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 20, 2010

Hines Real Estate Investment Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland	000-50805	20-0138854
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
2800 Post Oak Blvd, Suite 5000, Houston, Texas		77056-6118
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (888) 220-6121

Not Applicable

Former name or former address, if changed since last report

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))

Item 7.01 Regulation FD Disclosure.

Third Quarter Presentation

In December 2010, Hines Real Estate Investment Trust, Inc. (“Hines REIT”), expects to make a presentation to certain of its stockholders and/or their financial advisors concerning the third quarter results of Hines REIT. Accordingly, Hines REIT is making this information available to stockholders by furnishing the presentation as Exhibit 99.1 to this Current Report on Form 8-K. The information in this Item 7.01 of this Current Report on Form 8-K, including the exhibit hereto, is furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of Section 18. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits-

99.1 Third Quarter Presentation

Statements in this Current Report on Form 8-K, including intentions, beliefs, expectations or projections are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements are based on current expectations and assumptions with respect to, among other things, future economic, competitive and market conditions and future business decisions that may prove incorrect or inaccurate. Important factors that could cause actual results to differ materially from those in the forward looking statements include the risks described in the “Risk Factors” section of Hines REIT’s Annual Report on Form 10-K for the year ended December 31, 2009 and its other filings with the Securities and Exchange Commission.

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.

Hines Real Estate Investment Trust, Inc.

December 20, 2010 By: /s/ Ryan T. Sims
Name: Ryan T. Sims
Title: Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
99.1	Third Quarter Presentation

Hines REIT Update

As of September 30, 2010

Hines Real Estate Investment Trust, Inc. (Hines REIT) is closed to new investors.

Hines History

Gerald D. Hines founded Hines Interests Limited Partnership (Hines)[1] upon a single premise: buildings of superior quality and architectural merit backed by responsive, professional management attract better tenants; command higher rents; and retain their value longer despite the ups and downs of real estate cycles. He also imbued the organization with a constant quest for excellence and an adherence to the highest tenets of ethical behavior. This foundation, coupled with the firm's sound financial policies, has fueled Hines' growth from a one-person endeavor to a fully integrated, international real estate firm of approximately 3,300 employees.

Jeffrey C. Hines and Gerald D. Hines

1. **Hines REIT Investors do not receive an interest in Hines or its affiliates. The performance and experience of Hines may not be indicative of future results for Hines REIT.**

Ownership & Structure of Hines[1]

OWNERSHIP
Gerald D. Hines
Jeffrey C. Hines

HINES CENTRAL RESOURCES
- Conceptual Construction
- Corporate Communications
- Human Resources
- Operating / Engineering Services

Personnel :76

HINES CENTRAL RESOURCES
- Fund Management
- Capital Markets Group
- Financial Admin. & Internal Audit
- Risk Management
- Information Technology

Personnel: 292

WEST REGION
Personnel: 465

SOUTHWEST REGION
Personnel: 369

MIDWEST REGION
Personnel: 456

SOUTHEAST REGION
Personnel: 136

EAST REGION
Personnel: 429

INTERNATIONAL
- Canada
- Europe/MENA
- Asia Pacific
- Mexico/Central America
- Eurasia
- South America

Personnel: 1,085

- **Hines personnel living and working in 100 cities worldwide**
- **Local market knowledge and expertise**
- **Fully integrated**
  - **acquisitions**
  - **development**
  - **dispositions**
  - **leasing**
  - **finance**
  - **asset management**
  - **property management**

TENURE OF HINES EXECUTIVES WORLDWIDE

TITLE	NO. OF EMPLOYEES	AVG. TENURE (YEARS)
EVP	10	31
SVP	43	22
VP	131	15

1. **All data as of June 30, 2010.**

Hines

Hines U.S./Canada Presence

Projects Completed, Acquired, Under Development, In Design and/or Under Management

WEST REGION

▪ 11 Officers / Avg. Tenure 21 yrs.		
▪ Office Established	1979	
▪ Total Personnel	465	
	SF (m)	**SM (m)**
▪ Project Experience	47.3	4.4
▪ Property Management	28.2	2.6

MIDWEST REGION

▪ 19 Officers / Avg. Tenure 21 yrs.		
▪ Office Established	1986	
▪ Total Personnel	456	
	SF (m)	**SM (m)**
▪ Project Experience	51.2	4.8
▪ Property Management	29.5	2.7

CANADA

▪ 1 Officer / 12 yrs. Tenure		
▪ Office Established	2004	
▪ Total Personnel	32	
	SF (m)	**SM (m)**
▪ Project Experience	5.1	0.5
▪ Property Management	1.0	0.1

EAST REGION

▪ 29 Officers / Avg. Tenure 19 yrs.		
▪ Office Established	1981	
▪ Total Personnel	429	
	SF (m)	**SM (m)**
▪ Project Experience	34.8	3.2
▪ Property Management	14.7	1.4

SOUTHWEST REGION

▪ 20 Officers / Avg. Tenure 20 yrs.		
▪ Office Established	1957	
▪ Total Personnel	369	
	SF (m)	**SM (m)**
▪ Project Experience	95.5	8.9
▪ Property Management	19.2	1.8

CENTRAL RESOURCES

▪ 43 Officers / Avg. Tenure 19 yrs.	
▪ Office Established	1957
▪ Total Personnel	368

SOUTHEAST REGION

▪ 11 Officers / Avg. Tenure 19 yrs.		
▪ Office Established	1982	
▪ Total Personnel	136	
	SF (m)	**SM (m)**
▪ Project Experience	30.2	2.8
▪ Property Management	6.3	0.6

LEADERSHIP

Name	**Tenure w/Hines (yrs)**
Jeffrey C. Hines	28
C. Hastings Johnson	32
Charles M. Baughn	26
Thomas D. Owens	37
James C. Buie, Jr. (West)	30
Mark A. Cover (Southwest)	27
Christopher D. Hughes (East)	24
C. Kevin Shannahan (MW/SE)	28

PROPERTY TYPES

Office
Retail
Industrial
Residential
Mixed-use
Land Development

Project Experience: Projects completed, acquired, under development or in design (1957-06/30/10)
Property Management: Properties under management as of June 30, 2010

Hines

Hines Worldwide Operations

Projects Completed, Acquired, Under Development, In Design and/or Under Management

