

Seritage Growth Properties
Form 424B5
December 08, 2017
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CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Maximum Aggregate Offering Price | Amount of Registration Fee⁽¹⁾ |
|---|---|---|
| 7.00% Series A Cumulative Redeemable Preferred Shares, par value \$0.01 per share | \$80,500,000 | \$10,022.25 |

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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**Filed pursuant to Rule 424(b)(5)
Registration No. 333-221934**

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 7, 2017)

SERITAGE GROWTH PROPERTIES

2,800,000 Shares

7.00% Series A Cumulative Redeemable Preferred Shares

(Liquidation Preference \$25.00 per share)

Seritage Growth Properties is offering 2,800,000 shares of its 7.00% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, par value \$0.01 per share (the Series A Preferred Shares).

We will pay quarterly cumulative dividends, in arrears, on the Series A Preferred Shares from, and including, the date of original issue, payable on the 15th day of January, April, July and October of each year (or if such day is not a business day, the next succeeding business day), when and as authorized by our board of trustees and declared by us, beginning on April 15, 2018, at the rate of 7.00% per year of the \$25.00 liquidation preference per share, or \$1.75 per Series A Preferred Share per year. The first dividend payment will be for more than a full quarter and will cover the period from, and including, December 14, 2017 to, but excluding, April 15, 2018. We may not redeem the Series A Preferred Shares until December 14, 2022, except to preserve our status as a real estate investment trust (REIT). On and after December 14, 2022, we may, at our option, redeem the Series A Preferred Shares, in whole or in part, at any time and from time to time, by paying \$25.00 per share, plus all accrued and unpaid dividends to, but excluding, the redemption date. In addition, upon the occurrence of a Change of Control (as defined herein), we may, at our option, redeem the Series A Preferred Shares, in whole or in part and within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus all accrued and unpaid dividends to, but excluding, the redemption date. If we exercise any of our redemption rights, holders of the Series A Preferred Shares will not have the conversion rights described below. The Series A Preferred Shares have no stated maturity date, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless redeemed by us or converted in connection with a Change of Control by holders of the Series A Preferred Shares.

Upon the occurrence of a Change of Control, each holder of the Series A Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined herein), we provide notice of our election to redeem the Series A Preferred Shares) to convert some or all of the Series A Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares (as defined herein) per Series A Preferred Share or the equivalent value of the alternative consideration as described herein.

Holders of the Series A Preferred Shares will generally have no voting rights, except if we fail to pay dividends on any Series A Preferred Shares for six or more quarterly periods (whether or not consecutive).

To preserve our status as a REIT, for federal income tax purposes, among other purposes, our declaration of trust contains certain restrictions relating to the ownership and transfer of our shares of beneficial interest (including the Series A Preferred Shares), including a provision generally restricting shareholders from owning more than 9.6% (in value or number of shares, whichever is more restrictive) of all our outstanding shares of beneficial interest without the prior consent of our board of trustees.

We intend to file an application to list the Series A Preferred Shares on the New York Stock Exchange (NYSE) under the symbol SRG PrA. If this application is approved, trading of the Series A Preferred Shares on the NYSE is expected to begin within 30 days following initial delivery of the Series A Preferred Shares.

The Series A Preferred Shares have not been rated and are subject to the risks associated with unrated securities.

Investing in the Series A Preferred Shares involves risks. See Risk Factors beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying prospectus, on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2016 as well as the risks, uncertainties and additional information set forth in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2017, the three and six months ended June 30, 2017 and the three and nine months ended September 30, 2017 and in other reports we file with the Securities and Exchange Commission from time to time.

| | Per Share | Total |
|----------------------------------|------------------|---------------|
| Public offering price | \$ 25.00 | \$ 70,000,000 |
| Underwriting discount | \$ 0.7875 | \$ 2,205,000 |
| Proceeds, before expenses, to us | \$ 24.2125 | \$ 67,795,000 |

The underwriters have been granted an option to purchase up to an additional 420,000 Series A Preferred Shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement, solely for the purpose of covering overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Series A Preferred Shares through The Depository Trust Company (DTC) on or about December 14, 2017.

Joint Book-Running Managers

Morgan Stanley

UBS Investment Bank

Stifel

The date of this prospectus supplement is December 7, 2017.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or in a filing we have made with the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the date hereof, the information in this prospectus supplement shall control. In addition, any statement in a filing we make with the SEC under the Exchange Act prior to the termination of this offering that adds to, updates or changes information contained in an earlier filing we made with the SEC shall be deemed to modify and supersede such information in the earlier filing, this prospectus supplement or the accompanying prospectus, as the case may be.

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

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the registration statement of which this prospectus is a part, the accompanying prospectus and any free writing prospectus prepared by us. We have not, and the underwriters have not, authorized anyone to provide you with information or make any representation that is different from or additional to that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement or the date of the document containing the incorporated information. Our financial condition, results of operations, business and prospects may have changed since those respective dates.

