinated agreement with our sponsor of $5,682,013 as a component of stockholders' equity rather than a liability on our balance sheet as of June 30, 2016 and our operating results did not reflect $11,649 of interest expense which should have been incurred on such advances during both the three and six months ended June 30, 2016.

The balance sheet as of June 30, 2016 included in this Form 10-Q/A has been restated to reclassify the $5,682,013 of aggregate advances from a component of stockholders' equity to liabilities and to reflect the $11,649 of interest expense accrued on such advances and the statement of operations for the three and six months June 30, 2016 has been restated to record $11,649 of interest expense.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
INDEX

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
BALANCE SHEETS

	June 30, 2016 (Unaudited) (Restated)	December 31, 2015
Assets		
Investment in related party	$ 15,900,000	$ 4,000,000
Cash	512,321	1,213,014
Prepaid expenses	5,302	434
Total Assets	$ 16,417,623	$ 5,213,448
Liabilities and Stockholders' Equity		
Accounts payable and other accrued expenses	$ 328,410	$ 171,105
Due to related parties	609	865,436
Distributions payable	98,101	46,170
Subordinated advances - related party	5,693,662	-
Total liabilities	6,120,782	1,082,711
Commitments and Contingencies		
Stockholders' Equity:		
Company's stockholders' equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $0.01 par value; 200,000,000 shares authorized, 1,500,385 and 723,975 shares issued and outstanding, respectively	15,004	7,240
Additional paid-in-capital	10,660,373	4,425,374
Subscription receivable	-	(1,000)
Accumulated deficit	(378,536)	(300,877)
Total Stockholders' Equity	**10,296,841**	**4,130,737**
Total Liabilities and Stockholders' Equity	**$ 16,417,623**	**$ 5,213,448**

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016 (Restated)	2015	2016 (Restated)	2015
Investment income	$ 347,634	$ -	$ 502,767	$ -
Expenses:				
General and administrative costs	60,628	47,258	122,280	52,671
Interest expense	11,649	-	11,649	-
Total expenses	72,277	47,258	133,929	52,671
Net income/(loss)	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
Net income/(loss) per common shares, basic and diluted	$ 0.20	$ (0.78)	$ 0.32	$ (1.30)
Weighted average number of common shares outstanding, basic and diluted	1,409,636	60,830	1,139,159	40,528

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION:
ITEM 1. FINANCIAL STATEMENTS.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited) (Restated)

	Common Shares	Common Amount	Additional Paid-In Capital	Subscription Receivable	Accumulated Deficit	Total Equity
BALANCE, December 31, 2015	723,975	$ 7,240	$ 4,425,374	$ (1,000)	$ (300,877)	$ 4,130,737
Net income	-	-	-	-	368,838	368,838
Distributions declared	-	-	-	-	(446,497)	(446,497)
Proceeds from offering	771,740	7,717	7,629,301	1,000	-	7,638,018
Shares issued from distribution reinvestment program	4,670	47	44,316	-	-	44,363
Selling commissions and dealer manager fees	-	-	(691,350)	-	-	(691,350)
Other offering costs	-	-	(747,268)	-	-	(747,268)
BALANCE, June 30, 2016	1,500,385	$ 15,004	$ 10,660,373	$ -	$ (378,536)	$ 10,296,841

The accompanying notes are an integral part of these financial statements.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 368,838	$ (52,671)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Changes in assets and liabilities:		
Increase in prepaid expenses	(4,868)	-
Increase in accounts payable and other accrued expenses	4,348	8,425
Interest payable - subordinated advances	11,649	-
(Decrease)/increase in due to related parties	(38,701)	38,813
Net cash provided by/(used in) operating activities	341,266	(5,433)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in related party	(11,900,000)	-
Cash used in investing activities	(11,900,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	7,668,018	2,062,450
Proceeds from subordinated advances - related party	5,682,013	-
Payment of commissions and offering costs	(2,141,786)	(463,552)
Distributions paid to Company's common stockholders	(350,204)	-
Net cash provided by financing activities	10,858,041	1,598,898
Net change in cash	(700,693)	1,593,465
Cash, beginning of year	1,213,014	200,000
Cash, end of period	$ 512,321	$ 1,793,465
Supplemental disclosure of cash flow information:		
Distributions declared, but not paid	$ 98,101	$ -
Commissions and other offering costs accrued but not paid	$ 267,611	$ 1,128,053
Subscription receivable	$ -	$ 62,000
Value of shares issued from distribution reinvestment program	$ 44,362	$ -

The accompanying notes are an integral part of these financial statements.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
Notes To Financial Statements

1. Organization

Lightstone Real Estate Income Trust Inc. (''Lightstone Income Trust''), incorporated on September 9, 2014, in Maryland, intends to elect to qualify and be taxed as a real estate investment trust (''REIT'') for U.S. federal income tax purposes beginning with the taxable year ended December 31, 2016.

Lightstone Income Trust sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ''Advisor''), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of Lightstone Income Trust's sponsor, The Lightstone Group, LLC (the ''Sponsor''). Subject to the oversight of the Company's board of directors (the "Board of Directors"), the Advisor has primary responsibility for making investment decisions and managing the Company's day-to-day operations. Mr. Lichtenstein also acts as the Company's Chairman and Chief Executive Officer. As a result, he exerts influence over but does not control the Lightstone Income Trust.

Lightstone Income Trust, together with any of its subsidiaries that may exist from time to time, are collectively referred to as the ''Company'' and the use of ''we,'' ''our,'' ''us'' or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

The Company's registration statement on Form S-11 (the "Offering"), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock, par value $0.01 per share (which may be referred to herein as ''shares of common stock'' or as ''Common Shares'') for an initial offering price of $10.00 per share, subject to certain volume and other discounts (the "Primary Offering") (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment program (the ''DRIP'') which are offered at a discounted price equivalent to 95% of the Primary Offering Price per Common Share) was declared effective by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, the Company adjusted its offering price to $9.14 per Common Share in its Primary Offering, which was equal to the Company's estimated net asset value ("NAV") per Common Share as of March 31, 2016, and effective July 25, 2016, the Company's offering price was adjusted to $10.00 per Common Share in its Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016. As of June 30, 2016, we had received gross proceeds of $14.4 million from the sale of 1.5 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company's Sponsor). The Company intends to sell shares of its common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. The Company reserves the right to reallocate the shares of common stock it is offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time.

The Company has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. The Company may also invest in debt and derivative securities related to real estate assets. The Company expects that a majority of its investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

The Company has no employees. The Company retains the Advisor to manage its affairs on a day-to-day basis. Orchard Securities, LLC (the ''Dealer Manager''), a third party not affiliated with the Company, the Sponsor or the Advisor, serves as the dealer manager of the Offering. The Advisor is an affiliate of the Sponsor and will receive compensation and fees for services related to the investment and management of the Company's assets.

Restatement

As of June 30, 2016, the aggregate outstanding advances under a subordinated agreement of approximately $5.7 million were erroneously classified as "Residual equity interest" and included as a component of equity on the Company's balance sheet. The Company has reclassified the aggregate outstanding advances under the subordinated agreement to "Subordinated advances – related party" which are classified as a liability on the balance sheet. There were no outstanding advances under the subordinated agreement as of December 31, 2015 that would have required any reclassification. (see Note 4 for additional information regarding the subordinated agreement)

We also corrected an immaterial error related to the accrual of interest on the subordinated advances – related party in the amount of $11,649 for the three and six months ended June 30, 2016. As a result, interest expenses for both the three and six months ended June 30, 2016 is $11,649. This correction decreased earnings per share by $0.01 for the six months ended June 30, 2016.

The table below shows the effect of the balance sheet classification error on total liabilities and total stockholders' equity as of June 30, 2016.

	As of June 30, 2016	
	As Reported	As Restated
Total Assets	$ 16,417,623	$ 16,417,623
Total Liabilities	$ 427,120	$ 6,120,782
Total Stockholders' Equity	$ 15,990,503	$ 10,296,841
Total Liabilities and Stockholders' Equity	$ 16,417,623	$ 16,417,623

2. Summary of Significant Accounting Policies

The accompanying unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair presentation of the results for the periods presented. The accompanying unaudited financial statements of the Lightstone Real Estate Income Trust Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (‘‘GAAP’’). GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to the valuation of real estate debt investments and securities, the valuation of the investment in related party and revenue recognition. Application of these assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

The unaudited statements of operations for interim periods are not necessarily indicative of results for the full year or any other period.

New Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update that eliminates the requirement for public business entities to disclose the method and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet and is effective for periods beginning after December 15, 2017 and early adoption is not permitted. This guidance will not have a material impact on the Company’s financial statements.

In May 2014, the FASB issued an accounting standards update that completes the joint effort by the FASB and International Accounting Standards Board to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards. The update applies to all companies that enter into contracts with customers to transfer goods or services and is effective for us for interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted and companies have the choice to apply the update either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying the update at the date of initial application (January 1, 2017) and not adjusting comparative information. In August 2015, the FASB decided to delay the effective date of the new revenue standard by one year. The Company does not expect the adoption of this standard to have a material impact on our financial position, results of operations or cash flows.

The Company has reviewed and determined that other recently issued accounting pronouncements will not have a material impact on its financial position, results of operations and cash flows, or do not apply to its current operations.

3. Stockholders’ Equity

Earnings per Share

The Company had no potentially dilutive securities outstanding during the periods presented. Accordingly, earnings per share is calculated by dividing net income/(loss) by the weighted-average number of shares of common stock outstanding during the applicable period.

Subscription Receivable

The subscription receivable relates to shares issued to the Company's shareholders for which the proceeds have not yet been received by the Company solely due to timing of transfers from the escrow agent holding the funds.

Distributions

Distribution Declaration

On August 5, 2016, the Board of Directors authorized and the Company declared a distribution for each month during the three-month period ending December 31, 2016. The distributions will be calculated based on shareholders of record at a rate of $0.002191781 per day, and will equal a daily amount that, if paid each day for a 365-day period, would equal a 8.0% annualized rate based on a share price of $10.00 payable on or about the 15th day following each month end to stockholders of record at the close of business on the last day of the prior month. The Company's stockholders have an option to elect the receipt of Common Shares under the Company's DRIP.

Distribution Payments

On May 14, 2016, June 15, 2016 and July 15, 2016, the Company paid distributions for the months ended April 30, 2016, May 31, 2016 and June 30, 2016, respectively, totaling $277,235. The distributions were paid in full using a combination of cash and 3,113 shares of the Company's common stock issued pursuant to the Company's DRIP, at a discounted price of $8.68 per share. The distributions were paid from a combination of cash flows provided by operations ($250,216 or 90%) and excess cash proceeds from the issuance of common stock through the Company's DRIP ($27,019 or 10%).