HINES USA

Office Established	1957	
Total Personnel	2,223	
	SF (m)	SM (m)
Project Experience	259.0	24.1
Property Management	97.9	9.1

HINES CANADA

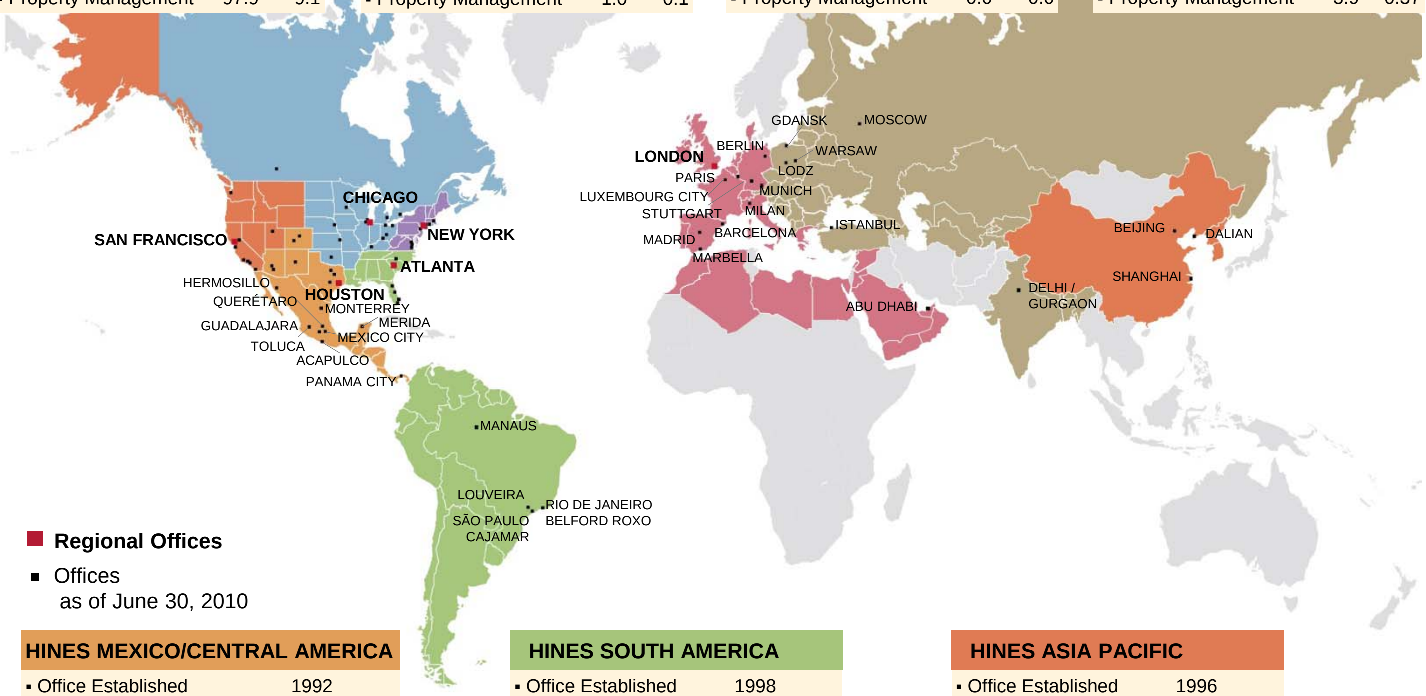
Office Established	2004	
Total Personnel	32	
	SF (m)	SM (m)
Project Experience	5.1	0.5
Property Management	1.0	0.1

HINES EUROPE / MENA

Office Established	1991 / 2007	
Total Personnel	219 / 18	
	SF (m)	SM (m)
Project Experience	22.0	2.0
Property Management	0.0	0.0

HINES EURASIA

Office Established	1992	
Total Personnel	313	
	SF (m)	SM (m)
Project Experience	8.3	0.8
Property Management	3.9	0.37



HINES MEXICO/CENTRAL AMERICA

Office Established	1992	
Total Personnel	139	
	SF (m)	SM (m)
Project Experience	11.4	1.1
Property Management	9.5	0.88

HINES SOUTH AMERICA

Office Established	1998	
Total Personnel	158	
	SF (m)	SM (m)
Project Experience	18.8	1.7
Property Management	10.2	0.95

HINES ASIA PACIFIC

Office Established	1996	
Total Personnel	206	
	SF (m)	SM (m)
Project Experience	10.6	1.0
Property Management	0.6	0.05

- Approximately 3,300 employees worldwide
- Operations in 17 countries; offices in 100 cities
- Local market knowledge and expertise

LEADERSHIP

Name	Tenure w/Hines (yrs)
Gerald D. Hines	54
Jeffrey C. Hines	28
C. Hastings Johnson	32
Charles M. Baughn	26
James C. Buie, Jr.	30
Mark A. Cover	27
Christopher D. Hughes	24
E. Staman Ogilvie	37
Thomas D. Owens	37
C. Kevin Shannahan	28
Michael J. G. Topham	35

TENURE OF HINES EXECUTIVES

TITLE	NO. OF EMPLOYEES	AVG. TENURE (YEARS)
EVP	10	31
SVP	43	22
VP	131	15

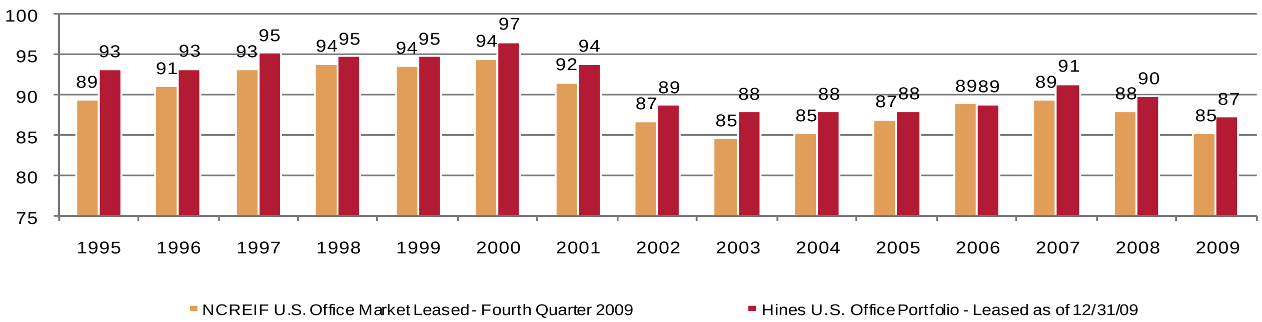
Project Experience: Projects completed, acquired, under development or in design (1957-6/30/10)
Property Management: Properties under management as of June 30, 2010