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SUMMARY

This summary only highlights the more detailed information appearing elsewhere in this prospectus supplement or incorporated by reference in this prospectus supplement and the accompanying prospectus. It may not contain all of the information that is important to you. You should carefully read the entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to purchase the Series A Preferred Shares. Unless otherwise expressly stated herein or the context otherwise requires, the company, we, us, and our as used herein refer to Seritage Growth Properties, Seritage Growth Properties, L.P., a Delaware limited partnership (the Operating Partnership), and their owned and controlled subsidiaries.

We are a Maryland real estate investment trust formed on June 3, 2015, and we are a fully integrated, self-administered and self-managed REIT as defined under Section 856(c) of the Internal Revenue Code of 1986, as amended (the Code). Our assets are held by and our operations are primarily conducted through, directly or indirectly, the Operating Partnership. Under the partnership agreement of the Operating Partnership, we, as the sole general partner, have exclusive responsibility and discretion in the management and control of the Operating Partnership.

We are principally engaged in the acquisition, ownership, development, redevelopment, management and leasing of diversified retail real estate throughout the United States.

On June 11, 2015, Sears Holdings Corporation (Sears Holdings) effected a rights offering (the Rights Offering) to Sears Holdings stockholders to purchase our Class A common shares of beneficial interest, par value \$0.01 per share (the common shares or Class A common shares), in order to fund, in part, the \$2.7 billion acquisition of 234 of Sears Holdings owned properties and one of its ground-leased properties (the Wholly Owned Properties), and its 50% interests in three joint ventures that collectively owned 28 properties, ground-leased one property and leased two properties (collectively, the JV Properties) (collectively, the Transaction). The Rights Offering ended on July 2, 2015, and our common shares were listed on the NYSE on July 6, 2015.

On July 7, 2015, we completed the Transaction with Sears Holdings and commenced operations. Our only operations prior to the completion of the Rights Offering and Transaction were those incidental to the completion of such activities.

As of September 30, 2017, our portfolio included over 40.0 million square feet of gross leasable area (GLA), consisting of 230 Wholly Owned Properties totaling over 35.4 million square feet of GLA across 49 states and Puerto Rico, and interests in 28 JV Properties totaling approximately 5.1 million square feet of GLA across 15 states.

As of September 30, 2017, 171 of the Wholly Owned Properties were leased to Sears Holdings pursuant to a master lease agreement (the Master Lease) and operated under either the Sears or Kmart brand. At 85 properties, third-party tenants under direct leases occupy a portion of leasable space alongside Sears and Kmart, and 41 properties are leased only to third parties. A substantial majority of the space at the JV Properties is also leased to Sears Holdings under the master lease agreements.

We generate revenues primarily by leasing our properties to tenants, including both Sears Holdings and third-party tenants, who operate retail stores (and potentially other uses) in the leased premises, a business model common to many publicly traded REITs. In addition to revenues generated under the Master Lease through rent payments from Sears Holdings, we generate revenue through leases to third-party tenants under existing and future leases for space at our properties.

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The Master Lease provides us with the right to recapture up to approximately 50% of the space occupied by Sears Holdings at each of the 224 Wholly Owned Properties initially included in the Master Lease (subject to certain exceptions and limitations). In addition, we have the right to recapture any automotive care centers which are free-standing or attached as appendages to the properties, and all outparcels or outlots and certain portions of parking areas and common areas. Upon exercise of this recapture right, we will generally incur certain costs and expenses for the separation of the recaptured space from the remaining Sears Holdings space and can reconfigure and rent the recaptured space to third-party tenants on potentially superior terms determined by us and for our own account. We also have the right to recapture 100% of the space occupied by Sears Holdings at each of 21 identified Wholly Owned Properties by making a specified lease termination payment to Sears Holdings, after which we expect to be able to reposition and re-lease those stores on potentially superior terms determined by us and for our own account.

As of September 30, 2017, we had exercised recapture rights at 45 properties, including 17 properties at which we exercised partial recapture rights, 17 properties at which we exercised 100% recapture rights (five of which were converted from partial recapture properties), and 11 properties at which we exercised our rights to recapture only automotive care centers or outparcels.

We elected to be treated as a REIT commencing with the taxable year ended December 31, 2015 and expect to continue to operate so as to qualify as a REIT. So long as we qualify as a REIT, we generally will not be subject to U.S. federal income tax on net taxable income that we distribute annually to our shareholders.

Our principal offices are located at 489 Fifth Avenue, 18th Floor, New York, New York 10017 and our telephone number is (212) 355-7800.