4. Selling Commissions, Dealer Manager Fees and Other Offering Costs

Selling commissions and dealer manager fees are paid to the Dealer Manager, pursuant to various agreements, and other third-party offering costs such as registration fees, due diligence fees, marketing costs, and professional fees are accounted for as a reduction against additional paid-in capital as costs are incurred. Organizational costs are expensed as general and administrative costs. The following table represents the selling commissions and dealer manager and other offering costs for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Selling commissions and dealer manager fees	$ 361,287	$ 12,375	$ 691,350	$ 12,735
Other offering costs	$ 351,452	$ 194,783	$ 747,268	$ 640,534

Since the Company's inception through June 30, 2016, it has incurred approximately $1.0 million in selling commissions and dealer manager fees and $2.8 million of other offering costs in connection with the public offering of shares of its common stock.

5. Related Party Transaction and Other Arrangements

In addition to certain agreements with the Sponsor (see Note 3) and Dealer Manager (see Note 4), the Company has agreements with the Advisor to pay certain fees, in exchange for services performed by the Advisor and/or its affiliated entities. Furthermore, the Advisor has and is expected to continue to advance certain organization and offering costs on behalf of the Company to the extent the Company does not have sufficient funds to pay such costs. As of December 31, 2015, the Company owed the Advisor and its affiliated entities an aggregate of $865,436, which was principally for organization and offering costs paid on its behalf, and is classified as due to related parties on the balance sheet. During the six months ended June 30, 2016, the Company was (i) charged $37,698 for certain services and costs paid on its behalf, including $36,298 of offering-related costs that were recorded as a reduction to additional paid in capital, and (ii) made payments totaling $902,525 and as a result, the amount due to related parties on the balance sheet was $609 as of June 30, 2016.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, the Company entered into an agreement (the "Moxy Transaction") with various related party entities that provides for the Company to make aggregate preferred equity contributions (the "105-109 W. 28th Street Preferred Investment") of up to $20.0 million in various affiliates of its Sponsor (the "Developer") which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment will be made pursuant to an instrument that entitles the Company to monthly preferred distributions at a rate of 12% per annum and was redeemable by the Company at the earlier of (i) the date that is two years from the date of the Company's final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. The Company may also request redemption or a restructuring of the agreement prior to the acceptance of any construction financing. On June 30, 2016, the Company and the Developer amended the Moxy Transaction so that the Company's contributions would become redeemable on the fifth anniversary of the Moxy Transaction. The 105-109 W. 28th Street Preferred Investment is classified as a held-to-maturity security and recorded at cost.

The Company made an initial contribution of $4.0 million during the fourth quarter of 2015 and additional contributions of $11.9 million during the six months ended June 30, 2016. As of June 30, 2016 and December 31, 2015, the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $15.9 million and $4.0 million, respectively, which is classified in investment in related party on the balance sheets. The fair value of this investment is not practical to estimate due to the related party nature of the underlying transaction. As of June 30, 2016, an aggregate of $4.1 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. On July 20, 2016, the Company made an additional contribution of $4.1 million to fully fund the 105-109 W. 28th Street Preferred Investment. The Company has funded contributions using proceeds from its Offering and draws under the Subordinated Agreement. During the three and six months ended June 30, 2016, the Company recorded $347,634 and $502,767 of investment income related to the 105-109 W. 28th Street Preferred Investment. The Company's Advisor elected to waive the acquisition fee associated with this transaction.

Subordinated Agreement

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the Company's then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company's Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing the Company's NAV per share until holders of its Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. The Company cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of its Common Shares until holders of its Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, the Company will be obligated to repay the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after the Company repays its holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to its Sponsor, such additional distributions will be paid to holders of its Common Shares and its Sponsor: 85.0% of the aggregate amount will be payable to holders of the Company's Common Shares and the remaining 15.0% will be payable to the Sponsor.

The Subordinated Advances and its related interest are subordinate to all of the Company's obligations as well as to the holders of its Common Shares in an amount equal to the shareholder's net investment plus a cumulative, pre-tax, non-compounded annual return of 8.0% and only potentially payable in the event of a liquidation of the Company.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of June 30, 2016 an aggregate of $5,682,013 of Subordinated Advances had been funded, which along with the related accrued interest of $11,649, are classified as a liability on the balance sheet.

6. Commitments and Contingencies

Legal Proceedings

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

PART I. FINANCIAL INFORMATION, CONTINUED:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with the accompanying financial statements of Lightstone Real Estate Income Trust Inc. (''Lightstone Income Trust''), and the notes thereto. As used herein, the terms "we," "our" and "us" refer to Lightstone Real Estate Income Trust Inc., a Maryland corporation, and any of its subsidiaries that may exist from time to time.

Forward-Looking Statements

Certain information included in this Quarterly Report on Form 10-Q contains, and other materials filed or to be filed by us with the Securities and Exchange Commission (the "SEC"), contain or will contain, forward-looking statements. All statements, other than statements of historical facts, including, among others, statements regarding our possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives, are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Lightstone Real Estate Income Trust Inc. and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements.

Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ from the results discussed in the forward-looking statements.

Risks and other factors that might cause differences, some of which could be material, include, but are not limited to, economic and market conditions, competition, tenant or joint venture partner(s) bankruptcies, our lack of operating history, the availability of cash flows from operations to pay distributions, changes in governmental, tax, real estate and zoning laws and regulations, failure to increase tenant occupancy and operating income, rejection of leases by tenants in bankruptcy, financing and development risks, construction and lease-up delays, cost overruns, the level and volatility of interest rates, the rate of revenue increases versus expense increases, the financial stability of various tenants and industries, the failure of the Company to make additional investments in real estate properties, the failure to upgrade our tenant mix, restrictions in current financing arrangements, the failure to fully recover tenant obligations for common area maintenance, insurance, taxes and other property expenses, the failure of the Company to continue to qualify as a real estate investment trust ("REIT"), the failure to refinance debt at favorable terms and conditions, an increase in impairment charges, loss of key personnel, failure to achieve earnings/funds from operations targets or estimates, conflicts of interest with the Advisor and the Sponsor and their affiliates, failure of joint venture relationships, significant costs related to environmental issues as well as other risks listed from time to time in this Form 10-Q, our Registration Statements on Form S-11, as the same may be amended and supplemented from time to time, and in the Company's other reports filed with the SEC.

We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless required by law.

Overview

Lightstone Income Trust, together with any of its subsidiaries that may exist from time to time, are collectively referred to as the ''Company'' and the use of ''we,'' ''our,'' ''us'' or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

Lightstone Income Trust has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. We may also invest in debt and derivative securities related to real estate assets. We expect that a majority of our investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

Capital required to originate and acquire investments and conduct our operations is expected to be obtained from public offerings of shares of our common stock and from any indebtedness that we may incur either in connection with the acquisition of any real estate and real estate related investments or thereafter. We are dependent upon the net proceeds from public offerings of our common stock to conduct our proposed activities.

Our registration statement on Form S-11(the "Offering"), pursuant to which we are offering to sell up to 30,000,000 shares of our common stock (which may be referred to herein as ''shares of common stock'' or as ''Common Shares'') for an initial offering price of $10.00 per share, subject to certain volume and other discounts (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment plan (the "DRIP") which are offered at a discounted price equivalent to 95% of the Primary Offering price per Common Share) was declared effective by the SEC under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, we adjusted our offering price to $9.14 per Common Share in our Primary offering, which was equal to our estimated net asset value ("NAV") per Common Share as of March 31, 2016, and effective July 25, 2016, our offering price was adjusted to $10.00 per Common Share in our Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016.

We sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ''Advisor''), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of our sponsor, The Lightstone Group, LLC (the ''Sponsor'').

As of June 30, 2016, we had received gross proceeds of $14.4 million from the sale of 1.5 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company's Sponsor).

We have no employees. We retained the Advisor to manage our affairs on a day-to-day basis. Orchard Securities, LLC (the ''Dealer Manager'') serves as the dealer manager of our public offering. The Advisor is an affiliate of the Sponsor. The Advisor will receive compensation and fees for services related to the investment and management of our assets during our offering, acquisition, operational and liquidation stages.

Subordinated Agreement

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the Company's then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company's Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing the Company's NAV per share until holders of its Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. The Company cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of its Common Shares until holders of its Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, the Company will be obligated to repay the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after the Company repays its holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to its Sponsor, such additional distributions will be paid to holders of its Common Shares and its Sponsor: 85.0% of the aggregate amount will be payable to holders of the Company's Common Shares and the remaining 15.0% will be payable to the Sponsor.

The Subordinated Advances and its related interest are subordinate to all of the Company's obligations as well as to the holders of its Common Shares in an amount equal to the shareholder's net investment plus a cumulative, pre-tax, non-compounded annual return of 8.0% and only potentially payable in the event of a liquidation of the Company.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of June 30, 2016 an aggregate of $5,682,013 of Subordinated Advances had been funded, which along with the related accrued interest of $11,649, are classified as a liability on the balance sheet.

Current Environment

Our operating results as well as our investment opportunities are impacted by the health of the North American economies. Our business and financial performance may be adversely affected by current and future economic conditions, such as availability of credit, financial markets volatility, and recession.

Our business may be affected by market and economic challenges experienced by the U.S. and global economies. These conditions may materially affect the value and performance of our properties, and may affect our ability to pay distributions, the availability or the terms of financing that we have or may anticipate utilizing, and our ability to make principal and interest payments on, or refinance, any outstanding debt when due.

We are not aware of any other material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from the acquisition and operation of real estate and real estate related investments, other than those referred to in this Form 10-Q.

Results of Operations

We were incorporated in the State of Maryland on September 9, 2014 and broke escrow on June 12, 2015. During the fourth quarter of 2015 we made our first real estate-related investment, the 105-109 W. 28th Street Preferred Investment (see Note 5 of the Financial Statements). Prior to making our first real estate-related investment, we did not have any significant results of operations other than certain general and administrative costs.

<u>For the Three Months Ended June 30, 2016</u>

Investment income

Investment income, which was attributable to the 105-109 W. 28th Street Preferred Investment, was $347,634 for the three months ended June 30, 2016.

General and administrative expenses

General and administrative expense increased by $13,620 to $60,878 during the three months ended June 30, 2016 compared to $47,258 for the same period in 2015. The increase primarily reflects higher board of directors' fees.

Interest expense

Interest expense, which was attributable to the Subordinated Advances - related party, was $11,649 for the three months ended June 30, 2016.

<u>For the Six Months Ended June 30, 2016</u>

Investment income

Investment income, which was attributable to the 105-109 W. 28th Street Preferred Investment, was $502,767 for the six months ended June 30, 2016.

General and administrative expenses

General and administrative expense increased by $69,609 to $122,280 during the three months ended June 30, 2016 compared to $52,671 for the same period in 2015. The increase reflects (i) higher board of directors' fees of $29,000 in the 2016 period and (ii) an increase in accounting, legal and corporate filing fees.

Interest expense

Interest expense, which was attributable to the Subordinated Advances - related party, was $11,649 for the six months ended June 30, 2016.

Financial Condition, Liquidity and Capital Resources

For the six months ended June 30, 2016 our primary source of funds were $7.7 million of proceeds from our sale of shares of common stock under our Offering and $5.7 million of Subordinated Advances funded by our Sponsor.