Hines

Superior Property Management

Over 120 Million Square Feet Managed Daily by Hines

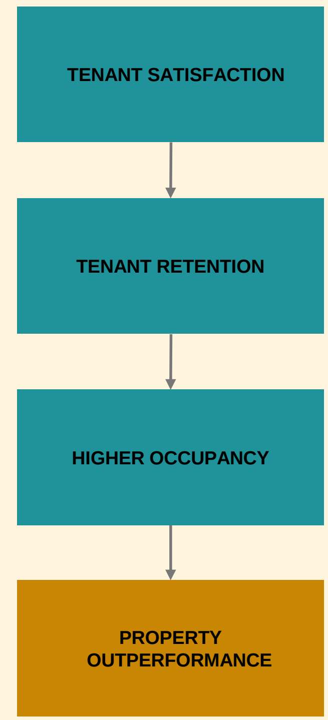
U.S. OFFICE MARKET LEASED PERCENTAGE



Source: *NCREIF*, Hines

TENURED HINES PROPERTY MANAGEMENT AND LEASING PERSONNEL	AVERAGE HINES U.S. TENURE (YRS)[1]
Property Managers	9
Assistant Property Managers	3+
Chief Engineers (First Line Managers) and Engineering Managers	11+
Assistant Chief Engineers	7+
Building Engineers / Maintenance Technicians / Apprentice Engineers	5+
Marketing / Leasing Managers	6+

1. Average Hines U.S. Tenures as of 12/31/2009



Hines

Hines REIT Portfolio*

One North Wacker
Chicago, Illinois

Corporate Headquarters
Williams Tower
Houston, Texas

Atrium on Bay
Toronto, Ontario

* As of September 30, 2010.

Hines

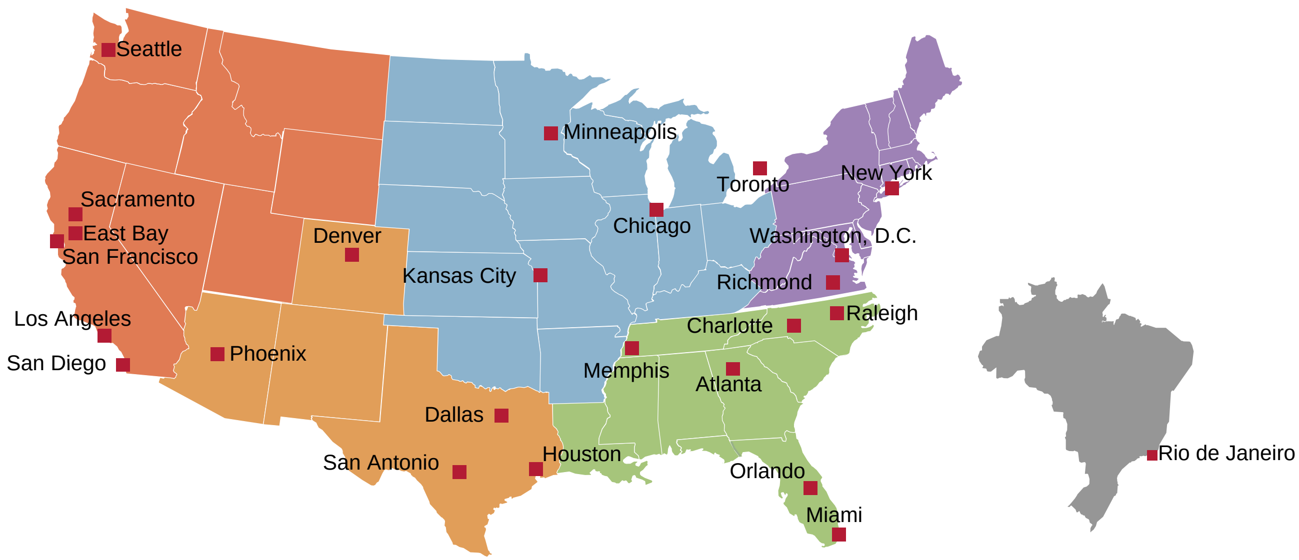
Hines REIT in Summary (as of September 30, 2010)

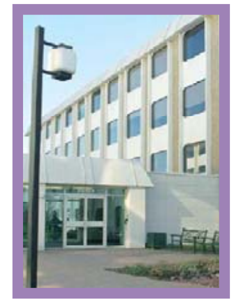
- Holds a diversified portfolio of commercial real estate assets including:
  - Primarily institutional-quality office properties
  - Grocery-Anchored Retail
  - Mixed-Use office
  - Industrial
- Invests through direct acquisitions and joint ventures
- As of 9/30/10 owns directly or indirectly 59 properties:
  - Over 29 million square feet
  - Portfolio 90% leased
  - Both domestic and international holdings:
    - 57 domestic assets totaling approximately 27.5 million square feet
    - 2 international assets totaling in excess of 1.7 million square feet
  - Total real estate assets of $3.7 billion acquired
  - Minimal near term rollover with an average annual lease roll of 7.2% through 2012
  - Current leverage 59.7%
  - Current refinancing exposure is approximately $45M in 2010 and 2011 and represents approximately 3% of the fund's total debt.
- Proceeds raised in excess of $2.5 billion
- In excess of 58,000 shareholders
- Delivered annualized distributions at a rate of 5.0% - 6.35% since inception in November 2004 through September 2010*

*effective July 1, 2010, the dividend was lowered to 5% primarily as a result of lower occupancy and lower rental rates

Hines

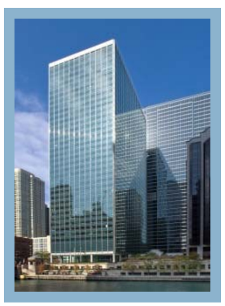
Hines REIT Portfolio
(as of September 30, 2010)





Three Huntington Quadrangle
Long Island, NY
407,731 Square Feet
Acquired 7/07
73% leased