Early Adoption of Accounting Standards Update

As disclosed in our filings on Form 10-Q as of and for the three, six and nine months ended March 31, 2017, June 30, 2017, and September 30, 2017, we modified some of the balances in our most recently issued audited financial statements to reflect the retrospective impact of recent accounting pronouncements that we adopted.

Effective March 31, 2017, we early adopted Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which requires the statement of cash flows to explain any change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents. Therefore, amounts generally described as restricted cash and equivalents should be included with cash and cash equivalents when reconciling the beginning and end of period total amounts on the statement of cash flows. As required by this ASU, we applied this change retrospectively to our prior period condensed consolidated statements of cash flows presented in our filings on Form 10-Q as of and for the three, six and nine months ended March 31, 2017, June 30, 2017, and September 30, 2017.

During the year ended December 31, 2016, net cash provided by operating activities, used in investing activities and used in financing activities was reported as approximately \$92.4 million, \$52.8 million and \$50.5 million, respectively. Adjusted for the retrospective application of ASU 2016-18, our net cash provided by operating activities, used in investing activities and used in financing activities was approximately \$110.0 million, \$75.2 million and \$50.5 million, respectively, during the year ended December 31, 2016.

During the period from July 7, 2015 (the date operations commenced) to December 31, 2015, net cash provided by operating activities, used in investing activities and provided by financing activities was reported as approximately \$17.7 million, \$2,730.4 million and \$2,775.6 million, respectively. Adjusted for the retrospective application of ASU 2016-18, net cash provided by operating activities, used in investing activities and provided by financing activities

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was approximately \$21.4 million, \$2,641.7 million and \$2,775.6 million, respectively, during the period from July 7, 2015 (the date operations commenced) to December 31, 2015.

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We did not reissue our audited financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus to reflect the retrospective application of ASU No. 2016-18 because the impact is not considered material under applicable accounting standards. These changes will be incorporated the next time the audited periods are issued or reissued.

Shareholders Equity

Class A Common Shares

As of September 30, 2017, 28,001,411 Class A common shares were issued and outstanding. Subsequent to September 30, 2017, 1,819,980 net Class C non-voting common shares were converted to Class A common shares.

In addition, we have been advised that ESL Partners, L.P. (together with its affiliates, ESL) is considering making distribution of certain of our securities on a *pro rata* basis to certain investors that have elected to redeem all or a portion of their interest in ESL. ESL has indicated that such distribution, if any, may include up to approximately 97,000 Class A common shares and 1.6 million common units of the Operating Partnership, though ESL reserves the right to change the amount of our securities included in the potential distribution. Any such distribution may occur at any time, or from time to time, from (and including) the date of this prospectus supplement through April 2018. However, there can be no assurance that the distribution will be effectuated, nor how many securities will be included in such distribution. Following the distribution, if any, we expect the common units of the Operating Partnership received by ESL investors may be converted to Class A common shares.

Class B Common Shares

As of September 30, 2017, 1,434,922 common shares of beneficial interest, par value \$0.01 per share (the non-economic shares or Class B non-economic common shares), of our company were issued and outstanding.

Should the distribution referenced above be effectuated, a *pro rata* portion of the Class B shares will be surrendered to us.

Class C Common Shares

As of September 30, 2017, 5,951,861 Class C common shares of beneficial interest, par value \$0.01 per share (the non-voting shares or Class C non-voting common shares), of our company were issued and outstanding. Subsequent to September 30, 2017, 1,819,980 net Class C non-voting common shares were converted to Class A common shares.

Capital and Liquidity

On February 23, 2017, the Operating Partnership, as borrower, and we, as guarantor, entered into a \$200.0 million senior unsecured delayed draw term loan facility (the Unsecured Term Loan), which matures on December 31, 2017. The lenders under the Unsecured Term Loan are JPP, LLC and JPP II, LLC, which are controlled by ESL, an entity of which Mr. Edward S. Lampert, our Chairman, is the Chairman and Chief Executive Officer. As of September 30, 2017, the total principal amount outstanding under the Unsecured Term Loan was \$85.0 million. We may repay the \$85.0 million total principal amount outstanding with unrestricted cash on hand, seek an extension of the maturity date, or raise additional capital through a refinancing transaction or from the proceeds of asset sales or new joint ventures. We are currently in discussions with potential lender(s)

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to refinance this loan. We are also in various stages of negotiation with potential joint venture partners for some of our larger and near-term redevelopment projects. However, there can be no assurance that such refinancing or joint ventures will be consummated.

On November 3, 2017, we closed a previously announced transaction with a subsidiary of Simon Property Group, Inc. (together with its subsidiaries, Simon) in which we sold to Simon our 50% interest in five of the ten assets owned by our existing joint venture with Simon for gross consideration of \$68.0 million.