Our future sources of funds will primarily consist of (i) proceeds from our sale of shares of common stock under our Offering, (ii) cash flows from our operations, (iii) proceeds from Subordinated Advances and (iv) our DRIP. We currently believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

We will be dependent upon the net proceeds from this offering to conduct our proposed operations. We will obtain the capital required to originate and acquire investments and conduct our operations from the proceeds of this Offering, any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations.

Once we have fully invested the proceeds of this Offering, assuming we sell the maximum amount, our portfolio-wide loan-to-value ratio (calculated after the close of this Offering) will be approximately 25%. For purposes of calculating our 25% target leverage, we will determine the loan-to-value ratio on our portfolio based on the greater of the aggregate cost and the fair market value of our investments and other assets. There is no limitation on the amount we may borrow for the purchase or origination of any single investment. Our charter allows us to incur leverage up to 300% of our total "net assets" (as defined in our charter) as of the date of any borrowing, which is generally expected to be approximately 75% of the cost of our investments. We may only exceed this 300% limit with the approval of a majority of our independent directors. During the early stages of this offering, our independent directors may be more likely to approve debt in excess of this limit. In all events, we expect that our secured and unsecured borrowings will be reasonable in relation to the net value of our assets and will be reviewed by our board of directors at least quarterly.

In addition to making investments in accordance with our investment objectives, we expect to use our capital resources to make certain payments to our Advisor and the Dealer Manager. During our organization and offering stage, these payments will include payments to the Dealer Manager for selling commissions and dealer manager fees. During this stage, we also will make payments to our Advisor for reimbursement of certain other organization and offering expenses. However, we do not expect that our total payments for other organization and offering expenses would exceed 2% of gross offering proceeds. In no event will aggregate organization and offering costs exceed 15.0% of gross offering proceeds over the life of the offering. During the initial stage of our Offering, the organization and offering costs may exceed 15.0% of gross offering proceeds since many of the expenses incurred in relation to the Offering are incurred prior to the sale of shares of our common stock.

Selling commissions and dealer manager fees are paid to the Dealer Manager or soliciting dealers, as applicable, pursuant to various agreements, and other third-party offering costs such as registration fees, due diligence fees, marketing costs, and professional fees are accounted for as a reduction against additional paid-in capital as costs are incurred. Any organizational costs are accounted for as general and administrative costs. The following table represents the selling commissions and dealer manager fees and other offering costs for the periods indicated:

	For the Three Months Ended June 30,		**For the Six Months Ended June 30,**	
	2016	**2015**	**2016**	**2015**
Selling commissions and dealer manager fees	$ 361,287	$ 12,375	$ 691,350	$ 12,375
Other offering costs	$ 351,452	$ 194,783	$ 747,268	$ 640,534

We have agreements with the Advisor to pay certain fees, in exchange for services performed by the Advisor and/or its affiliated entities. Furthermore, the Advisor has and is expected to continue to advance certain organization and offering costs on our behalf to the extent we do not have sufficient funds to pay such costs. As of December 31, 2015, we owed the Advisor and its affiliated entities an aggregate of $865,436, which was principally for organization and offering costs paid on our behalf, and is classified as due to related parties on the balance sheet. During the six months ended June 30, 2016, we were (i) charged $37,698 for certain services and costs paid on our behalf, including $36,298 of offering-related costs that were recorded as a reduction to additional paid in capital, and (ii) made payments totaling $902,525 and as a result, the amount due to related parties on the balance sheet was $609 as of June 30, 2016.

During our operational stage, we expect to make payments to our Advisor in connection with the selection and origination or purchase of investments and the management of our assets and to reimburse certain costs incurred by our Advisor in providing services to us. The advisory agreement has a one-year term but may be renewed for an unlimited number of successive one-year periods upon the mutual consent of our Advisor and our independent directors.

Summary of Cash Flows

The following summary discussion of our cash flows is based on the statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below:

	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
Cash flows provided by/(used) in operating activities	$ 341,266	$ (5,433)
Cash flows used in investing activities	(11,900,000)	-
Cash flows provided by financing activities	10,858,041	1,598,898
Net change in cash and cash equivalents	(700,693)	1,593,465
Cash and cash equivalents, beginning of the year	1,213,014	200,000
Cash and cash equivalents, end of the period	$ 512,321	$ 1,793,465

Operating activities

The net cash provided by operating activities of $341,266 during the 2016 period primarily related to our net income of $368,838 offset by changes in assets and liabilities of $27,572.

Investing activities

During the first six months of 2016 we made additional contributions of $11.9 million to the 105-109 W. 28th Street Preferred Investment.

Financing activities

The net cash provided by financing activities of $10.9 million principally consists of proceeds from the issuance of our common stock of $7.7 million and funding under the Subordinated Agreement of $5.7 million; partially offset by the payment of selling commissions, dealer manager fees and other offering costs of approximately $2.1 and distributions of $0.4 million to common stockholders.

We believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

DRIP and Share Repurchase Program

Our DRIP provides our stockholders with an opportunity to purchase additional shares of our common stock at a discount by reinvesting distributions. The offering provides for 10.0 million shares available for issuance under our DRIP which are offered at a discounted price equivalent to 95% of our Primary Offering price per Common Share. Through June 30, 2016, approximately 6,240 shares of common stock had been issued under our DRIP and approximately 10.0 million shares remain available for issuance.

Our share repurchase program may provide our stockholders with limited, interim liquidity by enabling them to sell their shares of common stock back to us, subject to certain restrictions.

As of June 30, 2016 no shares have been repurchased under our share repurchase program.

Our Board of Directors reserves the right to terminate either program for any reason without cause by providing written notice of termination of the DRIP to all participants or written notice of termination of the share repurchase program to all stockholders.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, we entered into an agreement (the "Moxy Transaction") with various related party entities that provides for aggregate preferred equity contributions (the "105-109 W. 28th Street Preferred Investment") of up to $20.0 million in various affiliates of our Sponsor (the "Developer") which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment will be made pursuant to an instrument that is entitled to monthly preferred distributions at a rate of 12% per annum and was redeemable by us at the earlier of (i) the date that is two years from the date of the Company's final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. On June 30, 2016, we amended the Moxy Transaction with the Developer so our contributions would become redeemable on the fifth anniversary of the Moxy Transaction. We made an initial contribution of $4.0 million during the fourth quarter of 2015 and additional contributions of $11.9 million during the six months ended June 30, 2016. As of June 30, 2016 the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $15.9 million, which is classified in investment in related party on the balance sheets. The fair value of this investment is not practical to estimate due to the related party nature of the underlying transaction. As of June 30, 2016, an aggregate of $4.1 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. On July 20, 2016, we made an additional contribution of $4.1 million to fully fund the 105-109 W. 28th Street Preferred Investment. We have funded contributions using proceeds from our Offering and draws under the Subordinated Agreement.

Funds from Operations and Modified Funds from Operations

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings, improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time. We believe that, because real estate values historically rise and fall with market conditions, including, but not limited to, inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using the historical accounting convention for depreciation and certain other items may be less informative.

Because of these factors, the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has published a standardized measure of performance known as funds from operations ("FFO"), which is used in the REIT industry as a supplemental performance measure. We believe FFO, which excludes certain items such as real estate-related depreciation and amortization, is an appropriate supplemental measure of a REIT's operating performance. FFO is not equivalent to our net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards set forth in the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, but excluding gains or losses from sales of property and real estate related impairments, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

We believe that the use of FFO provides a more complete understanding of our performance to investors and to management, and, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income.

Changes in the accounting and reporting promulgations under GAAP that were put into effect in 2009 subsequent to the establishment of NAREIT's definition of FFO, such as the change to expense as incurred rather than capitalize and depreciate acquisition fees and expenses incurred for business combinations, have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses, as items that are expensed under GAAP across all industries. These changes had a particularly significant impact on publicly registered, non-listed REITs, which typically have a significant amount of acquisition activity in the early part of their existence, particularly during the period when they are raising capital through ongoing initial public offerings.

Because of these factors, the Investment Program Association ("IPA"), an industry trade group, has published a standardized measure of performance known as modified funds from operations ("MFFO"), which the IPA has recommended as a supplemental measure for publicly registered, non-listed REITs. MFFO is designed to be reflective of the ongoing operating performance of publicly registered, non-listed REITs by adjusting for those costs that are more reflective of acquisitions and investment activity, along with other items the IPA believes are not indicative of the ongoing operating performance of a publicly registered, non-listed REIT, such as straight-lining of rents as required by GAAP. We believe it is appropriate to use MFFO as a supplemental measure of operating performance because we believe that, when compared year over year, both before and after we have deployed all of our offering proceeds and are no longer incurring a significant amount of acquisition fees or other related costs, it reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income. MFFO is not equivalent to our net income or loss as determined under GAAP.

We define MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations (the "Practice Guideline") issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for acquisition and transaction-related fees and expenses and other items. In calculating MFFO, we follow the Practice Guideline and exclude the following items:

- acquisition fees and expenses; non-cash amounts related to straight-line rent and the amortization of above- or below-market and in-place intangible lease assets and liabilities (which are adjusted in order to reflect such payments from an accrual basis of accounting under GAAP to a cash basis of accounting);

- amortization of a premium and accretion of a discount on debt investments;

- non-recurring impairment of real estate-related investments;

- realized gains (losses) from the early extinguishment of debt;

- realized gains (losses) on the extinguishment or sales of hedges, foreign exchange, securities and other derivative holdings except where the trading of such instruments is a fundamental attribute of our business;

- unrealized gains (losses) from fair value adjustments on real estate securities, including CMBS and other securities, interest rate swaps and other derivatives not deemed hedges and foreign exchange holdings;

- unrealized gains (losses) from the consolidation from, or deconsolidation to, equity accounting;

- adjustments related to contingent purchase price obligations; and

- adjustments for consolidated and unconsolidated partnerships and joint ventures calculated to reflect MFFO on the same basis as above.

Certain of the above adjustments are also made to reconcile net income (loss) to net cash provided by (used in) operating activities, such as for the amortization of a premium and accretion of a discount on debt and securities investments, amortization of fees, any unrealized gains (losses) on derivatives, securities or other investments, as well as other adjustments.

MFFO excludes non-recurring impairment of real estate-related investments. We assess the credit quality of our investments and adequacy of reserves on a quarterly basis, or more frequently as necessary. Significant judgment is required in this analysis. We consider the estimated net recoverable value of a loan as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the prospects for the borrower and the competitive situation of the region where the borrower does business.

We believe that, because MFFO excludes costs that we consider more reflective of acquisition activities and other non-operating items, MFFO can provide, on a going-forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of our operating performance after the period in which we are acquiring properties and once our portfolio is stabilized. We also believe that MFFO is a recognized measure of sustainable operating performance by the non-listed REIT industry and allows for an evaluation of our performance against other publicly registered, non-listed REITs.