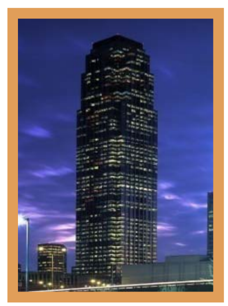
Airport Corporate Center
Miami, FL
1,018,428 Square Feet
Acquired 1/06
83% leased



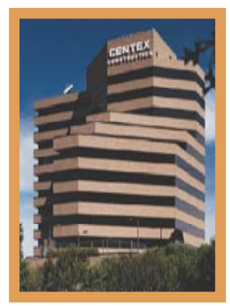
321 North Clark
Chicago, IL
888,837 Square Feet
Acquired 4/06
82% leased

Minneapolis Office/Flex Portfolio
Minneapolis, MN
767,700 Square Feet
Acquired 9/07
83% leased

2555 Grand Blvd
Kansas City, MO
595,607 Square Feet
Acquired 2/08
100% leased



Williams Tower
Houston, TX
1,479,683 Square Feet
Acquired 05/08
87% leased

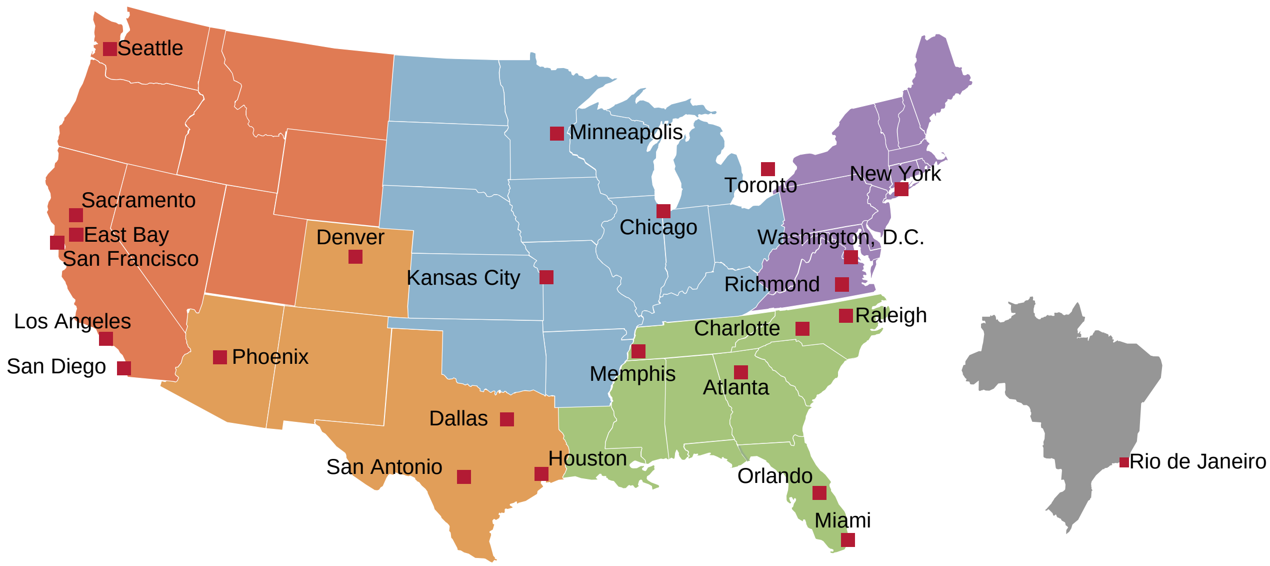


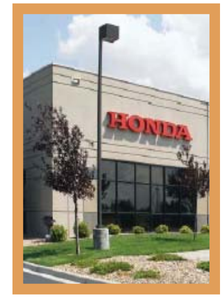
Citymark
Dallas, TX
218,722 Square Feet
Acquired 8/05
95% leased

Chase Tower
Dallas, TX
1,246,652 Square Feet
Acquired 11/07
90% leased

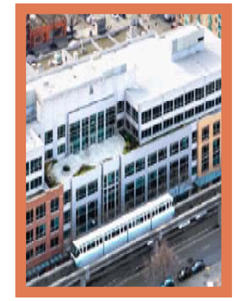
4050/4055 Corporate Drive
Dallas, TX
643,429 Square Feet
Acquired 05/08
100% leased

Hines REIT Portfolio
(as of September 30, 2010)

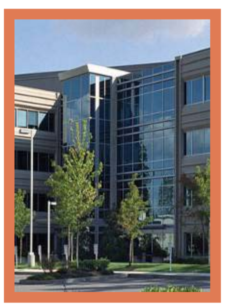




Denver Industrial
Denver, CO
484,737 Square Feet
Acquired 12/08
85% leased

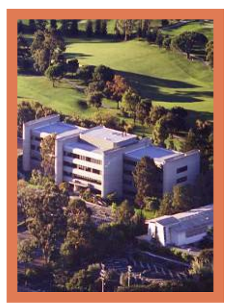


5th & Bell
Seattle, WA
197,135 Square Feet
Acquired 6/07
98% leased

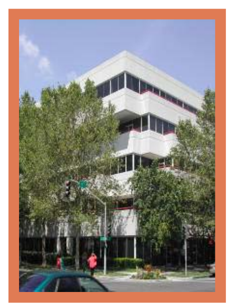


Daytona-Hart Portfolio
Redmond, WA
711,974 Square Feet
Acquired 12/06, 1/07
86% leased

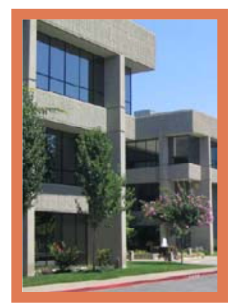
Seattle Design Center
Redmond, WA
390,684 Square Feet
Acquired 6/07
75% leased



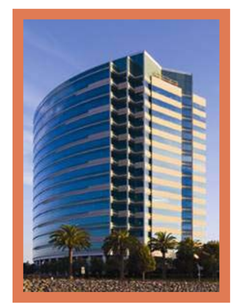
1900/2000 Alameda
San Mateo, CA
253,187 Square Feet
Acquired 6/05
94% leased



