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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 16, 2025

Sterling Real Estate Trust

dba Sterling Multifamily Trust
(Exact name of registrant as specified in its charter)

North Dakota (State or other Jurisdiction of Incorporation)	000-54295 (Commission File Number)	90-0115411 (IRS Employer Identification No.)
4340 18th Ave South Ste. 200 Fargo, North Dakota (Address of Principal Executive Offices)		58103 (Zip Code)

Registrant's telephone number, including area code: **(701) 353-2720**

(Former name or former address if changed since last report.)

Securities Registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.01 par value per share	N/A	N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR § 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

Revolving Promissory Note

On December 17, 2025, Sterling Real Estate Trust (the “Company”), through its operating partnership, Sterling Properties L.L.P. (the “Borrower”), entered into a First Amendment to the Revolving Promissory Note and Loan Agreement with Sterling Office and Industrial Properties, LLLP (the “Lender”). Under the amendment, the principal amount available under the revolving line of credit may not exceed five percent (5%) of the Lender’s total assets at any time. The Revolving Promissory Note bears a variable interest rate, and the Borrower may prepay the note at any time without penalty.

The foregoing summary of the First Amendment and the Revolving Promissory Note is qualified in its entirety by reference to the full text of the Revolving Promissory Note, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

Share and Unit Price Increase

The Board of Trustees approved an increase in the common share price from \$24.00 per share to \$25.50 per share effective January 1, 2026.

The Board of Trustees approved an annual dividend yield of 5.00% per share, effective January 1, 2026.

The Board of Trustees, acting as general partner of Sterling Properties, LLLP, also approved an increase in the limited liability limited partnership unit price from \$24.00 per unit to \$25.50 per unit effective January 1, 2026.

In connection with the above changes, the Board of Trustees also approved an increase in the share and unit redemption price effective January 1, 2026, to \$24.22 per share or unit, respectively.

In determining the fair value of the shares and limited partnership units, the Board relied upon their experience with, and knowledge about, the Trust’s real estate portfolio and debt obligations. The Board typically determines the share price on an annual basis. The trustees determine the price in their discretion and use data points to guide their determination which is typically based on a consensus of opinion. In addition, the Board considers how the price chosen will affect existing share and unit values, redemption prices, dividend coverage ratios, yield percentages, dividend reinvestment factors, and future UPREIT transactions, among other considerations and information.

Determination of price is a matter within the Board’s sole discretion. The Trust does not determine price based on any rote formula or specific factors. At this time, no shares are held in street name accounts and the Trust is not subject to FINRA’s specific pricing requirements set out in Rule 2340 or otherwise. Thus, the Trust does not employ any specific valuation methodology or formula. Rather, the Board looks to available data and information, which is often adjusted and weighted to comport more closely with the assets held by the Trust at the time of valuation. The principal valuation methodology utilized is the NAV calculation method. The information made available to the Board is assembled by the Trust’s Advisor.

As with any valuation methodology, the methodologies utilized by the Board in reaching an estimate of the value of the shares and limited partnership units are based upon a number of estimates, assumptions, judgments or opinions that may, or may not, prove to be correct. The use of different estimates, assumptions, judgments, or opinions would likely have resulted in significantly different estimates of the value of the shares and limited partnership units.

In addition, the Board’s estimate of share and limited partnership unit value is not based on the book values of our real estate, as determined by GAAP, as our book value for most real estate is based on the amortized cost of the property, subject to certain adjustments.

Furthermore, in reaching an estimate of the value of the shares and limited partnership units, the Board applied a liquidity discount of 25% to one valuation scenario in order to reflect the fact that the shares and limited partnership units are not currently traded on a national securities exchange; a discount for debt that may include a prepayment obligation or a provision precluding assumption of the debt by a third party; or the costs that are likely to be incurred in connection with an appropriate exit strategy, whether that strategy might be a listing of the limited partnership units or common shares on a national securities exchange or a merger or sale of our portfolio.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Title
10.1	First Amendment to Revolving Promissory Note and Loan Agreement
104	Cover Page Interactive Data File, (Formatted in inline XBRL)

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 hereunto duly authorized.