Not all REITs, including publicly registered, non-listed REITs, calculate FFO and MFFO the same way. Accordingly, comparisons with other REITs, including publicly registered, non-listed REITs, may not be meaningful. Furthermore, FFO and MFFO are not indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as determined under GAAP as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. FFO and MFFO should be reviewed in conjunction with GAAP measurements as an indication of our performance. FFO and MFFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The methods utilized to evaluate the performance of a publicly registered, non-listed REIT under GAAP should be construed as more relevant measures of operational performance and considered more prominently than the non-GAAP measures, FFO and MFFO, and the adjustments to GAAP in calculating FFO and MFFO.

Neither the SEC, NAREIT, the IPA nor any other regulatory body or industry trade group has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, NAREIT, the IPA or another industry trade group may publish updates

The following table presents a reconciliation of FFO and MFFO to net income /(loss):

	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015
Net income/(loss)	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
FFO adjustments:				
None	-	-	-	-
FFO	275,357	(47,258)	368,838	(52,671)
MFFO adjustments:				
Other adjustments:				
Acquisition and other transaction related costs expensed	-	-	4,000	-
MFFO	275,357	(47,258)	372,838	(52,671)
Straight-line rent[(1)]	-	-	-	-
MFFO - IPA recommended format	$ 275,357	$ (47,258)	$ 372,838	$ (52,671)
Net income/(loss)	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
Less: net (income)/loss attributable to noncontrolling interests	-	-	-	-
Net income/(loss) applicable to Company's common shares	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
Net loss per common share, basic and diluted	$ 0.20	$ (0.78)	$ 0.32	$ (1.30)
FFO	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
Less: FFO attributable to noncontrolling interests	-	-	-	-
FFO attributable to Company's common shares	$ 275,357	$ (47,258)	$ 368,838	$ (52,671)
FFO per common share, basic and diluted	$ 0.20	$ (0.78)	$ 0.32	$ (1.30)
MFFO - IPA recommended format	$ 275,357	$ (47,258)	$ 372,838	$ (52,671)
Less: MFFO attributable to noncontrolling interests	-	-	-	-
MFFO attributable to Company's common shares	$ 275,357	$ (47,258)	$ 372,838	$ (52,671)
Weighted average number of common shares outstanding, basic and diluted	1,409,936	60,830	1,139,159	40,528

(1) Under GAAP, rental receipts are allocated to periods using various methodologies. This may result in income recognition that is significantly different than underlying contract terms. By adjusting for these items (to reflect such payments from a GAAP accrual basis to a cash basis of disclosing the rent and lease payments), MFFO provides useful supplemental information on the realized economic impact of lease terms and debt investments, providing insight on the contractual cash flows of such lease terms and debt investments, and aligns results with management's analysis of operating performance.

Distributions Declared by our Board of Directors and Source of Distributions

The following table provides a summary of our quarterly distributions declared during the periods presented. The amount of distributions paid to our stockholders in the future will be determined by our Board of Directors and is dependent on a number of factors, including funds available for payment of dividends, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code. Additionally, our stockholders have the option to elect the receipt of shares in lieu of cash under our DRIP.

	Year to Date June 30, 2016		Three Months Ended June 30, 2016		Three Months Ended March 31, 2016	
Distribution period:		Percentage of Distributions	Q2 2016	Percentage of Distributions	Q1 2016	Percentage of Distributions
Date distribution declared			May 12, 2016		October 28, 2015, March 11, 2016	
Date distribution paid			May 14, 2016, June 15, 2016, & July 15, 2016		February 16, 2016, March 15, 2016, & April 15, 2016	
Distributions paid	$ 382,430		$ 250,216		$ 132,214	
Distributions reinvested	64,067		27,019		37,048	
Total Distributions	$ 446,497		$ 277,235		$ 169,262	
Source of distributions:						
Cash flows provided by operations	$ 341,266	76%	$ 250,216	90%	$ 65,948	39%
Offering proceeds	41,164	9%	-	-	66,266	39%
Proceeds from issuance of common stock through DRIP	64,067	14%	27,019	10%	37,048	22%
Total Sources	$ 446,497	99%	$ 277,235	100%	$ 169,262	100%
Cash flows provided by operations (GAAP basis)	$ 341,266		$ 275,318		$ 65,948	
Number of shares of common stock issued pursuant to the Company's DRIP	7,013		3,113		3,900	

The table below presents our cumulative FFO and distributions declared:

	For the period September 9, 2014 (date of inception) through June 30, 2016
FFO	$ 255,014
Distributions declared	$ 633,550

New Accounting Pronouncements

See Note 2 of the Notes to Financial Statements for further information of certain accounting standards that have been issued or adopted during 2016 and certain accounting standards that we have not yet been required to implement and may be applicable to our future operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or rates. Our interest rate risk management objectives with respect to our long-term debt will be to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars, and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes. We do not anticipate having any foreign operations and thus we do not expect to be exposed to foreign currency fluctuations.

ITEM 4. CONTROLS AND PROCEDURES.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, at March 31, 2016, June 30, 2016 and September 30, 2016, our disclosure controls and procedures were not effective in recording, processing, summarizing and reporting, on a timely basis, information we are required to disclose in the reports that we file or submit under the Exchange Act, and our disclosure controls and procedures were also not effective to ensure that information we disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

As we describe below, we have implemented a process to remediate the material weakness in internal control over financial reporting that we identified as of March 31, 2016, June 30, 2016 and September 30, 2016. There were no other material changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

In connection with our management's assessment of our internal control over financial reporting as of March 31, 2016, June 30, 2016 and September 30, 2016, we identified a material weakness in our internal control over financial reporting pertaining to our accounting for a significant and unusual transaction related to advances made under a subordinated agreement which we entered into with our sponsor on March 18, 2016. Our control activities were not designed appropriately to ensure that our related accounting conclusions were sufficiently documented and reviewed for compliance with U.S. generally accepted accounting principles ("GAAP") with respect to the application of GAAP to this complex instrument which included characteristics of both debt and equity. The material weakness resulted in a balance sheet misclassification error as of March 31, 2016 and June 30, 2016 and an under-accrual of interest expense of $11,649 within our statements of operations for the three and six months ended June 30, 2016. As a result, we have restated our financial statements for the quarterly periods ended March 31, 2016 and June 30, 2016. Additionally, prior to the issuance of our consolidated financial statements for the quarterly period ended September 30, 2016, we have corrected the balance sheet misclassification error as of September 30, 2016 and properly accrued interest expense within our consolidated statements of operations for the three and nine months ended September 30, 2016.

Management has undertaken steps to enhance and revise the design of our controls and procedures over our accounting for instruments which have the characteristics of both debt and equity. The material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed prior to the end of fiscal year 2016.

PART II. OTHER INFORMATION:

ITEM 1. LEGAL PROCEEDINGS.

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

As of the date hereof, the Company is not a party to any material pending legal proceedings of which the outcome is probable or reasonably possible to have a material adverse effect on its results of operations or financial condition, which would require accrual or disclosure of the contingency and possible range of loss. Additionally, the Company has not recorded any loss contingencies related to legal proceedings in which the potential loss is deemed to be remote.

ITEM 1A. RISK FACTORS

We discuss in our Annual Report on Form 10-K various risks that may materially affect our business. We use this section to update this discussion to reflect material developments since our Form 10-K was filed. For the quarter ended June 30, 2016, there were no such material developments.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

During the period covered by this Form 10-Q, we did not sell any unregistered securities.

Use of Public Offering Proceeds

The Company’s sponsor is David Lichtenstein (“Lichtenstein”), who does business as The Lightstone Group, LLC (the “Sponsor”) and is the majority owner of the limited liability company of that name. The Company’s advisor is Lightstone Real Estate Income LLC (the “Advisor”), which is wholly owned by our Sponsor.

On September 12, 2014, the Company sold 20,000 Common Shares to the Advisor for $10.00 per share.

The Company’s registration statement on Form S-11 (File No. 333-200464), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock at a price for an initial offering price of $10.00 per share, subject to certain volume discounts (the “Primary Offering”) (exclusive of 10,000,000 shares which are available pursuant to its distribution reinvestment plan (the “DRIP”) which are offered a discounted price equivalent to 95% of the Primary Offering price per Common Share) was declared effective by the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933 on February 26, 2015. On June 30, 2016, the Company adjusted its offering price to $9.14 per Common Share in its Primary Offering, which was equal to the Company’s estimated net asset value (“NAV”) per Common Share as of March 31, 2016, and effective July 25, 2016, the Company’s offering price was adjusted to $10.00 per Common Share in its Primary Offering, which is equal to the estimated NAV per Common Share as of June 30, 2016. As of June 30, 2016, we had received gross proceeds of $14.4 million from the sale of 1.5 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in our Sponsor).

We currently intend to sell shares of our common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. We reserve the right to reallocate the shares of common stock we are offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time.

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the “Subordinated Agreement”) pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances in an amount equal to the product of (i) $10.00 minus the then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company’s initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million.

Through June 30, 2016, the Sponsor had advanced an aggregate of approximately $5.7 million under the Subordinated Agreement, which is classified as a liability on the balance sheet.

We will utilize a portion of our public offering proceeds towards funding the dealer manager fees, selling commissions and organization and other offering costs.

Below is a summary of the expenses we have incurred in connection with the issuance and distribution of the registered securities since inception:

Type of Expense Amount		
Selling commissions and dealer manager fees	$	950,166
Other expenses incurred		2,857,227
Total offering costs incurred from inception through June 30, 2016	$	3,807,393

Cumulatively through June 30, 2016, we have used the net offering proceeds of $16.3 million (including aggregate advances from our Sponsor of $5.7 million under the Subordinated Agreement), after deduction of offering expenses paid since inception of $3.8 million, as follows:

Cash	$	512,321
Cash distributions not funded by operations		231,072
Investment in related party		15,900,000
Other uses (primarily timing of payables)		(304,020)
Total uses	$	16,339,373

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be “filed.”
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be “filed.”
101*	XBRL (eXtensible Business Reporting Language).The following financial information from Lightstone Real Estate Income Trust Inc. on Form 10-Q/A for the quarter ended June 30, 2016, filed with the SEC on November 21, 2016, formatted in XBRL includes: (1) Balance Sheets, (2) Statements of Operations, (3) Statements of Stockholders’ Equity, (4) Statements of Cash Flows, and (5) the Notes to the Financial Statement.

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		LIGHTSTONE REAL ESTATE INCOME TRUST INC.
Date: November 21, 2016	By:	/s/ David Lichtenstein David Lichtenstein Chairman and Chief Executive Officer (Principal Executive Officer)
Date: November 21, 2016	By:	/s/ Donna Brandin Donna Brandin Chief Financial Officer (Duly Authorized Officer and Principal Financial and Accounting Officer)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to

Commission file number 333- 200464

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland **(State or Other Jurisdiction of Incorporation or Organization)**	**47-1796830** **(I.R.S. Employer Identification No.)**
1985 Cedar Bridge Avenue, Suite 1 **Lakewood, New Jersey** **(Address of Principal Executive Offices)**	**08701** **(Zip Code)**

(732) 367-0129
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

The Registrant's registration statement on Form S-11, as amended (SEC File No. 333-200464), was declared effective February 26, 2015. The Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act since that date.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As of Novemeber 7, 2016, there were 5.3 million outstanding shares of common stock of Lightstone Real Estate Income Trust Inc.