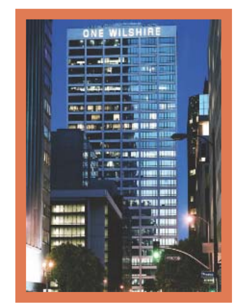
1515 S Street
Sacramento, CA
351,745 Square Feet
Acquired 11/05
98% leased



3400 Data Drive
Sacramento, CA
149,703 Square Feet
Acquired 11/06
100% leased

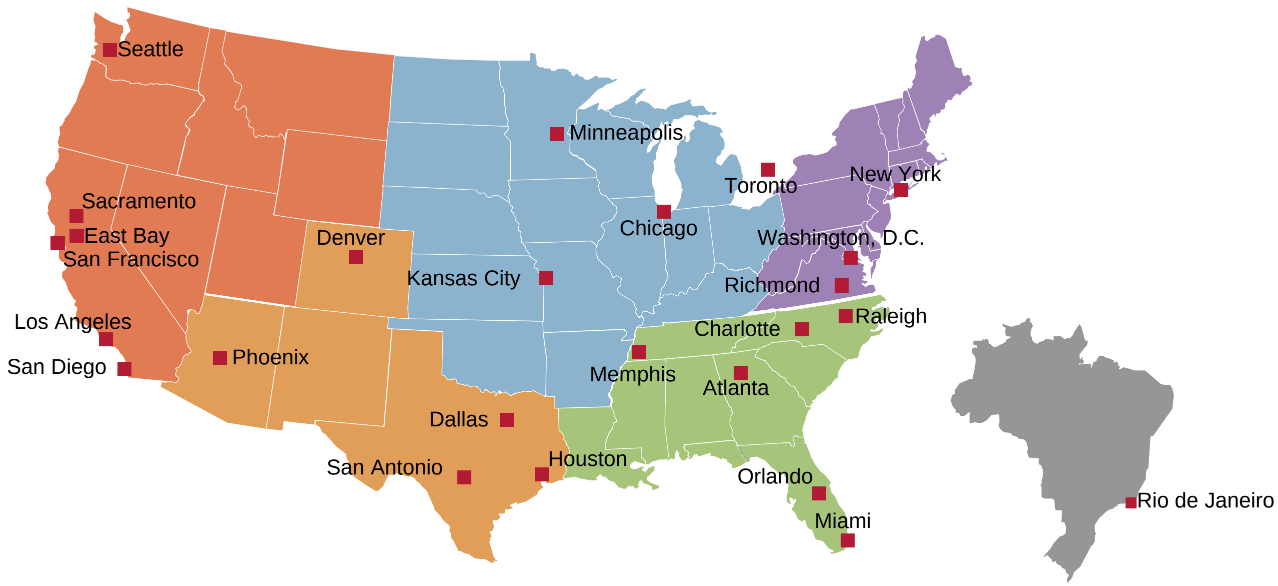


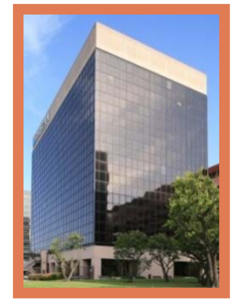
2100 Powell
Emeryville, CA
344,433 Square Feet
Acquired 12/06
100% leased



One Wilshire
Los Angeles, CA
661,553 Square Feet
Acquired 8/07
96% leased

Hines REIT Portfolio
(as of September 30, 2010)

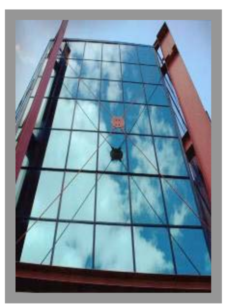




Raytheon/DirecTV
El Segundo, CA
550,579 Square Feet
Acquired 3/08
100% leased

Weingarten Retail
Portfolio
Various locations
1,497,298 Square Feet
Acquired 11/08 – 3/09
95% leased
70%[1]

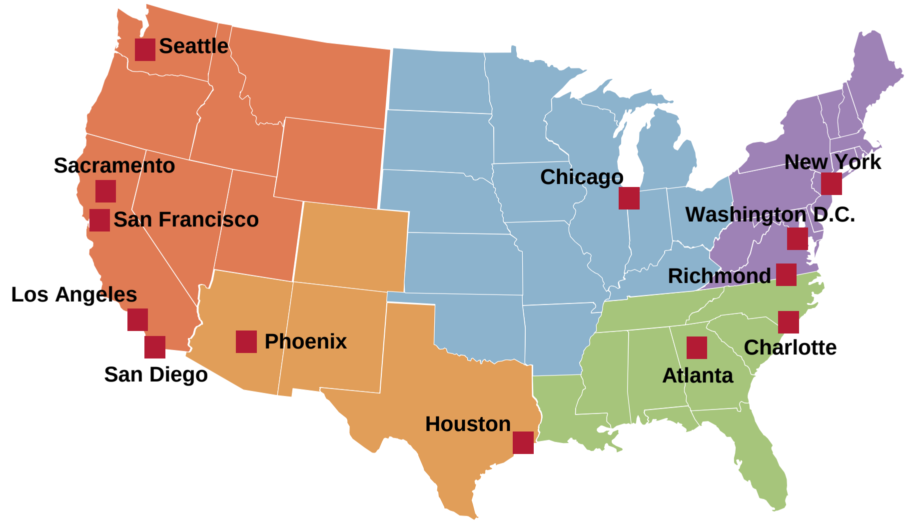
Atrium on Bay
Toronto, ON
1,077,496 Square Feet
Acquired 2/07
98% leased



Distribution Park Rio
Rio de Janeiro, Brazil
693,115 Square Feet
Acquired 07/07
100% leased
50%[1]

1. Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.