Sears Holdings

For a discussion of Sears Holdings, see [Sears Holdings](#) and [Risk Factors Other Risks](#). We will be substantially dependent on Sears Holdings, as a tenant, until we further diversify the tenancy of our portfolio, and an event that has a material adverse effect on Sears Holdings' financial condition, results of operations or business could have a material adverse effect on our financial condition, results of operations or business and could adversely affect our ability to pay dividends on the Series A Preferred Shares.

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THE OFFERING

For a more complete description of the rights, preferences and other terms of the Series A Preferred Shares specified in the following summary, please see the information under the captions "Description of Series A Preferred Shares" in this prospectus supplement and "Description of Shares of Beneficial Interest" in the accompanying prospectus.

| | |
|---------------------------------|--|
| Issuer | Seritage Growth Properties |
| Securities Offered | 2,800,000 Series A Preferred Shares (3,220,000 Series A Preferred Shares if the underwriters exercise their option to purchase additional Series A Preferred Shares in full). We reserve the right to reopen this series and issue additional Series A Preferred Shares either through public or private sales at any time. |
| Ranking | <p>With respect to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up of our affairs, the Series A Preferred Shares will rank:</p> <p style="padding-left: 40px;">senior to our common shares and our non-voting shares and all other equity securities issued by us ranking junior to such Series A Preferred Shares;</p> <p style="padding-left: 40px;"><i>pari passu</i> with any class or series of our equity securities issued by us, the terms of which specifically provide that such class or series are of equal rank with the Series A Preferred Shares ("parity preferred"); and</p> <p style="padding-left: 40px;">junior to all of our existing and future indebtedness and to all equity securities issued by us, the terms of which specifically provide that such securities rank senior to the Series A Preferred Shares.</p> <p>See "Description of Series A Preferred Shares" Ranking.</p> |
| Dividend Rate and Payment Dates | Cash dividends on the Series A Preferred Shares are cumulative from, and including, December 14, 2017, payable at the rate of 7.00% per year of the \$25.00 liquidation preference per share (equivalent to a fixed annual amount of \$1.75 per share), and payable quarterly in arrears on the 15th day of January, April, July and October of each year (or if such day is not a business day, the next succeeding business day), beginning on April 15, 2018. The first dividend payment will be for more than a |

full quarter and will cover the period from, and including, December 14, 2017 to, but excluding, April 15, 2018. Dividends on the Series A Preferred Shares will accrue regardless of whether:

our agreements at any time prohibit the current payment of dividends;

we have earnings;

there are funds legally available for the payment of such dividends; or

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such dividends are authorized by our board of trustees or declared by us.

See Description of Series A Preferred Shares Dividends.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, then holders of the Series A Preferred Shares will be entitled to be paid out of our assets legally available for distribution to our shareholders a liquidation preference of \$25.00 per share, plus an amount equal to all accrued and unpaid dividends (whether or not earned or declared) to, but excluding, the date of payment, before any payment is made to the holders of our common shares, our non-voting shares or any of our other equity securities ranking junior to the Series A Preferred Shares. The rights of holders of the Series A Preferred Shares to receive the liquidation preference will be subject to the rights of holders of our debt, holders of any equity securities senior in liquidation preference to the Series A Preferred Shares. See Description of Series A Preferred Shares Liquidation Preference.

Optional Redemption

We may not redeem the Series A Preferred Shares prior to December 14, 2022, except as described below under Special Optional Redemption and in limited circumstances relating to our continuing qualification as a REIT. On and after December 14, 2022, we may, at our option, redeem the Series A Preferred Shares, in whole or in part, at any time and from time to time, by paying \$25.00 per share, plus all accrued and unpaid dividends to, but excluding, the redemption date. See Description of Series A Preferred Shares Optional Redemption.

Special Optional Redemption

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

A Change of Control is when, after the original issuance of the Series A Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the

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total voting power of all shares of our company entitled to vote generally in elections of trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

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

Conversion Rights

Except as described below in connection with a Change of Control, the Series A Preferred Shares are not convertible into or exchangeable for any other securities or property.

Change of Control Rights

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

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date for a Series A Preferred Share dividend payment and prior to the corresponding Series A Preferred Share dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Share Price (as defined below), and

1.26008 (the Share Cap), subject to certain adjustments,

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

If, prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series A Preferred Shares will not have any right to convert the Series A Preferred Shares in connection with the Change of Control Conversion Right and any Series A Preferred Shares subsequently selected for redemption that

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have been tendered for conversion will be redeemed on the related redemption date instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control Conversion Right, Change of Control Conversion Date and Common Share Price and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see Description of the Series A Preferred Shares Change of Control Rights.

Maturity

The Series A Preferred Shares do not have any stated maturity date, and are not subject to mandatory redemption or any sinking fund. We are not required to set apart funds to redeem the Series A Preferred Shares. Accordingly, the Series A Preferred Shares will remain outstanding indefinitely unless a holder thereof exercises its right of conversion, or if we decide to redeem them or repurchase shares in the open market, in each case, at our option, subject to the restrictions on redemption described herein.