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-Q/A to amend and restate in their entirety the following items of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 as originally filed with the Securities and Exchange Commission on May 16, 2016 (the "Original Form 10-Q"): (i) Item 1 of Part I "Financial Information," (ii) Item 2 of Part I, "Management's Discussion and Analysis of Financial Condition and Results of Operations," (iii) Item 4 of Part I, "Controls and Procedures," and (iv) Item 6 of Part II, "Exhibits", and we have also updated the signature page, the certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31.1, 31.2, 32.1 and 32.2, and our financial statements formatted in Extensible Business Reporting Language (XBRL) in Exhibits 101. No other sections were affected, but for the convenience of the reader, this report on Form 10-Q/A restates in its entirety, as amended, our Original Form 10-Q. This report on Form 10-Q/A is presented as of the filing date of the Original Form 10-Q and does not reflect events occurring after that date, or modify or update disclosures in any way other than as required to reflect the restatement described below.

We have determined that our previously reported results for the quarter ended March 31, 2016 erroneously classified aggregate advances made under the subordinated agreement with our sponsor of $3,109,013 as a component of stockholders' equity rather than a liability on our balance sheet as of March 31, 2016.

The balance sheet as of March 31, 2016 included in this Form 10-Q/A has been restated to reclassify the $3,109,013 of aggregate advances from a component of stockholders' equity to liabilities.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
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PART I. FINANCIAL INFORMATION:
ITEM 1. FINANCIAL STATEMENTS.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
BALANCE SHEETS

		March 31, 2016 (Unaudited) (Restated)		December 31, 2015
Assets				
Investment in related party	$	6,100,000	$	4,000,000
Cash		4,219,688		1,213,014
Prepaid expenses		6,265		434
Total Assets	$	10,325,953	$	5,213,448
Liabilities and Stockholders' Equity				
Accounts payable and other accrued expenses	$	330,898	$	171,105
Due to related parties		14,353		865,436
Distributions payable		64,278		46,170
Subordinated advances - related party		3,109,013		-
Total liabilities		3,518,542		1,082,711
Commitments and Contingencies				
Stockholders' Equity:				
Company's stockholders' equity:				
Preferred stock, $0.01 par value; 50,000,000 shares authorized, none issued and outstanding		-		-
Common stock, $0.01 par value; 200,000,000 shares authorized, 1,084,525 and 723,975 shares issued and outstanding, respectively		10,845		7,240
Additional paid-in-capital		7,273,224		4,425,374
Subscription receivable		(100,000)		(1,000)
Accumulated deficit		(376,658)		(300,877)
Total Stockholders' Equity		**6,807,411**		**4,130,737**
Total Liabilities and Stockholders' Equity	**$**	**10,325,953**	**$**	**5,213,448**

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Investment income	$ 155,133	$ -
Expenses:		
General and administrative costs	61,652	5,413
Total expenses	61,652	5,413
Net income/(loss)	$ 93,481	$ (5,413)
Net income/(loss) per common share, basic and diluted	$ 0.11	$ (0.27)
Weighted average number of common shares outstanding, basic and diluted	868,381	20,000

The accompanying notes are an integral part of these financial statements.

PART I. FINANCIAL INFORMATION, CONTINUED:
ITEM 1. FINANCIAL STATEMENTS, CONTINUED:

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited) (Restated)

	Common		Additional Paid-In	Subscription	Accumulated	Total
	Shares	Amount	Capital	Receivable	Deficit	Equity
BALANCE, December 31, 2015	723,975	$ 7,240	$ 4,425,374	$ (1,000)	$ (300,877)	$ 4,130,737
Net income	-	-	-	-	93,481	93,481
Distributions declared	-	-	-	-	(169,262)	(169,262)
Proceeds from offering	357,498	3,574	3,544,771	(99,000)	-	3,449,345
Shares issued from distribution reinvestment program	3,052	31	28,958	-	-	28,989
Selling commissions and dealer manager fees	-	-	(330,063)	-	-	(330,063)
Other offering costs	-	-	(395,816)	-	-	(395,816)
BALANCE, March 31, 2016	1,084,525	$ 10,845	$ 7,273,224	$ (100,000)	$ (376,658)	$ 6,807,411

The accompanying notes are an integral part of these financial statements.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 93,481	$ (5,413)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Changes in assets and liabilities:		
Increase in prepaid expenses	(5,831)	-
Increase in accounts payable and other accrued expenses	17,203	5,333
Increase in due to related parties	(38,905)	(33,260)
Net cash provided by/(used in) operating activities	65,948	(33,340)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in related party	(2,100,000)	-
Cash used in investing activities	(2,100,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	3,449,345	-
Proceeds from subordinated advances - related party	3,109,013	-
Payment of commissions and offering costs	(1,395,467)	-
Distributions paid to Company's common stockholders	(122,165)	-
Net cash provided by financing activities	5,040,726	-
Net change in cash	3,006,674	(33,340)
Cash, beginning of year	1,213,014	200,000
Cash, end of period	$ 4,219,688	$ 166,660
Supplemental disclosure of cash flow information:		
Distributions declared, but not paid	$ 64,278	$ -
Commissions and other offering costs accrued but not paid	$ 297,940	$ -
Subscription receivable	$ 99,000	$ -
Value of shares issued from distribution reinvestment program	$ 28,989	$ -

The accompanying notes are an integral part of these financial statements.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.
Notes To Financial Statements

1. Organization

Lightstone Real Estate Income Trust Inc. (‘‘Lightstone Income Trust’’), incorporated on September 9, 2014, in Maryland, intends to elect to qualify and be taxed as a real estate investment trust (‘‘REIT’’) for U.S. federal income tax purposes beginning with the taxable year ended December 31, 2016.

Lightstone Income Trust sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ‘‘Advisor’’), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of Lightstone Income Trust’s sponsor, The Lightstone Group, LLC (the ‘‘Sponsor’’). Subject to the oversight of the Company’s board of directors (the “Board of Directors”), the Advisor has primary responsibility for making investment decisions and managing the Company’s day-to-day operations. Mr. Lichtenstein also acts as the Company’s Chairman and Chief Executive Officer. As a result, he exerts influence over but does not control the Lightstone Income Trust.

Lightstone Income Trust, together with any of its subsidiaries that may exist from time to time, are collectively referred to as the ‘‘Company’’ and the use of ‘‘we,’’ ‘‘our,’’ ‘‘us’’ or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

The Company’s registration statement on Form S-11 (the “Offering”), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock, par value $0.01 per share (which may be referred to herein as ‘‘shares of common stock’’ or as ‘‘Common Shares’’) for $10.00 per share, subject to certain volume and other discounts (the “Primary Offering”) (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment program (the ‘‘DRIP’’) at an initial purchase price of $9.50 per share) was declared effective by the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933 on February 26, 2015. As of March 31, 2016, we had received gross proceeds of $10.2 million from the sale of 1.1 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company’s Sponsor). The Company intends to sell shares of its common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. The Company reserves the right to reallocate the shares of common stock it is offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time. On April 20, 2016, the Company filed an Amendment to its registration statement on Form S-11 (the “POSAM”) and as of the date of this filing, the SEC has not declared the POSAM effective. Accordingly, the Company has temporarily suspended the sales of its Common Shares under the Offering.

The Company has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. The Company may also invest in debt and derivative securities related to real estate assets. The Company expects that a majority of its investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

The Company has no employees. The Company retains the Advisor to manage its affairs on a day-to-day basis. Orchard Securities, LLC (the ‘‘Dealer Manager’’), a third party not affiliated with the Company, the Sponsor or the Advisor, will serve as the dealer manager of the Offering. The Advisor is an affiliate of the Sponsor and will receive compensation and fees for services related to the investment and management of the Company’s assets.

Restatement

As of March 31, 2016, the aggregate outstanding advances under a subordinated agreement of approximately $3.1 million were erroneously classified as “Residual equity interest” and included as a component of equity on the Company’s balance sheet. The Company has reclassified the aggregate outstanding advances under the subordinated agreement to “Subordinated advances – related party” which are classified as a liability on the balance sheet. There were no outstanding advances under the subordinated agreement as of December 31, 2015 that would have required any reclassification. The table below shows the effect of the balance sheet classification error on total liabilities and total stockholders' equity as of March 31, 2016. The restatement had no effect on the results of operations or cash flows for the three months ended March 31, 2016.(see Note 4 for additional information regarding the subordinated agreement)

	As of March 31, 2016	
	As Reported	As Restated
Total Assets	$ 10,325,953	$ 10,325,953
Total Liabilities	$ 409,529	$ 3,518,542
Total Stockholders' Equity	$ 9,916,424	$ 6,807,411
Total Liabilities and Stockholders' Equity	$ 10,325,953	$ 10,325,953

2. Summary of Significant Accounting Policies

The accompanying unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair presentation of the results for the periods presented. The accompanying unaudited financial statements of the Lightstone Real Estate Income Trust Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (‘‘GAAP’’). GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to the valuation of real estate debt investments and securities, the valuation of the investment in related party and revenue recognition. Application of these assumptions requires the exercise of judgment as to future uncertainties and, as a result, actual results could differ from these estimates.

The unaudited statements of operations for interim periods are not necessarily indicative of results for the full year or any other period.

New Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update that eliminates the requirement for public business entities to disclose the method and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet and is effective for periods beginning after December 15, 2017 and early adoption is not permitted. This guidance will not have a material impact on the Company’s financial statements.

In May 2014, the FASB issued an accounting standards update that completes the joint effort by the FASB and International Accounting Standards Board to improve financial reporting by creating common revenue recognition guidance for GAAP and International Financial Reporting Standards. The update applies to all companies that enter into contracts with customers to transfer goods or services and is effective for us for interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted and companies have the choice to apply the update either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying the update at the date of initial application (January 1, 2017) and not adjusting comparative information. In August 2015, the FASB decided to delay the effective date of the new revenue standard by one year. The Company does not expect the adoption of this standard to have a material impact on our financial position, results of operations or cash flows.

The Company has reviewed and determined that other recently issued accounting pronouncements will not have a material impact on its financial position, results of operations and cash flows, or do not apply to its current operations.

3. Stockholders’ Equity

Earnings per Share

The Company had no potentially dilutive securities outstanding during the periods presented. Accordingly, earnings per share is calculated by dividing net income/(loss) by the weighted-average number of shares of common stock outstanding during the applicable period.

Subscription Receivable

The subscription receivable relates to shares issued to the Company's shareholders for which the proceeds have not yet been received by the Company solely due to timing of transfers from the escrow agent holding the funds.