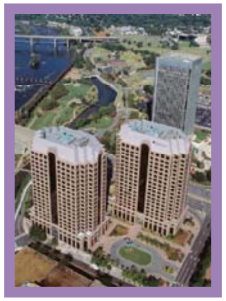
Hines US Core Office Fund Portfolio
(as of September 30, 2010)[1]



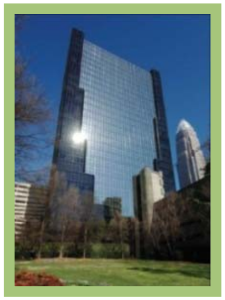
425 Lexington Ave
New York, NY
700,034 Square Feet
Acquired 8/03
100% leased
11%[2]

499 Park Ave
New York, NY
291,515 Square Feet
Acquired 8/03
92% leased
11%[2]

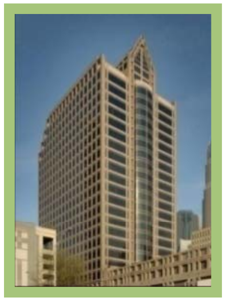
1200 19th Street
Washington D.C.
337,250 Square Feet
Acquired 8/03
55% leased
11%[2]



Riverfront Plaza
Richmond, VA
951,616 Square Feet
Acquired 11/06
95% leased
23%[2]



Charlotte Plaza
Charlotte, NC
625,026 Square Feet
Acquired 06/07
90% leased
23%[2]

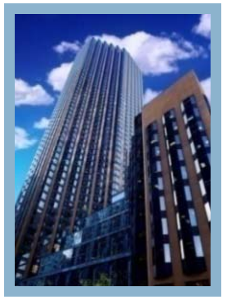


Carillon
Charlotte, NC
472,644 Square Feet
Acquired 07/07
88% leased
23%[2]

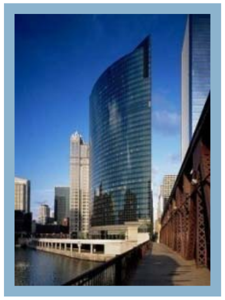
1. As of September 30, 2010, Hines REIT owned a 27.7% interest in the Hines US Core Office Fund.
2. Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.

Hines

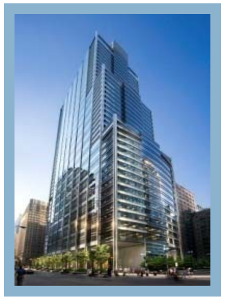
Hines US Core Office Fund Portfolio
(as of September 30, 2010)[1]



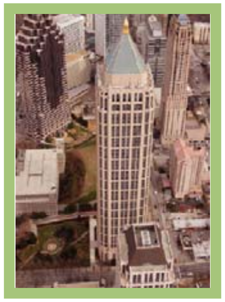
Three First National
Chicago, IL
1,423,515 Square Feet
Acquired 3/05
91% leased
18%[2]



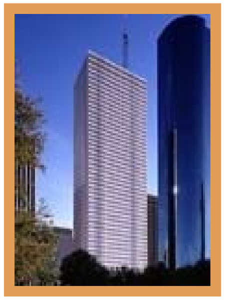
333 West Wacker
Chicago, IL
854,873 Square Feet
Acquired 4/06
72% leased
18%[2]



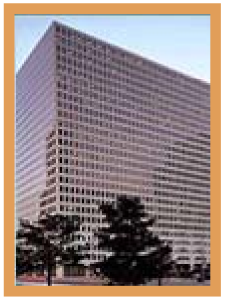
One North Wacker
Chicago, IL
1,373,754 Square Feet
Acquired 3/08
94% leased
23%[2]



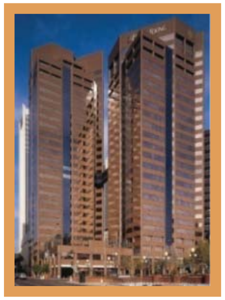
One Atlantic Center
Atlanta, GA
1,100,312 Square Feet
Acquired 7/06
78% leased
23%[2]



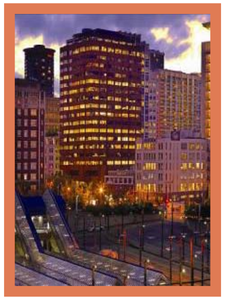
One Shell Plaza
Houston, TX
1,230,395 Square Feet
Acquired 5/04
100% leased
11%[2]



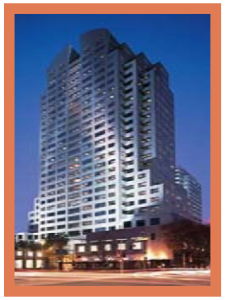
Two Shell Plaza
Houston, TX
565,573 Square Feet
Acquired 5/04
95% leased
11%[2]



Renaissance Square
Phoenix, AZ
965,508 Square Feet
Acquired 12/07
88% leased
23%[2]

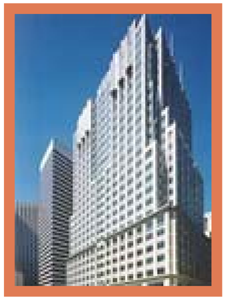


720 Olive Way
Seattle, WA
300,710 Square Feet
Acquired 1/06
76% leased
18%[2]

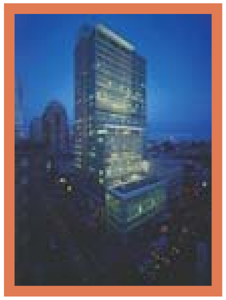


Wells Fargo Center
Sacramento, CA
502,365 Square Feet
Acquired 05/07
93% leased
18%[2]

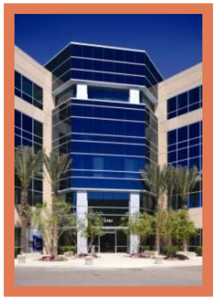
Douglas Boulevard
Sacramento, CA
882,636 Square Feet
Acquired 05/07
61% leased
18%[2]



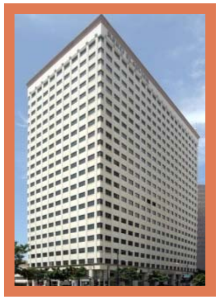
The KPMG Building
San Francisco, CA
379,328 Square Feet
Acquired 9/04
88% leased
23%[2]



101 Second Street
San Francisco, CA
388,370 Square Feet
Acquired 9/04
87% leased
23%[2]



Warner Center
Los Angeles, CA
808,274 Square Feet
Acquired 10/06
91% leased
18%[2]