Voting Rights

Holders of the Series A Preferred Shares will generally have no voting rights. However, if we fail to pay dividends on any Series A Preferred Shares for six or more quarterly periods, whether or not consecutive, the holders of such shares (voting together as a single class with the holders of all other series of parity preferred, if any, upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional trustees to serve on our board of trustees until all dividends in arrears on the outstanding Series A Preferred Shares have been paid. In addition, the issuance in the future of senior shares or certain amendments to our declaration of trust, whether by merger, consolidation or business combination or otherwise, materially and adversely affecting the rights of holders of Series A Preferred Shares are not permitted to be made without the affirmative vote of holders of at least two-thirds of the outstanding Series A Preferred Shares and shares of any class or series of shares ranking on a parity with the Series A Preferred Shares entitled to similar voting rights, if any, voting as a single class. See Description of Series A Preferred Shares Voting Rights.

Information Rights

During any period in which we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and any Series A Preferred Shares are outstanding, we will provide holders of Series A Preferred Shares, without cost, copies of annual reports and quarterly reports that we would have been required to file with the SEC pursuant to

Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required). See Description of Series A Preferred Shares Information Rights.

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|---------------------------|---|
| Restrictions on Ownership | Subject to certain exceptions, no person may own, directly or indirectly, more than 9.6% (in value or number of shares, whichever is more restrictive) of the outstanding shares of beneficial interest of our company, unless our board of trustees grants a waiver of such limitation. See Description of Series A Preferred Shares Restrictions on Ownership and Transfer. |
| Use of Proceeds | <p>We estimate that the net proceeds to us from the sale of the Series A Preferred Shares offered hereby will be approximately \$66.7 million, after deducting the underwriting discount and the estimated expenses of this offering payable by us. If the underwriters exercise their option to purchase additional Series A Preferred Shares in full, we estimate that our net proceeds will be approximately \$76.8 million.</p> <p>We intend to contribute the net proceeds of this offering to the Operating Partnership in exchange for preferred units in the Operating Partnership, which will subsequently use the net proceeds to primarily fund our redevelopment pipeline. We may also use the net proceeds for general trust purposes, which may include the repayment of the Unsecured Term Loan to the extent it is not otherwise refinanced, extended or repaid using cash we currently have on hand as described above under Summary Capital and Liquidity. See Use of Proceeds.</p> |
| Listing | We intend to file an application to list the Series A Preferred Shares on the NYSE under the symbol SRG PrA. If this application is approved, trading of the Series A Preferred Shares on the NYSE is expected to begin within 30 days following initial delivery of the Series A Preferred Shares. |
| Settlement | Delivery of the Series A Preferred Shares will be made against payment therefor on or about December 14, 2017, which is the fifth business day following the pricing of this offering. |
| Risk Factors | Investing in the Series A Preferred Shares involves risks. See Risk Factors beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying prospectus, on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2016, as well as the risks, uncertainties and additional information set forth in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2017, the three and six months ended June 30, 2017 and the three and nine months ended September 30, 2017 and in other reports we file with the SEC from time to time. |

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RISK FACTORS

Investing in the Series A Preferred Shares involves risks. Before purchasing the Series A Preferred Shares, you should carefully consider the risk factors described below, as well as those described in Risk Factors beginning on page 3 of the accompanying prospectus and on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2016, as well as the risk factors, risks, uncertainties and additional information set forth in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2017, the three and six months ended June 30, 2017 and the three and nine months ended September 30, 2017 and in other reports we file with the SEC from time to time. These risks and uncertainties are those that we currently believe may materially affect us. Additional risks not presently known or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects and could cause you to lose all or a significant portion of your investment in the Series A Preferred Shares.

Risks Related to this Offering

The Series A Preferred Shares have not been rated.

The Series A Preferred Shares have not been rated, and may never be rated, by any nationally recognized statistical rating organization, which may negatively affect their market value and your ability to sell such shares. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series A Preferred Shares or that we may elect to obtain a rating of the Series A Preferred Shares in the future. Furthermore, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series A Preferred Shares in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series A Preferred Shares. Ratings only reflect the views of the issuing rating agency or agencies, and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series A Preferred Shares. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series A Preferred Shares. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series A Preferred Shares may not reflect all risks related to us and our business, or the structure or market value of the Series A Preferred Shares.

The Series A Preferred Shares do not have an established trading market, and an active trading market may not develop or, even if it does develop, may not continue, which may negatively affect the market value of, and your ability to transfer or sell, your shares.