Sterling Real Estate Trust

Date: December 18, 2025

By: /s/ Megan E. Schreiner

Name: Megan E. Schreiner

Title: President

FIRST AMENDMENT TO
REVOLVING PROMISSORY NOTE AND LOAN AGREEMENT

THIS FIRST AMENDMENT TO REVOLVING PROMISSORY NOTE AND LOAN AGREEMENT (this “**First Amendment**”) is made effective as of December 17, 2025 (the “**Effective Date**”) by and between Sterling Properties, LLLP (“**Borrower**”), a North Dakota limited liability limited partnership whose address is 4340 18th Avenue South, Suite 200, Fargo, ND 58103, and Sterling Office and Industrial Properties, LLLP (“**Lender**”), a North Dakota limited liability limited partnership whose address is 4340 18th Avenue South, Suite 200, Fargo, ND 58103.

RECITALS

- A. On February 26, 2025, Borrower executed and delivered to Lender a Revolving Promissory Note and Loan Agreement (the “**Note**”) whereby Lender agreed to advance, and Borrower agreed to repay, a Revolving Note Amount of up to \$10,000,000 in accordance with and subject to the terms and conditions set forth therein.
- B. Lender and Borrower now desire to amend the Note pursuant to this First Amendment.

AGREEMENT

In consideration of the terms and conditions set forth herein and in the Note, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, Borrower and Lender hereby agree as follows:

1. **Recitals.** The recitals set forth above are incorporated herein by reference.
2. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Note.
3. **Revolving Line of Credit; Revolving Note Amount.** Section 1 of the Note is hereby deleted in its entirety and replaced with the following:
Revolving Line of Credit. This Note shall constitute a revolving line of credit whereby Borrower may draw down, from time to time and in accordance with the procedures set forth in Section 2 below, a principal amount not to exceed at any one time five percent (5%) of Lender’s total assets (the “**Revolving Note Amount**”). The unpaid balance of this Note shall increase and decrease with each new advance or payment hereunder, as the case may be, and Borrower will be permitted to borrow, repay, and re-borrow hereunder throughout the term of this Note.
4. **Variable Interest Rate.** Section 4 of the Note is hereby deleted in its entirety and replaced with the following:
Variable Interest Rate. The interest rate under this Note shall initially be 5.25% (the “**Interest Rate**”). The parties intend the Interest Rate to be mutually beneficial such that each party may realize interest rates similar or better than prevailing market rates (e.g., Lender’s savings account rates vs. Borrower’s line of credit rates). Administrator shall have discretion to periodically review and adjust the Interest Rate. The adjusted Interest Rate shall remain in effect until and including the day immediately preceding the date of Administrator’s next adjustment.

Notwithstanding the foregoing, from and after the occurrence of an Event of Default (defined below) and continuing thereafter until such Default has been remedied, the Interest Rate shall be the Interest Rate then in effect plus 5.00% (the “**Default Rate**”); provided, however, if the Interest Rate, Default Rate, or any other charges or fees due under this Note are determined to be usurious, then such Interest Rate, charges or fees shall be reduced to the maximum amount permissible under North Dakota law.

In all cases interest on this Note shall be calculated based on a 365-day year but charged for actual days principal is unpaid.

5. **Other Terms and Conditions.** Except as amended by this First Amendment, all of the terms and conditions of the Note shall remain in full force and effect.
6. **Counterparts.** This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. Signatures may be signed and delivered by e-mailing

a digital document (e.g., PDF, JPG, TIFF, or similar format) or by electronic signature (e.g., DocuSign or similar technology) and maintained in electronic form. Electronic records and signatures shall be treated the same as original paper documents bearing hand-written signatures for the purpose of validity, enforceability, and admissibility.

[signature page follows]

This First Amendment to Revolving Promissory Note and Loan Agreement was executed by the parties as of the Effective Date.

BORROWER:

STERLING PROPERTIES, LLLP

BY: Sterling Real Estate Trust
ITS: General Partner

By: /s/ Kenneth P. Regan
Name: Kenneth P. Regan
Its: CEO

By: /s/ Luke B. Swenson
Name: Luke B. Swenson
Its: Chief Investment Officer

LENDER:

STERLING OFFICE AND INDUSTRIAL PROPERTIES, LLLP

BY: Sterling Office and Industrial Trust
ITS: General Partner

By: /s/ Megan E. Schreiner
Name: Megan E. Schreiner
Its: President

By: /s/ David F. Perkins
Name: David F. Perkins
Its: Vice President

ADMINISTRATOR ACKNOWLEDGMENT:

STERLING MANAGEMENT, LLC

By: /s/ Michael P. Carlson
Name: Michael P. Carlson
Its: General Counsel