

**1<sup>st</sup> stREIT OFFICE INC.  
SUPPLEMENT NO. 1 DATED DECEMBER 21, 2020  
TO THE OFFERING CIRCULAR DATED NOVEMBER 17, 2020**

This document supplements, and should be read in conjunction with, the offering circular of 1<sup>st</sup> stREIT Office Inc. (the “Company”), dated November 17, 2020, and filed by the Company with the Securities and Exchange Commission (the “SEC”) as part of its offering statement that was qualified by the SEC on November 16, 2020 (the “Offering Circular”).

The purpose of this supplement is to disclose:

- January 2021 distribution
- Establishment of purchase price as of January 1, 2021
- Net asset value as of September 30, 2020

***Declaration of Dividend***

On December 21, 2020, the board of directors of the Company declared a regular quarterly cash dividend of \$0.21 per share of common stock of the Company (“Common Stock”) for the period from October 1, 2020 to December 31, 2020. The dividend will be payable on January 8, 2021 to stockholders of record as of the close of business on December 24, 2020. The Company, as general partner of 1st stREIT Office Operating Partnership LP (the “Operating Partnership”), concurrently declared the same distribution per common unit of the Operating Partnership.

The quarterly cash dividend equates to 8.40% on an annualized basis calculated at the current rate, assuming a \$10.00 per share of Common Stock purchase price.

***Establishment of Purchase Price***

Beginning with January 1, 2021, the purchase price per share of Common Stock will be \$10.21 per share based on the net asset value (“NAV”) per share of the Company as of September 30, 2020 as calculated by the Company’s manager, SW Manager, LLC (the “Manager”). This price per share will be effective until the next announcement of the price per share by the Company, which is expected to happen on or within a commercially reasonable time after March 31, 2021, unless updated by the Company prior to that time. Redemptions of shares of Common Stock will be made pursuant to the Company’s redemption plan based on the then-current NAV per share.

***Net Asset Value as of September 30, 2020***

The Manager calculates the Company’s NAV on a quarterly basis as of the end of each prior fiscal quarter on a fully diluted basis. As of September 30, 2020, NAV per share of Common Stock was \$10.21. This NAV is effective until updated by the Company on March 31, 2021 (or as soon as commercially reasonable thereafter), unless updated by the Company prior to that time.

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**Components of NAV**

The following sets forth the calculation of NAV as of September 30, 2020:

	<b>September 30, 2020 <sup>(1)</sup></b>
<b>Assets</b>	
Real estate:	
Land	\$ 7,230,647
Buildings and improvements	74,269,353
Total real estate, net, at fair value	<u>81,500,000</u>
Cash	3,476,365
Restricted cash	1,310,190
Rents and other receivables, net	38,561
Other assets, net	194,762
Total assets	<u>\$ 86,519,878</u>
<b>Liabilities and stockholders' equity</b>	
Liabilities:	
Secured notes payable, net	\$ 41,457,518
Unsecured note payable - affiliate, net	6,500,000
Accounts payable, accrued and other liabilities	2,255,212
Unearned tenant rents	169,437
Security and investor deposits	424,802
Due to affiliate	234,309
Total liabilities	<u>51,041,278</u>
Stockholders' equity:	
Common stock; 900,000,000 shares authorized; 878,492 shares issued and outstanding at September 30, 2020	8,785
Additional paid-in capital	8,557,670
Cumulative distributions and net gain	407,192
Noncontrolling interests	26,504,953
Total stockholders' equity	<u>35,478,600</u>
Total liabilities and stockholders' equity	<u>\$ 86,519,878</u>
Net asset value per share on 878,492 shares issued and outstanding at September 30, 2020 <sup>(2)</sup>	\$ 10.21

(1) Unaudited consolidated balance sheet data as of September 30, 2020.

(2) The total amount of shares of Common Stock issued and outstanding used in the computation of NAV per share is the amount of shares outstanding as of September 30, 2020. NAV per share computation excludes noncontrolling interests.

NAV per share was calculated by the Manager on a fully dilutive basis using a process that reflects several components, including (1) estimated values of the Company's commercial real estate assets and investments, including related liabilities, based upon (a) market capitalization rates, comparable sales information, interest rates, discount rates, net operating income, and (b) in certain instances, individual appraisal reports of the underlying real estate provided by an independent valuation expert, (2) the price of liquid assets for which third party market quotes are available, (3) accruals of the Company's periodic dividends and (4) estimated accruals of the Company's operating revenues and expenses.

As described in the section titled "Valuation Policies" of the Offering Circular, the Company's goal is to provide a reasonable estimate of NAV per share of Common Stock on a quarterly basis. However, the majority of the Company's assets consist of commercial office investments and, as with any commercial real estate valuation protocol, the conclusion reached by the Company or, solely in the case that there is a conflict, the conclusion reached by the Company's independent valuation expert, will be based on a number of judgments, assumptions and opinions about future events that may or may not prove to be correct. In instances where the Company determines that an independent appraisal of its real estate assets is necessary, including, but not limited to, instances where the Manager is unsure of its ability to accurately determine the estimated values of the Company's commercial real estate assets and investments, or instances where third party market values for comparable properties are either nonexistent or extremely inconsistent, the Company may engage an appraiser that has expertise in appraising commercial real estate assets to act as its independent valuation expert. The independent valuation expert will not be responsible for, or prepare, the calculation of NAV per share. However, the Company may hire a third party to calculate, or assist with calculating, the NAV per share. The use of different judgments, assumptions or opinions would likely result in different estimates of the value of the Company's commercial real estate assets and investments.

In addition, for any given quarter, the Company's published NAV per share may not fully reflect certain material events, to the extent that the financial impact of such events on the Company's portfolio is not immediately quantifiable. As a result, the quarterly calculation of NAV per share may not reflect the precise amount that might be paid for the shares of Common Stock in a market transaction, and any potential disparity in NAV per share may be in favor of either stockholders who redeem their shares, or stockholders who buy new shares, or existing stockholders. However, to the extent quantifiable, if a material event occurs in between quarterly updates of NAV that would cause NAV per share to change by 5% or more from the last disclosed NAV, the Company will disclose the updated NAV per share and the reason for the change in an Offering Circular supplement as promptly as reasonably practicable.

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**Historical NAV Information**

Below is the NAV per share of Common Stock, as determined in accordance with the Company's valuation policies, for the fiscal quarter ended September 30, 2020, and the four prior quarters thereof.

<b>Date</b>	<b>NAV Per Share</b>
September 30, 2019	\$10.10
December 31, 2019	\$10.00
March 31, 2020	\$9.86
June 30, 2020	\$10.07
September 30, 2020	\$10.21

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