The Series A Preferred Shares are a new issue of securities with no established trading market. Since the Series A Preferred Shares have no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market. We intend to file an application to list the Series A Preferred Shares on the NYSE, but we cannot assure you that the shares will be approved for listing. If approved, an active trading market on the NYSE for the Series A Preferred Shares may not develop or, even if it does develop, may not continue, in which case the market price of the shares could be materially and adversely affected and your ability to transfer your Series A Preferred Shares would be limited. The market price of the shares will depend on many factors, including:

prevailing interest rates;

the market for similar securities;

investors' perceptions of us;

our issuance of additional preferred equity or indebtedness;

general economic and market conditions; and

our financial condition, results of operations, business and prospects.

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For example, an increase in market interest rates may have a negative effect on the market value of the Series A Preferred Shares. The underwriters are not obligated to make a market in the Series A Preferred Shares, and if they do, may discontinue market-making at any time without notice.

The Series A Preferred Shares are subordinate in right of payment to our existing and future debt, and your interests could be diluted by the issuance of additional preferred shares, including additional Series A Preferred Shares, and by other transactions.

The Series A Preferred Shares will rank junior to all of our existing and future debt and to other non-equity claims on us and our assets available to satisfy claims against us, including claims in bankruptcy, liquidation or similar proceedings. Our future debt may include restrictions on our ability to pay dividends to preferred shareholders. As of September 30, 2017, our total indebtedness was approximately \$1.30 billion. In addition, we may incur additional indebtedness in the future. Our declaration of trust currently authorizes the issuance of up to 10,000,000 shares of preferred shares in one or more classes or series. Our board of trustees has the power to reclassify unissued common shares and preferred shares and to amend our declaration of trust, without any action by our shareholders, to increase the aggregate number of shares of beneficial interest of any class or series, including preferred shares, that we are authorized to issue. The issuance of additional preferred shares on parity with or senior to the Series A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up would dilute the interests of the holders of the Series A Preferred Shares, and any issuance of preferred shares senior to the Series A Preferred Shares or of additional indebtedness could adversely affect our ability to pay dividends on, redeem or pay the liquidation preference on the Series A Preferred Shares. Other than the limited conversion right afforded to holders of Series A Preferred Shares that may occur in connection with a Change of Control as described under [Description of the Series A Preferred Shares](#) [Change of Control Rights](#) below, none of the provisions relating to the Series A Preferred Shares contain any provisions relating to or limiting our indebtedness or affording the holders of the Series A Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of the Series A Preferred Shares, so long as the rights of holders of the Series A Preferred Shares are not materially and adversely affected.

Dividends on our preferred shares, including the Series A Preferred Shares, are discretionary. We cannot guarantee that we will be able to pay dividends in the future or what the actual dividends will be for any future period.

Future dividends on our preferred shares, including the Series A Preferred Shares, will be authorized by our board of trustees and declared by us at the discretion of our board of trustees and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, any debt service requirements and any other factors our board of trustees deems relevant. Accordingly, we cannot guarantee that we will be able to make cash dividends on our preferred shares or what the actual dividends will be for any future period. However, until we declare payment and pay or set apart the accrued dividends on the Series A Preferred Shares, our ability to make dividends and other distributions on our common shares and non-voting shares (including redemptions) will be limited by the terms of the Series A Preferred Shares.

Holders of Series A Preferred Shares will have limited voting rights.

Holders of the Series A Preferred Shares have limited voting rights. Our common shares and our non-economic shares (as defined herein) are currently the only shares of beneficial interest of our company with full voting rights. Voting rights for holders of Series A Preferred Shares exist primarily with respect to the right to elect two additional trustees to our board of trustees in the event that six quarterly dividends (whether or not consecutive) payable on the Series A

Preferred Shares are in arrears, and with respect to voting on amendments to our declaration of trust or articles supplementary relating to the Series A Preferred Shares that would materially and adversely affect the rights of holders of the Series A Preferred Shares or create additional classes

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or series of our shares that are senior to the Series A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up of our affairs. Other than in the limited circumstances described in this prospectus supplement, holders of Series A Preferred Shares will not have any voting rights. See Description of the Series A Preferred Shares Voting Rights.

The change of control conversion feature may not adequately compensate you, and the change of control conversion and redemption features of the Series A Preferred Shares may make it more difficult for a party to take over control of our company or discourage a party from taking over control of our company.

Upon the occurrence of a Change of Control as described under Description of Series A Preferred Shares Change of Control Rights below, holders of the Series A Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series A Preferred Shares) to convert some or all of their Series A Preferred Shares into our common shares (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Series A Preferred Shares. See Description of the Series A Preferred Shares Change of Control Rights and Special Optional Redemption.

Upon such a conversion, the holders of the Series A Preferred Shares will be limited to a maximum number of our common shares equal to the Share Cap multiplied by the number of Series A Preferred Shares converted. If the Common Share Price is less than \$19.84 (which is approximately 50% of the per-share closing sale price of our common shares on December 6, 2017), subject to adjustment, the holders of the Series A Preferred Shares will receive a maximum of 1.26008 of our common shares per Series A Preferred Share, which may result in a holder receiving value that is less than the liquidation preference of the Series A Preferred Shares.