Distributions

Distribution Declaration

On May 12, 2016, the Board of Directors authorized and the Company declared a distribution for each month during the three-month period ending June 30, 2016. The distributions will be calculated based on shareholders of record at a rate of $0.002191781 per day, and will equal a daily amount that, if paid each day for a 365-day period, would equal a 8.0% annualized rate based on a share price of $10.00 payable on or about the 15th day following each month end to stockholders of record at the close of business on the last day of the prior month. The Company's stockholders have an option to elect the receipt of Common Shares under the Company's DRIP.

Distribution Payments

On February 15, 2016, March 15, 2016 and April 15, 2016, the Company paid distributions for the months ended January 31, 2016, February 29, 2016 and March 31, 2016, respectively, totaling $169,262. The distributions were paid in full using a combination of cash and 3,900 shares of the Company's common stock issued pursuant to the Company's DRIP, at a discounted price of $9.50 per share. The distributions were paid from a combination of offering proceeds ($66,266 or 39%), cash flows provided by operations ($65,948 or 39%) and excess cash proceeds from the issuance of common stock through the Company's DRIP ($37,048 or 22%).

4. Selling Commissions, Dealer Manager Fees and Other Offering Costs

Selling commissions and dealer manager fees are paid to the Dealer Manager, pursuant to various agreements, and other third-party offering costs such as registration fees, due diligence fees, marketing costs, and professional fees are accounted for as a reduction against additional paid-in capital as costs are incurred. Organizational costs are expensed as general and administrative costs. The following table represents the selling commissions and dealer manager and other offering costs for the periods indicated:

	For the Three Months Ended March 31,	
	2016	2015
Selling commissions and dealer manager fees	$ 330,063	$ -
Other offering costs	$ 395,816	$ -

Since the Company's inception through March 31, 2016, it has incurred approximately $0.6 million in selling commissions and dealer manager fees and $2.5 million of other offering costs in connection with the public offering of shares of its common stock.

5. Related Party Transaction and Other Arrangements

In addition to certain agreements with the Sponsor (see Note 3) and Dealer Manager (see Note 4), the Company has agreements with the Advisor to pay certain fees, in exchange for services performed by the Advisor and/or its affiliated entities. Furthermore, the Advisor has and is expected to continue to advance certain organization and offering costs on behalf of the Company to the extent the Company does not have sufficient funds to pay such costs. As of December 31, 2015, the Company owed the Advisor and its affiliated entities an aggregate of $865,436, which was principally for organization and offering costs paid on its behalf, and is classified as due to related parties on the balance sheet. During the three months ended March 31, 2016, the Company was (i) charged $37,088 for certain services and costs paid on its behalf, including $36,098 of offering-related costs that were recorded as a reduction to additional paid in capital, and (ii) made payments totaling $888,171 and as a result, the amount due to related parties on the balance sheet was $14,353 as of March 31, 2016.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, the Company entered into an agreement with various related party entities that provides for the Company to make aggregate preferred equity contributions (the "105-109 W. 28th Street Preferred Investment") of up to $20.0 million in various affiliates of its Sponsor which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment will be made pursuant to an instrument that entitles the Company to monthly preferred distributions at a rate of 12% per annum and is redeemable by the Company at the earlier of (i) the date that is two years from the date of the Company's final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. The Company may also request redemption or a restructuring of the agreement prior to the acceptance of any construction financing. The 105-109 W. 28th Street Preferred Investment is classified as a held-to-maturity security and recorded at cost.

The Company made an initial contribution of $4.0 million during the fourth quarter of 2015 and an additional contribution of $2.1 million during the first quarter of 2016. As of March 31, 2016 and December 31, 2015, the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $6.1 million and $4.0 million, which is classified in investment in related party on the balance sheets. The fair value of this investment is not practical to estimate due to the related party nature of the underlying transaction. As of March 31, 2016, an aggregate of $13.9 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. The Company has funded contributions to date using proceeds from its Offering and draws under the Subordinated Agreement and intends to continue to fulfill its obligation to make further contributions using proceeds from these sources. During the three months ended March 31, 2016, the Company recorded $155,133 of investment income related to the 105-109 W. 28th Street Preferred Investment. The Company's Advisor elected to waive the acquisition fee associated with this transaction.

Subordinated Agreement

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the Company's then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company's Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing the Company's NAV per share until holders of its Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. The Company cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of its Common Shares until holders of its Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, the Company will be obligated to repay the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after the Company repays its holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to its Sponsor, such additional distributions will be paid to holders of its Common Shares and its Sponsor: 85.0% of the aggregate amount will be payable to holders of the Company's Common Shares and the remaining 15.0% will be payable to the Sponsor.

The Subordinated Advances and its related interest are subordinate to all of the Company's obligations as well as to the holders of its Common Shares in an amount equal to the shareholder's net investment plus a cumulative, pre-tax, non-compounded annual return of 8.0% and only potentially payable in the event of a liquidation of the Company.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of March 31, 2016 an aggregate of $3,109,013 of Subordinated Advances had been funded which are classified as a liability on the balance sheet.

6. Commitments and Contingencies

Legal Proceedings

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

PART I. FINANCIAL INFORMATION, CONTINUED:

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with the accompanying financial statements of Lightstone Real Estate Income Trust Inc. (''Lightstone Income Trust''), and the notes thereto. As used herein, the terms "we," "our" and "us" refer to Lightstone Real Estate Income Trust Inc., a Maryland corporation, and any of its subsidiaries that may exist from time to time.

Forward-Looking Statements

Certain information included in this Quarterly Report on Form 10-Q contains, and other materials filed or to be filed by us with the Securities and Exchange Commission (the "SEC"), contain or will contain, forward-looking statements. All statements, other than statements of historical facts, including, among others, statements regarding our possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives, are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Lightstone Real Estate Income Trust Inc. and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements.

Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ from the results discussed in the forward-looking statements.

Risks and other factors that might cause differences, some of which could be material, include, but are not limited to, economic and market conditions, competition, tenant or joint venture partner(s) bankruptcies, our lack of operating history, the availability of cash flows from operations to pay distributions, changes in governmental, tax, real estate and zoning laws and regulations, failure to increase tenant occupancy and operating income, rejection of leases by tenants in bankruptcy, financing and development risks, construction and lease-up delays, cost overruns, the level and volatility of interest rates, the rate of revenue increases versus expense increases, the financial stability of various tenants and industries, the failure of the Company to make additional investments in real estate properties, the failure to upgrade our tenant mix, restrictions in current financing arrangements, the failure to fully recover tenant obligations for common area maintenance, insurance, taxes and other property expenses, the failure of the Company to continue to qualify as a real estate investment trust ("REIT"), the failure to refinance debt at favorable terms and conditions, an increase in impairment charges, loss of key personnel, failure to achieve earnings/funds from operations targets or estimates, conflicts of interest with the Advisor and the Sponsor and their affiliates, failure of joint venture relationships, significant costs related to environmental issues as well as other risks listed from time to time in this Form 10-Q, our Registration Statements on Form S-11, as the same may be amended and supplemented from time to time, and in the Company's other reports filed with the SEC.

We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless required by law.

Overview

Lightstone Income Trust, together with any of its subsidiaries that may exist from time to time, are collectively referred to as the ''Company'' and the use of ''we,'' ''our,'' ''us'' or similar pronouns refers to Lightstone Income Trust or the Company as required by the context in which any such pronoun is used.

Lightstone Income Trust has and will continue to seek to originate, acquire and manage a diverse portfolio of real estate-related investments. The Company may invest in mezzanine loans, first lien mortgage loans, second lien mortgage loans, bridge loans and preferred equity interests, in each case with a focus on investments intended to finance development or redevelopment opportunities. We may also invest in debt and derivative securities related to real estate assets. We expect that a majority of our investments by value will be secured by or related to properties or entities advised by, or wholly or partially, directly or indirectly owned by, the Sponsor, by its affiliates or by real estate investment programs sponsored by it.

Capital required to originate and acquire investments and conduct our operations is expected to be obtained from public offerings of shares of our common stock and from any indebtedness that we may incur either in connection with the acquisition of any real estate and real estate related investments or thereafter. We are dependent upon the net proceeds from public offerings of our common stock to conduct our proposed activities.

Our registration statement on Form S-11(the "Offering"), pursuant to which we are offering to sell up to 30,000,000 shares of our common stock (which may be referred to herein as ''shares of common stock'' or as ''Common Shares'') for $10.00 per share, subject to certain volume and other discounts (exclusive of 10,000,000 shares available pursuant to its distribution reinvestment plan (the "DRIP") at an initial purchase price of $9.50 per share) was declared effective by the SEC under the Securities Act of 1933 on February 26, 2015. On April 20, 2016, we filed an Amendment to our registration statement on Form S-11 (the "POSAM") and as of the date of this filing, the SEC has not declared the POSAM effective. Accordingly, we have temporarily suspended the sales of our Common Shares under the Offering.

We sold 20,000 Common Shares to Lightstone Real Estate Income LLC, a Delaware limited liability company (the ''Advisor''), an entity majority owned by David Lichtenstein, on September 12, 2014, for $10.00 per share. Mr. Lichtenstein also is a majority owner of the equity interests of our sponsor, The Lightstone Group, LLC (the ''Sponsor'').

As of March 31, 2016, we had received gross proceeds of $10.2 million from the sale of 1.1 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in the Company's Sponsor).

We have no employees. We retained the Advisor to manage our affairs on a day-to-day basis. Orchard Securities, LLC (the ''Dealer Manager'') serves as the dealer manager of our public offering. The Advisor is an affiliate of the Sponsor. The Advisor will receive compensation and fees for services related to the investment and management of our assets during our offering, acquisition, operational and liquidation stages.

Subordinated Agreement

On March 18, 2016, the Company and its Sponsor entered into a subordinated unsecured loan agreement (the "Subordinated Agreement") pursuant to which the Sponsor has committed to make a significant investment in the Company of up to $36.0 million, which is equivalent to 12.0% of the $300.0 million maximum offering amount of Common Shares. Specifically, the Subordinated Agreement with the Sponsor provides for quarterly draws or advances (the "Subordinated Advances") in an amount equal to the product of (i) $10.00 minus the Company's then-current estimated NAV per share, multiplied by (ii) the number of Common Shares outstanding. The advances under the Subordinated Agreement will be used to increase the cash available for investment in real estate-related investments. The outstanding advances under the Subordinated Agreement will bear interest at a rate of 1.48%, which was equal to the mid-term applicable U.S. federal rate as of March 2016. Interest will retroactively accrue on the outstanding advances under the Subordinated Agreement back to the date of each quarterly draw, but no interest or outstanding advances will be due and payable to the Sponsor until holders of the Company's Common Shares have received liquidation distributions equal to their respective net investments (defined as $10.00 per Common Share) plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments.

The Subordinated Agreement with the Sponsor will continue until the earlier of: (i) the termination of the Company's initial public offering; (ii) advances under the Subordinated Agreement are equal to an aggregate of $36.0 million; and (iii) the Company receives gross offering proceeds of $300.0 million. The advances under the Subordinated Agreement will have the effect of increasing the Company's NAV per share until holders of its Common Shares have received distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. The Company cannot guarantee that holders of our Common Shares will receive the foregoing cumulative, pre-tax, non-compounded annual return.