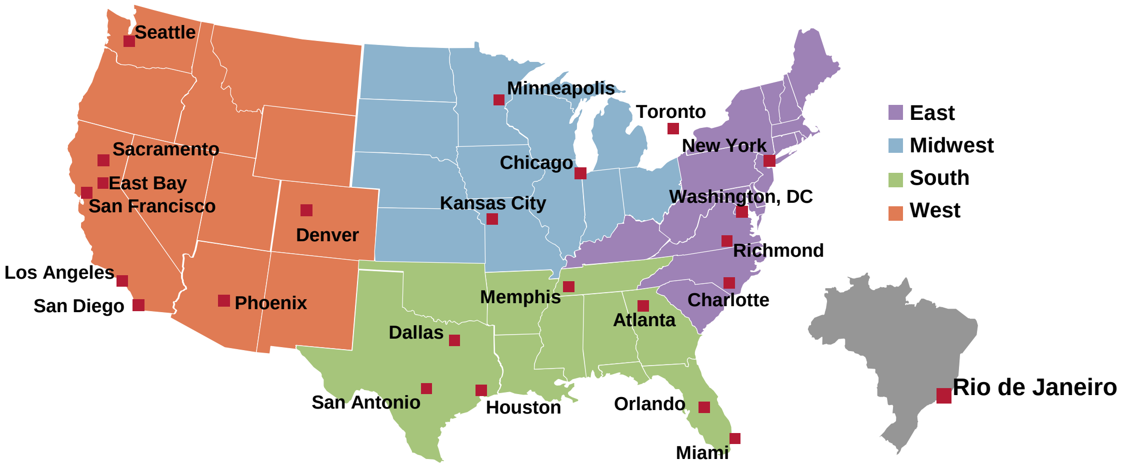


Golden Eagle Plaza
San Diego, CA
449,181 Square Feet
Acquired 8/05
94% leased
23%[2]

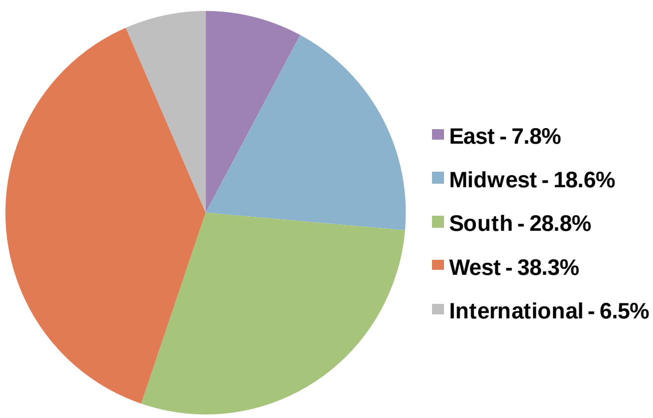
1. **As of September 30, 2010, Hines REIT owned a 27.7% interest in the Hines US Core Office Fund.**
2. **Italicized percentage numbers represent Hines REIT's effective ownership in each property listed.**

Hines

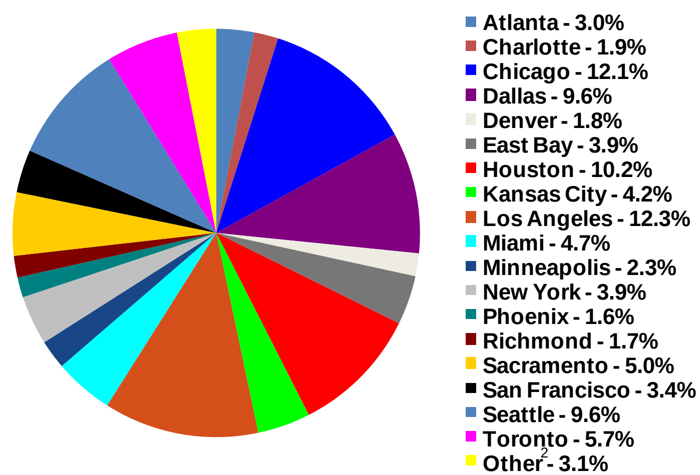
Hines REIT Portfolio Summary – Geographical Diversification



REGIONAL MIX[1]
% OF TOTAL PORTFOLIO—BASED ON PURCHASE PRICE



CITY MIX[1]
% OF TOTAL PORTFOLIO—BASED ON PURCHASE PRICE

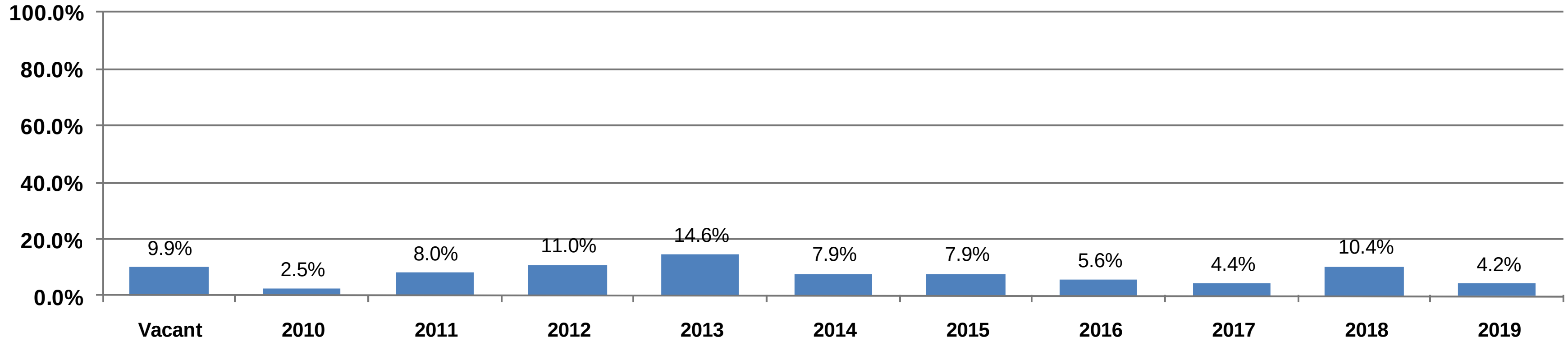


1. Weighted by Hines REIT's effective ownership
2. Other consists of Memphis (0.8%), Orlando (0.3%), Raleigh (0.2%), Rio De Janeiro (0.7%), San Antonio (0.2%), San Diego (0.7%) and Washington D.C. (0.2%)