In addition, those features of the Series A Preferred Shares may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change of control of us under circumstances that otherwise could provide the holders of our common shares and Series A Preferred Shares with the opportunity to realize a premium over the then-current market price or that shareholders may otherwise believe is in their best interests.

Series A Preferred Shares are perpetual in nature.

Series A Preferred Shares represent a perpetual interest in us and, except as described herein, will not give rise to a claim for payment of a principal amount or liquidation preference at a particular date. As a result, the holders of the Series A Preferred Shares may be required to bear the financial risks of an investment in the Series A Preferred Shares for an indefinite period of time.

If the Series A Preferred Shares are delisted, your ability to transfer or sell your Series A Preferred Shares may be limited, and the market value of the Series A Preferred Shares will likely be materially and adversely affected.

Other than in connection with certain change of control transactions, our declaration of trust does not contain provisions that are intended to protect you if the Series A Preferred Shares are delisted from the NYSE. Since the Series A Preferred Shares have no stated maturity date, you may be forced to hold your Series A Preferred Shares and receive stated dividends on the Series A Preferred Shares when, as and if authorized by our board of trustees and paid by us with no assurance as to ever receiving the liquidation value thereof. In addition, if our common shares are delisted, it is likely that the Series A Preferred Shares will be delisted as well. Accordingly, if our common shares are delisted, your ability to transfer or sell your Series A Preferred Shares may be limited and the market value of the Series A Preferred Shares will be materially and adversely affected. If the Series A Preferred Shares are delisted from

the NYSE, your ability to transfer or sell your Series A Preferred Shares may be limited and the market value of the Series A Preferred Shares will be materially and adversely affected.

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Legislative or Other Actions Affecting REITs could have an adverse effect on our business and financial results.

Changes to the U.S. federal income tax laws are proposed regularly. Legislative and regulatory changes may be more likely in the 115th Congress because the Presidency and Congress are controlled by the same political party and significant changes to the Code have been announced as a legislative priority. If enacted, certain of such changes could have an adverse effect on our business and financial results. For example, the Trump administration and House Republican tax plan could reduce the relative competitive advantage of operating as a REIT as compared to operating as a regular C-corporation. These proposals include, among others, the lowering of income tax rates on individuals and corporations, which could ease the burden of double taxation on corporate dividends and make the single level of taxation on REIT distributions relatively less attractive, and allowing the expensing of capital expenditures, other than those made to acquire or construct real property, which could have a similar effect on real estate businesses relative to other businesses. In addition, the repeal of the favorable tax treatment of like-kind exchanges under Section 1031 of the Code, which are routinely used by many REITs, might ultimately be included as a component of any such tax reform.

Additionally, the REIT rules are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department, which may result in revisions to regulations and administrative interpretations in addition to statutory changes.

We cannot predict whether, when or to what extent new U.S. federal tax laws, regulations, interpretations or rulings will be issued, nor is the long-term effect of the proposed tax legislative changes on the real estate investment industry or REITs clear.

Prospective investors are urged to consult their tax advisors regarding the effect of potential changes to the U.S. federal income tax laws on an investment in the Series A Preferred Shares, including applicable tax reporting requirements.

Other Risks

We will be substantially dependent on Sears Holdings, as a tenant, until we further diversify the tenancy of our portfolio, and an event that has a material adverse effect on Sears Holdings' financial condition, results of operations or business could have a material adverse effect on our financial condition, results of operations or business and could adversely affect our ability to pay dividends on the Series A Preferred Shares.

Sears Holdings is the lessee of a substantial majority of our properties and accounts for a substantial majority of our revenues. Under the Master Lease, Sears Holdings is required to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with these leased properties and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business, subject to proportionate sharing of certain of these expenses with occupants of the remainder of the space not leased to Sears Holdings. Sears Holdings may not in the short term or long term have sufficient assets, income and access to financing to enable it to satisfy its payment obligations, including those under the Master Lease. In its most recent Form 10-K, Sears Holdings disclosed, among other things, that its historical operating results indicate substantial doubt exists related to Sears Holdings' ability to continue as a going concern. In addition, Sears Holdings has disclosed that its domestic pension and postretirement benefit plan obligations are currently underfunded. Sears Holdings may have to make significant cash payments to some or all of its pension and postretirement benefit plans, which would reduce the cash available for its businesses, potentially including its rent obligations under the Master Lease. The inability or unwillingness of Sears Holdings to meet its rent obligations and other obligations under the Master Lease could materially adversely affect our financial condition, results of operations or business, including our ability to pay the interest, principal and other

costs and expenses under our financings, or to pay cash dividends to Seritage shareholders or dividends on the Series A Preferred Shares. For these reasons, if Sears Holdings were to experience a material adverse effect on its

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financial condition, results of operations or business, our financial condition, results of operations or business could also be materially adversely affected.