Distributions in connection with a liquidation of the Company initially will be made to holders of its Common Shares until holders of its Common Shares have received liquidation distributions equal to their respective net investments plus a cumulative, pre-tax, non-compounded annual return of 8.0% on their respective net investments. Thereafter, only if additional liquidating distributions are available, the Company will be obligated to repay the outstanding advances under the Subordinated Agreement and accrued interest to the Sponsor, as described in the Subordinated Agreement. In the unlikely event that additional liquidation distributions are available after the Company repays its holders of common stock their respective net investments plus their 8% return on investment and then the outstanding advances under the Subordinated Agreement and accrued interest to its Sponsor, such additional distributions will be paid to holders of its Common Shares and its Sponsor: 85.0% of the aggregate amount will be payable to holders of the Company's Common Shares and the remaining 15.0% will be payable to the Sponsor.

The Subordinated Advances and its related interest are subordinate to all of the Company's obligations as well as to the holders of its Common Shares in an amount equal to the shareholder's net investment plus a cumulative, pre-tax, non-compounded annual return of 8.0% and only potentially payable in the event of a liquidation of the Company.

During the first quarter of 2016, the Sponsor commenced making advances under the Subordinated Agreement and as of March 31, 2016 an aggregate of $3,109,013 of Subordinated Advances had been funded which are classified as a liability on the balance sheet.

Current Environment

Our operating results as well as our investment opportunities are impacted by the health of the North American economies. Our business and financial performance may be adversely affected by current and future economic conditions, such as availability of credit, financial markets volatility, and recession.

Our business may be affected by market and economic challenges experienced by the U.S. and global economies. These conditions may materially affect the value and performance of our properties, and may affect our ability to pay distributions, the availability or the terms of financing that we have or may anticipate utilizing, and our ability to make principal and interest payments on, or refinance, any outstanding debt when due.

We are not aware of any other material trends or uncertainties, favorable or unfavorable, other than national economic conditions affecting real estate generally, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from the acquisition and operation of real estate and real estate related investments, other than those referred to in this Form 10-Q.

Results of Operations

We were incorporated in the State of Maryland on September 9, 2014 and broke escrow on June 12, 2015. During the fourth quarter of 2015 we made our first real estate-related investment, the 105-109 W. 28th Street Preferred Investment (see Note 5 of the Financial Statements). Prior to making our first real estate-related investment, we did not have any significant results of operations other than certain general and administrative costs.

<u>For the Three Months Ended March 31, 2016</u>

Investment income

Investment income, which was attributable to the 105-109 W. 28th Street Preferred Investment, was $155,133 for the three months ended March 31, 2016.

General and administrative expenses

General and administrative costs were $61,652 for the three months ended March 31, 2016 as compared to $5,413 for the three months ended March 31, 2015. General and administrative costs for the three months ended March 31, 2016 primarily consist of legal and accounting costs, corporate board of director's fees, and costs associated with the Company's filings with the SEC as compared to corporate board of director's fees, and costs associated with the Company's filings with the SEC during the 2105 period.

Financial Condition, Liquidity and Capital Resources

For the three months ended March 31, 2016 our primary source of funds were $3.4 million of proceeds from our sale of shares of common stock under our Offering and $3.1 million of Subordinated Advances draws from our Sponsor.

Our future sources of funds will primarily consist of (i) proceeds from our sale of shares of common stock under our Offering, (ii) cash flows from our operations, (iii) proceeds from Subordinated Advances draws and (iv) our DRIP. We currently believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

We will be dependent upon the net proceeds from this offering to conduct our proposed operations. We will obtain the capital required to originate and acquire investments and conduct our operations from the proceeds of this Offering, any future offerings we may conduct, from secured or unsecured financings from banks and other lenders and from any undistributed funds from our operations.

Once we have fully invested the proceeds of this Offering, assuming we sell the maximum amount, our portfolio-wide loan-to-value ratio (calculated after the close of this Offering) will be approximately 25%. For purposes of calculating our 25% target leverage, we will determine the loan-to-value ratio on our portfolio based on the greater of the aggregate cost and the fair market value of our investments and other assets. There is no limitation on the amount we may borrow for the purchase or origination of any single investment. Our charter allows us to incur leverage up to 300% of our total “net assets” (as defined in our charter) as of the date of any borrowing, which is generally expected to be approximately 75% of the cost of our investments. We may only exceed this 300% limit with the approval of a majority of our independent directors. During the early stages of this offering, our independent directors may be more likely to approve debt in excess of this limit. In all events, we expect that our secured and unsecured borrowings will be reasonable in relation to the net value of our assets and will be reviewed by our board of directors at least quarterly.

In addition to making investments in accordance with our investment objectives, we expect to use our capital resources to make certain payments to our Advisor and the Dealer Manager. During our organization and offering stage, these payments will include payments to the Dealer Manager for selling commissions and dealer manager fee. During this stage, we also will make payments to our Advisor for reimbursement of certain other organization and offering expenses. However, we do not expect that our total payments for other organization and offering expenses would exceed 2% of gross offering proceeds. During our operational stage, we expect to make payments to our Advisor in connection with the selection and origination or purchase of investments and the management of our assets and to reimburse certain costs incurred by our Advisor in providing services to us. The advisory agreement has a one-year term but may be renewed for an unlimited number of successive one-year periods upon the mutual consent of our Advisor and our independent directors.

Summary of Cash Flows

The following summary discussion of our cash flows is based on the statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below:

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Cash flows provided by/(used) in operating activities	$ 65,948	$ (33,340)
Cash flows used in investing activities	(2,100,000)	-
Cash flows provided by financing activities	5,040,726	-
Net change in cash and cash equivalents	3,006,674	(33,340)
Cash and cash equivalents, beginning of the year	1,213,014	200,000
Cash and cash equivalents, end of the period	$ 4,219,688	$ 166,660

Operating activities

The net cash provided by operating activities of $65,948 during the 2016 period primarily related to our net income of $93,481 offset by changes in assets and liabilities of $27,533.

Investing activities

During the first quarter of 2016 we made an additional contribution of $2.1 million to the 105-109 W. 28th Street Preferred Investment.

Financing activities

The net cash provided by financing activities of $5.0 million principally consists of proceeds from the issuance of our common stock of $3.4 million and funding under the Subordinated Agreement of $3.1 million; partially offset by the payment of selling commissions, dealer manager fees and other offering costs of approximately $1.4 and distributions of $0.1 million to common stockholders.

We believe that these cash resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other than these sources within the next twelve months.

Distribution Reinvestment Plan and Share Repurchase Program

Our DRIP provides our stockholders with an opportunity to purchase additional shares of our common stock at a discount by reinvesting distributions. The offering provides for 10.0 million shares available for issuance under our DRIP and our initial DRIP price per share of common stock is $9.50.

Our share repurchase program may provide our stockholders with limited, interim liquidity by enabling them to sell their shares of common stock back to us, subject to certain restrictions.

As of March 31, 2016 no shares have been repurchased under our share repurchase program.

Our Board of Directors reserves the right to terminate either program for any reason without cause by providing written notice of termination of the DRIP to all participants or written notice of termination of the share repurchase program to all stockholders.

105-109 W. 28th Street Preferred Investment

On November 25, 2015, we entered into an agreement with various related party entities that provides for aggregate preferred equity contributions (the “105-109 W. 28th Street Preferred Investment”) of up to $20.0 million in various affiliates of our Sponsor which owns a parcel of land located at 105-109 W. 28thStreet, New York, NY at which they intend to develop a 343-room Marriott Moxy hotel. The 105-109 W. 28th Street Preferred Investment will be made pursuant to an instrument that is entitled to monthly preferred distributions at a rate of 12% per annum and is redeemable by us at the earlier of (i) the date that is two years from the date of the Company’s final contribution or (ii) the third anniversary of 105-109 W. 28th Street Preferred Investment. We made an initial contribution of $4.0 million during the fourth quarter of 2015 and an additional contribution of $2.1 million during the first quarter of 2016. As of March 31, 2016 the 105-109 W. 28th Street Preferred Investment had an outstanding balance of $6.1 million, which is classified in investment in related party on the balance sheets. The fair value of this investment is not practical to estimate due to the related party nature of the underlying transaction. As of March 31, 2016, an aggregate of $13.9 million of additional contributions were unfunded related to the 105-109 W. 28th Street Preferred Investment. We have funded contributions to date using proceeds from our Offering and draws under the Subordinated Agreement and intend to continue to fulfill our obligation to make further contributions using proceeds from these sources.

Funds from Operations and Modified Funds from Operations

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings, improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time. We believe that, because real estate values historically rise and fall with market conditions, including, but not limited to, inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using the historical accounting convention for depreciation and certain other items may be less informative.

Because of these factors, the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has published a standardized measure of performance known as funds from operations ("FFO"), which is used in the REIT industry as a supplemental performance measure. We believe FFO, which excludes certain items such as real estate-related depreciation and amortization, is an appropriate supplemental measure of a REIT's operating performance. FFO is not equivalent to our net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards set forth in the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, but excluding gains or losses from sales of property and real estate related impairments, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

We believe that the use of FFO provides a more complete understanding of our performance to investors and to management, and, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income.

Changes in the accounting and reporting promulgations under GAAP that were put into effect in 2009 subsequent to the establishment of NAREIT's definition of FFO, such as the change to expense as incurred rather than capitalize and depreciate acquisition fees and expenses incurred for business combinations, have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses, as items that are expensed under GAAP across all industries. These changes had a particularly significant impact on publicly registered, non-listed REITs, which typically have a significant amount of acquisition activity in the early part of their existence, particularly during the period when they are raising capital through ongoing initial public offerings.

Because of these factors, the Investment Program Association ("IPA"), an industry trade group, has published a standardized measure of performance known as modified funds from operations ("MFFO"), which the IPA has recommended as a supplemental measure for publicly registered, non-listed REITs. MFFO is designed to be reflective of the ongoing operating performance of publicly registered, non-listed REITs by adjusting for those costs that are more reflective of acquisitions and investment activity, along with other items the IPA believes are not indicative of the ongoing operating performance of a publicly registered, non-listed REIT, such as straight-lining of rents as required by GAAP. We believe it is appropriate to use MFFO as a supplemental measure of operating performance because we believe that, when compared year over year, both before and after we have deployed all of our offering proceeds and are no longer incurring a significant amount of acquisition fees or other related costs, it reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income. MFFO is not equivalent to our net income or loss as determined under GAAP.

