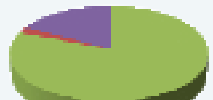
CLOSED REIT

Nontraded REIT Industry Review: First Quarter 2015

BLUE VAULT™

Hines Real Estate Investment Trust, Inc.

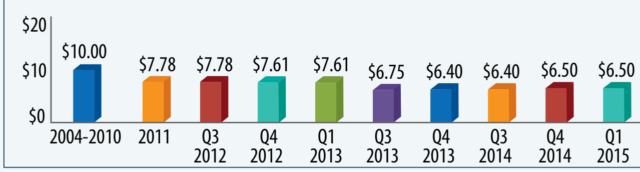
Total Assets........................ $2,433.1 Million
Real Estate Assets .... $1,961.5 Million
Cash .... $51.7 Million
Securities .... $0.0 Million
Other .... $419.9 Million



Initial Offering Date: ....June 18, 2004
Offering Close Date: .... December 31, 2009
Current Price per Share: $6.50
Reinvestment Price per Share: $6.50
Cumulative Capital Raised during
Offering (including DRP)..$2,562.1 Million

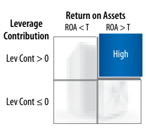
Cash to Total Assets Ratio: 2.1%
Asset Type: ....Office
Number of Properties: 33
Square Feet / Units / Rooms / Acres: .... 15,799,000 Sq. Ft.
Percent Leased: 89%
Weighted Average Lease Term Remaining:...................Not Available
LifeStage:...Maturing
Investment Style: .... Core
Weighted Average Shares Outstanding: 224,260,000

Historical Price



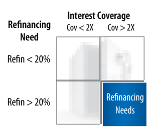
Performance Profiles

Operating Performance



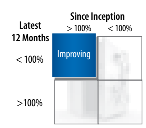
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

Cumulative MFFO Payout



The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

Summary

The REIT's return on assets for the last four quarters was 5.15%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.60% average cost of debt and 42% debt ratio. With 41.3% of the REIT's debt principal to be repaid within two years and 55% at unhedged variable rates, there is considerable refinancing required and interest rate risk in the near term. Its interest coverage ratio for the last four quarters at 4.4X was well above the 2.0X benchmark. Since inception the REIT has paid out 113% of estimated MFFO in cash distributions (excluding DRP), including the special distribution in 2013, but this rate was an estimated 61% for the last four quarters, a sustainable rate if DRP participation rates continue.

Contact Information

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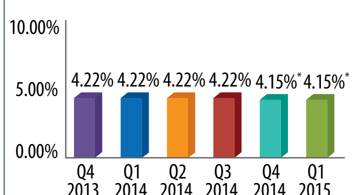
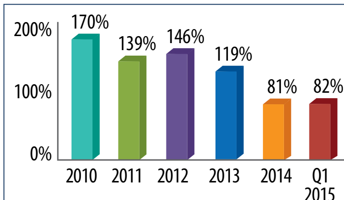
Historical Distribution



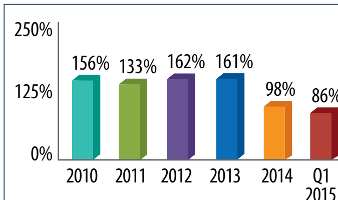
*Based upon $6.50 NAV

Historical FFO Payout Ratio



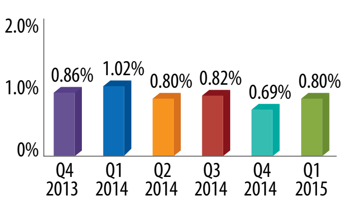
2015 YTD Dist. Paid:......$15,328,000
2015 YTD FFO:...............$18,708,000

Historical MFFO Payout Ratio

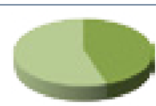


2015 YTD Dist. Paid:......$15,328,000
2015 YTD MFFO:............$17,791,000
Company Reported MFFO – see notes

Redemptions

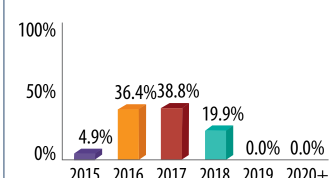


Debt Breakdown

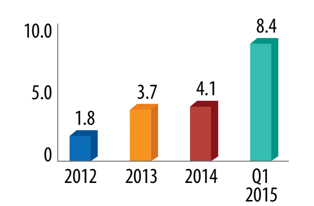


Debt to Total Assets Ratio:...............42.1%
Total: .... $1,025.4 Million
Fixed: .... $462.1 Million
Variable .... $563.3 Million
Avg. Wtd. Rate: 3.60%
Loan Term: ....<1 – 3 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- The Company declared distributions for the period from January 2014 through May 2015. These distributions were or will be calculated based on stockholders of record each day during this period in an amount equal to $0.00073973 per share, per day. This is a distribution yield of 4.15% based upon the $6.50 share value.
- In February 2015, the REIT sold Citymark, an office building located in Dallas, Texas. The net contract sales price for Citymark was $38.9 million, exclusive of transaction costs and closing prorations. The REIT originally acquired the interest in Citymark in August 2005 for $27.8 million.
- For the three months ended March 31, 2015, the Company acquired one real estate operating property located in Bellevue, Washington for a net purchase price of $205.2 million. In February 2015, the REIT acquired the Civica Office Commons, a portfolio of two Class A office buildings located in Bellevue, Washington. The Civica Office Commons consists of 323,562 square feet of rentable area and is 89% leased.
- In January 2015, a subsidiary of the Core Fund sold its remaining 51% interest in the entity that owns One North Wacker for $240.0 million. The Core Fund previously sold a 49% noncontrolling interest in One North Wacker in December 2011. One North Wacker was acquired in March 2008 for a contract purchase price of $540.0 million. As a result of the sale of the 51% interest in One North Wacker, the Core Fund recognized a gain on sale of $139.9 million. As a result of the sale, the Company recognized a gain of $34.2 million, which is included in equity in earnings of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income for the three months ended March 31, 2015.
- In April 2015, the Company sold 4050/4055 Corporate Drive for a contract sales price of $44.3 million. 4050/4055 Corporate Drive is an industrial property located in Dallas, Texas. The Company acquired 4050/4055 Corporate Drive in May 2008 for $42.8 million.
- In April 2015, the Company entered into a contract to acquire 2851 Junction Avenue, a Class A office property located in San Jose, California. 2851 Junction Avenue consists of 155,613 square feet of rentable area. The contract purchase price for 2851 Junction Avenue is $86.0 million, exclusive of transaction costs and working capital reserves.
- As of March 31, 2015, the Company owned direct and indirect investments in 33 properties. These properties consisted of 24 U.S. office properties, one industrial property in Dallas, Texas and a portfolio of eight grocery-anchored shopping centers located in four states primarily in the southeastern United States.
- The REIT's Cash to Total Assets ratio decreased to 2.1% as of 1Q 2015 compared to 3.1% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 42.1% as of 1Q 2015 compared to 45.2% as of 1Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the quarter ended March 31, 2015, the Company declared cash distributions of $14.931 million and had cash flows from operations of $10.969 million. Distributions reinvested totaled $5.424 million.