Our dependence on rental payments from Sears Holdings as our main source of revenues may limit our ability to enforce our rights under the Master Lease. In addition, we may be limited in our ability to enforce our rights under the Master Lease because it is a unitary lease and does not provide for termination with respect to individual properties by reason of the default of the tenant. Failure by Sears Holdings to comply with the terms of the Master Lease or to comply with the regulations to which the leased properties are subject could require us to find another master lessee for all such leased property and there could be a decrease or cessation of rental payments by Sears Holdings. In such event, we may be unable to locate a suitable master lessee or a lessee for individual properties at similar rental rates and other obligations and in a timely manner or at all, which would have the effect of reducing our rental revenues. In addition, each of our joint ventures is subject to similar limitations on enforcements of remedies and risks under its respective joint venture master lease, which could reduce the value of our investment in, or distributions to us by, one or more of the joint ventures.

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SEARS HOLDINGS

In its most recent Form 10-Q, Sears Holdings also disclosed, among other things, that, for the 39 weeks ended October 28, 2017, it recorded a net loss attributable to its shareholders of \$565 million and that, during the 39 weeks ended October 28, 2017, Sears Holdings used cash in operating activities of \$1.9 billion. Sears Holdings also reported that if it continues to experience operating losses and is not able to generate additional liquidity or secure additional sources of funds, (i) its liquidity needs may exceed availability under its credit agreement, (ii) its access to inventory or services that are important to the operation of its business could be negatively impacted and (iii) such losses could trigger obligations to repurchase or repay certain of its indebtedness. Sears Holdings has disclosed that, as of October 28, 2017, Sears Holdings' borrowing base (as calculated pursuant to Sears Holdings' outstanding second lien debt) was below a threshold applicable to certain of its indebtedness that could, if such deficiency continues, require it to purchase certain amounts of its senior secured notes and/or to repurchase or repay certain amounts of its second lien debt. This information regarding Sears Holdings has been derived from its public filings. We have not independently verified, and we make no representation as to the accuracy or completeness of, such information. See also Risk Factors Other Risks We will be substantially dependent on Sears Holdings, as a tenant, until we further diversify the tenancy of our portfolio, and an event that has a material adverse effect on Sears Holdings' financial condition, results of operations or business could have a material adverse effect on our financial condition, results of operations or business and could adversely affect our ability to pay dividends on the Series A Preferred Shares.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents we incorporate by reference each contain statements that constitute forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or anticipates or similar words or phrases which predict or indicate future events or trends and which do not relate solely to historical matters. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

the factors included in our Annual Report on Form 10-K for the year ended December 31, 2016, including those set forth under the headings Business, Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as the risks, uncertainties and additional information set forth in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2017, the three and six months ended June 30, 2017 and the three and nine months ended September 30, 2017;

declines in retail, real estate and general economic conditions;

our current dependence on Sears Holdings for a majority of our revenue;

Sears Holdings' termination and other rights under its master lease with us;

risks relating to our recapture and redevelopment activities and potential acquisition or disposition of properties;

our relatively limited operating history as an independent public company;

the terms of our indebtedness;

tax, environmental, health, safety and land use laws and regulations; and

restrictions with which we are required to comply in order to maintain REIT status.

Any forward-looking statement we make in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference or elsewhere speaks only as of the date on which we make it. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Except as required by law, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section above entitled

Risk Factors, including the risks incorporated therein from our Annual Report on Form 10-K for the year ended December 31, 2016, as well as the risk factors, risks, uncertainties and additional information set forth in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2017, the three and six months ended June 30, 2017 and the three and nine months ended September 30, 2017 and in other reports we file with the SEC from time to time.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the Series A Preferred Shares offered hereby will be approximately \$66.7 million, after deducting the underwriting discount and the estimated expenses of this offering payable by us. If the underwriters exercise their option to purchase additional shares in full, we estimate that our net proceeds will be approximately \$76.8 million.

We intend to contribute the net proceeds of this offering to the Operating Partnership in exchange for preferred units in the Operating Partnership, which will subsequently use the net proceeds to primarily fund our redevelopment pipeline. We may also use the net proceeds for general trust purposes, which may include the repayment of the Unsecured Term Loan to the extent it is not otherwise refinanced, extended or repaid using cash we currently have on hand as described above under **Summary Capital and Liquidity**.

The Unsecured Term Loan has a principal amount of \$85.0 million and will mature on December 31, 2017. The principal amount outstanding under the Unsecured Term Loan bears a base annual interest rate of 6.50%.

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RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS

The following table sets forth the consolidated ratios of earnings to combined fixed charges and preferred share dividends for the periods shown:

Actual