We define MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations (the "Practice Guideline") issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for acquisition and transaction-related fees and expenses and other items. In calculating MFFO, we follow the Practice Guideline and exclude the following items:

- acquisition fees and expenses; non-cash amounts related to straight-line rent and the amortization of above- or below-market and in-place intangible lease assets and liabilities (which are adjusted in order to reflect such payments from an accrual basis of accounting under GAAP to a cash basis of accounting);
- amortization of a premium and accretion of a discount on debt investments;
- non-recurring impairment of real estate-related investments;
- realized gains (losses) from the early extinguishment of debt;
- realized gains (losses) on the extinguishment or sales of hedges, foreign exchange, securities and other derivative holdings except where the trading of such instruments is a fundamental attribute of our business;

- unrealized gains (losses) from fair value adjustments on real estate securities, including CMBS and other securities, interest rate swaps and other derivatives not deemed hedges and foreign exchange holdings;
- unrealized gains (losses) from the consolidation from, or deconsolidation to, equity accounting;
- adjustments related to contingent purchase price obligations; and
- adjustments for consolidated and unconsolidated partnerships and joint ventures calculated to reflect MFFO on the same basis as above.

Certain of the above adjustments are also made to reconcile net income (loss) to net cash provided by (used in) operating activities, such as for the amortization of a premium and accretion of a discount on debt and securities investments, amortization of fees, any unrealized gains (losses) on derivatives, securities or other investments, as well as other adjustments.

MFFO excludes non-recurring impairment of real estate-related investments. We assess the credit quality of our investments and adequacy of reserves on a quarterly basis, or more frequently as necessary. Significant judgment is required in this analysis. We consider the estimated net recoverable value of a loan as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the prospects for the borrower and the competitive situation of the region where the borrower does business.

We believe that, because MFFO excludes costs that we consider more reflective of acquisition activities and other non-operating items, MFFO can provide, on a going-forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of our operating performance after the period in which we are acquiring properties and once our portfolio is stabilized. We also believe that MFFO is a recognized measure of sustainable operating performance by the non-listed REIT industry and allows for an evaluation of our performance against other publicly registered, non-listed REITs.

Not all REITs, including publicly registered, non-listed REITs, calculate FFO and MFFO the same way. Accordingly, comparisons with other REITs, including publicly registered, non-listed REITs, may not be meaningful. Furthermore, FFO and MFFO are not indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as determined under GAAP as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. FFO and MFFO should be reviewed in conjunction with GAAP measurements as an indication of our performance. FFO and MFFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The methods utilized to evaluate the performance of a publicly registered, non-listed REIT under GAAP should be construed as more relevant measures of operational performance and considered more prominently than the non-GAAP measures, FFO and MFFO, and the adjustments to GAAP in calculating FFO and MFFO.

Neither the SEC, NAREIT, the IPA nor any other regulatory body or industry trade group has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, NAREIT, the IPA or another industry trade group may publish updates

The following table presents a reconciliation of FFO and MFFO to net income /(loss):

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Net income/(loss)	$ 93,481	$ (5,413)
FFO adjustments:		
None	-	-
FFO	93,481	(5,413)
MFFO adjustments:		
Other adjustments:		
Acquisition and other transaction related costs expensed	4,000	-
MFFO	97,481	(5,413)
Straight-line rent[1]	-	-
MFFO - IPA recommended format	$ 97,481	$ (5,413)
Net income/(loss)	$ 93,481	$ (5,413)
Net income/(loss) per common share, basic and diluted	$ 0.11	$ (0.27)
FFO	$ 93,481	$ (5,413)
FFO per common share, basic and diluted	$ 0.11	$ (0.27)
Weighted average number of common shares outstanding, basic and diluted	868,381	20,000

(1) Under GAAP, rental receipts are allocated to periods using various methodologies. This may result in income recognition that is significantly different than underlying contract terms. By adjusting for these items (to reflect such payments from a GAAP accrual basis to a cash basis of disclosing the rent and lease payments), MFFO provides useful supplemental information on the realized economic impact of lease terms and debt investments, providing insight on the contractual cash flows of such lease terms and debt investments, and aligns results with management's analysis of operating performance.

Distributions Declared by our Board of Directors and Source of Distributions

The following table provides a summary of our quarterly distributions declared during the periods presented. The amount of distributions paid to our stockholders in the future will be determined by our Board of Directors and is dependent on a number of factors, including funds available for payment of dividends, our financial condition, capital expenditure requirements and annual distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code. Additionally, our stockholders have the option to elect the receipt of shares in lieu of cash under our DRIP.

	Three Months Ended March 31, 2016	
Distribution period:	Q1 2016	Percentage of Distributions
Date distributions declared	October 28, 2015, March 11, 2016	
Date distributions paid	February 15, 2016, March 15, 2016, April 15, 2016,	
Distributions paid	$ 132,214	
Distributions reinvested	37,048	
Total Distributions	$ 169,262	
Source of distributions:		
Cash flows provided by operations	$ 65,948	39%
Offering proceeds	66,266	39%
Proceeds from issuance of common stock through DRIP	37,048	22%
Total Sources	$ 169,262	100%
Cash flows provided by operations (GAAP basis)	$ 65,948	
Number of shares of common stock issued pursuant to the Company's DRIP	3,900	

The table below presents our cumulative FFO and distributions declared:

	For the period September 9, 2014 (date of inception) through March 31, 2016
FFO	$ (20,343)
Distributions declared	$ 356,315

New Accounting Pronouncements

See Note 2 of the Notes to Financial Statements for further information of certain accounting standards that have been issued or adopted during 2016 and certain accounting standards that we have not yet been required to implement and may be applicable to our future operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or rates. Our interest rate risk management objectives with respect to our long-term debt will be to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars, and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes. We do not anticipate having any foreign operations and thus we do not expect to be exposed to foreign currency fluctuations.

ITEM 4. CONTROLS AND PROCEDURES.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, at March 31, 2016, June 30, 2016 and September 30, 2016, our disclosure controls and procedures were not effective in recording, processing, summarizing and reporting, on a timely basis, information we are required to disclose in the reports that we file or submit under the Exchange Act, and our disclosure controls and procedures were also not effective to ensure that information we disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

As we describe below, we have implemented a process to remediate the material weakness in internal control over financial reporting that we identified as of March 31, 2016, June 30, 2016 and September 30, 2016. There were no other material changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

In connection with our management's assessment of our internal control over financial reporting as of March 31, 2016, June 30, 2016 and September 30, 2016, we identified a material weakness in our internal control over financial reporting pertaining to our accounting for a significant and unusual transaction related to advances made under a subordinated agreement which we entered into with our sponsor on March 18, 2016. Our control activities were not designed appropriately to ensure that our related accounting conclusions were sufficiently documented and reviewed for compliance with U.S. generally accepted accounting principles ("GAAP") with respect to the application of GAAP to this complex instrument which included characteristics of both debt and equity. The material weakness resulted in a balance sheet misclassification error as of March 31, 2016 and June 30, 2016 and an under-accrual of interest expense of $11,649 within our statements of operations for the three and six months ended June 30, 2016. As a result, we have restated our financial statements for the quarterly periods ended March 31, 2016 and June 30, 2016. Additionally, prior to the issuance of our consolidated financial statements for the quarterly period ended September 30, 2016, we have corrected the balance sheet misclassification error as of September 30, 2016 and properly accrued interest expense within our consolidated statements of operations for the three and nine months ended September 30, 2016.

Management has undertaken steps to enhance and revise the design of our controls and procedures over our accounting for instruments which have the characteristics of both debt and equity. The material weakness will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed prior to the end of fiscal year 2016.

PART II. OTHER INFORMATION:

ITEM 1. LEGAL PROCEEDINGS.

From time to time in the ordinary course of business, the Company may become subject to legal proceedings, claims or disputes.

As of the date hereof, the Company is not a party to any material pending legal proceedings of which the outcome is probable or reasonably possible to have a material adverse effect on its results of operations or financial condition, which would require accrual or disclosure of the contingency and possible range of loss. Additionally, the Company has not recorded any loss contingencies related to legal proceedings in which the potential loss is deemed to be remote.

ITEM 1A. RISK FACTORS

We discuss in our Annual Report on Form 10-K various risks that may materially affect our business. We use this section to update this discussion to reflect material developments since our Form 10-K was filed. For the quarter ended March 31, 2016, there were no such material developments.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

During the period covered by this Form 10-Q, we did not sell any unregistered securities.

Use of Public Offering Proceeds

The Company's sponsor is David Lichtenstein ("Lichtenstein"), who does business as The Lightstone Group, LLC (the "Sponsor") and is the majority owner of the limited liability company of that name. The Company's advisor is Lightstone Real Estate Income LLC (the "Advisor"), which is wholly owned by our Sponsor.

On September 12, 2014, the Company sold 20,000 Common Shares to the Advisor for $10.00 per share.

The Company's registration statement on Form S-11 (File No. 333-200464), pursuant to which it is offering to sell up to 30,000,000 shares of its common stock at a price of $10.00 per share, subject to certain volume discounts, (exclusive of 10,000,000 shares which are available pursuant to its distribution reinvestment plan (the "DRIP") at an initial purchase price of $9.50 per share, was declared effective by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 on February 26, 2015. As of March 31, 2016, we had received gross proceeds of $10.2 million from the sale of 1.1 million shares of our common stock (including $2.0 million in Common Shares at a purchase price of $9.00 per Common Share to an entity 100% owned by David Lichtenstein, who also owns a majority interest in our Sponsor).

We currently intend to sell shares of our common stock under the Offering until the earlier of the date on which all the shares are sold, or February 26, 2017, two years from the date the Offering was declared effective by the SEC. We reserve the right to reallocate the shares of common stock we are offering between the Primary Offering and the DRIP. Additionally, the Offering may be terminated at any time.

We will utilize a portion of our public offering proceeds towards funding the dealer manager fees, selling commissions and organization and other offering costs.

Below is a summary of the expenses we have incurred in connection with the issuance and distribution of the registered securities since inception:

Type of Expense Amount		
Selling commissions and dealer manager fees	$	588,879
Other expenses incurred		2,505,774
Total offering costs incurred from inception through March 31, 2016	$	3,094,653

Cumulatively through March 31, 2016, we have used the net offering proceeds of $7.1 million, after deduction of offering expenses paid since inception of $3.1 million, as follows:

Cash	$	1,110,675
Cash distributions not funded by operations		248,115
Investment in related party		6,100,000
Other uses (primarily timing of payables)		(318,641)
Total uses	$	7,140,149

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101*	XBRL (eXtensible Business Reporting Language).The following financial information from Lightstone Real Estate Income Trust Inc. on Form 10-Q/A for the quarter ended March 31, 2016, filed with the SEC on November 21, 2016, formatted in XBRL includes: (1) Balance Sheets, (2) Statements of Operations, (3) Statements of Stockholders' Equity, (4) Statements of Cash Flows, and (5) the Notes to the Financial Statement.

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIGHTSTONE REAL ESTATE INCOME TRUST INC.

Date: November 21, 2016	By:	/s/ David Lichtenstein David Lichtenstein Chairman and Chief Executive Officer (Principal Executive Officer)
Date: November 21, 2016	By:	/s/ Donna Brandin Donna Brandin Chief Financial Officer (Duly Authorized Officer and Principal Financial and Accounting Officer)