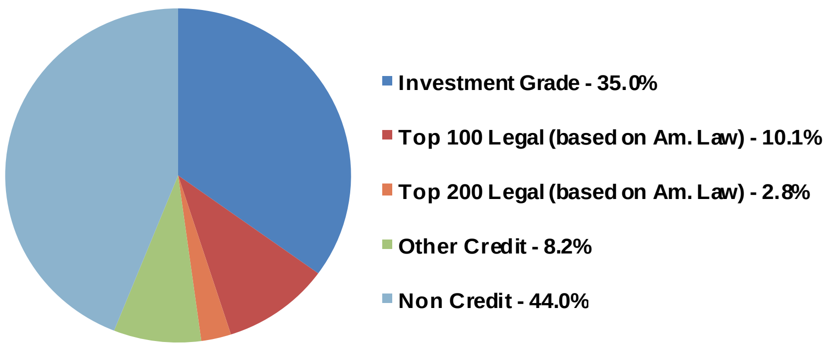
Hines

Hines REIT Lease Rollover and Tenant Industry

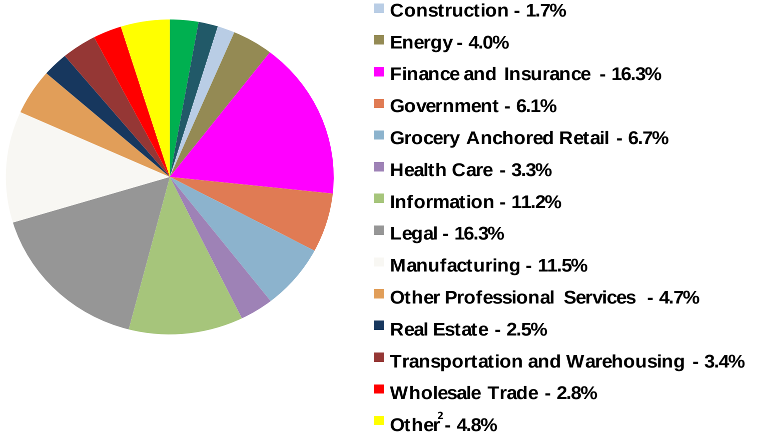
ROLLOVER[1]
% OF TOTAL LEASABLE SQUARE FEET IN PORTFOLIO



TENANT CREDIT QUALITY[1]
% OF TOTAL PORTFOLIO—BASED ON SQUARE FOOTAGE



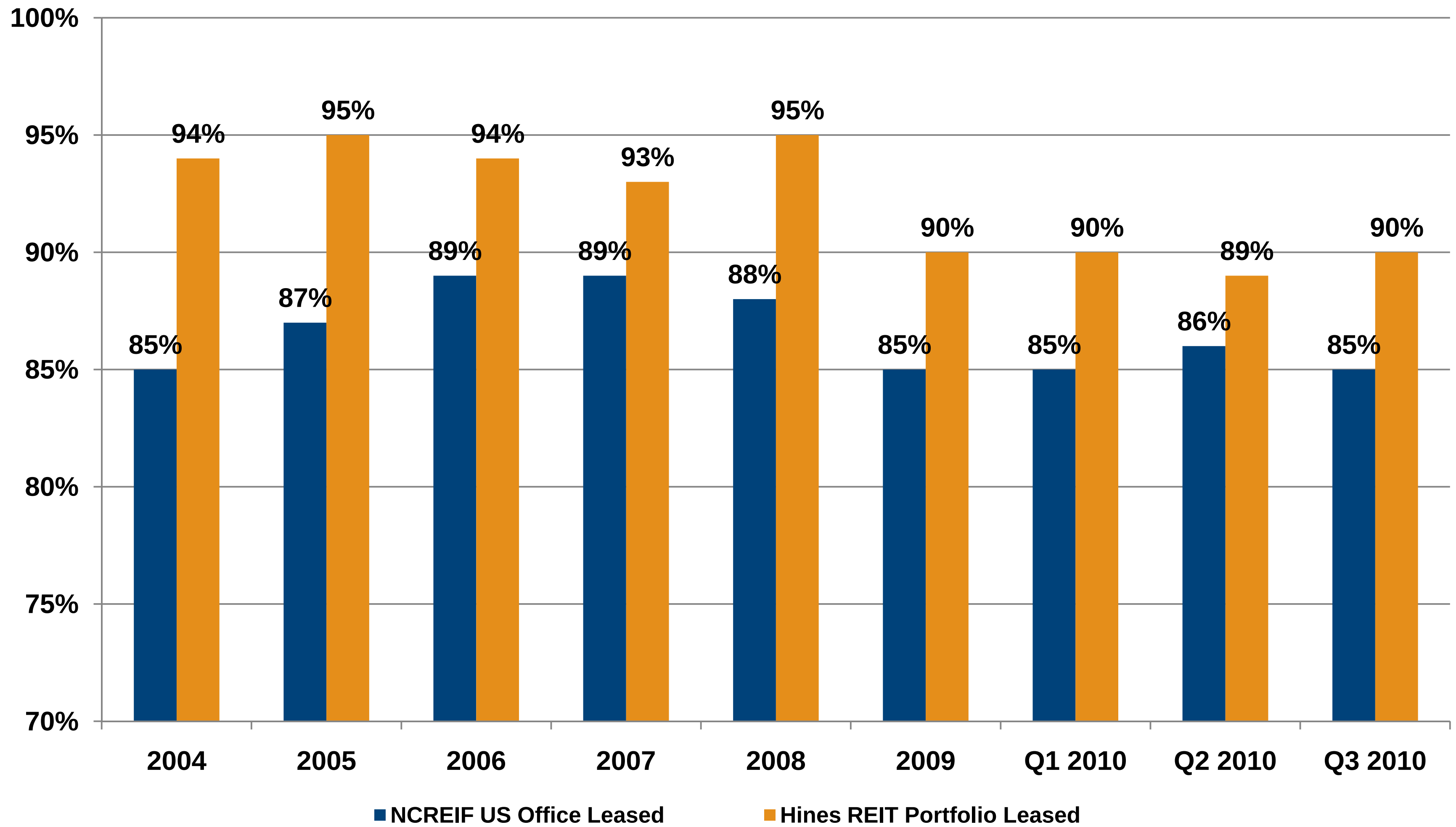
TENANT INDUSTRY MIX[1]
% OF TOTAL PORTFOLIO—BASED ON SQUARE FOOTAGE



1. Weighted by Hines REIT's effective ownership as of 9/30/10
2. Other represents all of the tenant industry mix categories that have less than 1% of the total portfolio

Hines

Hines REIT – Tracking Occupancy



Source: NCREIF

Hines

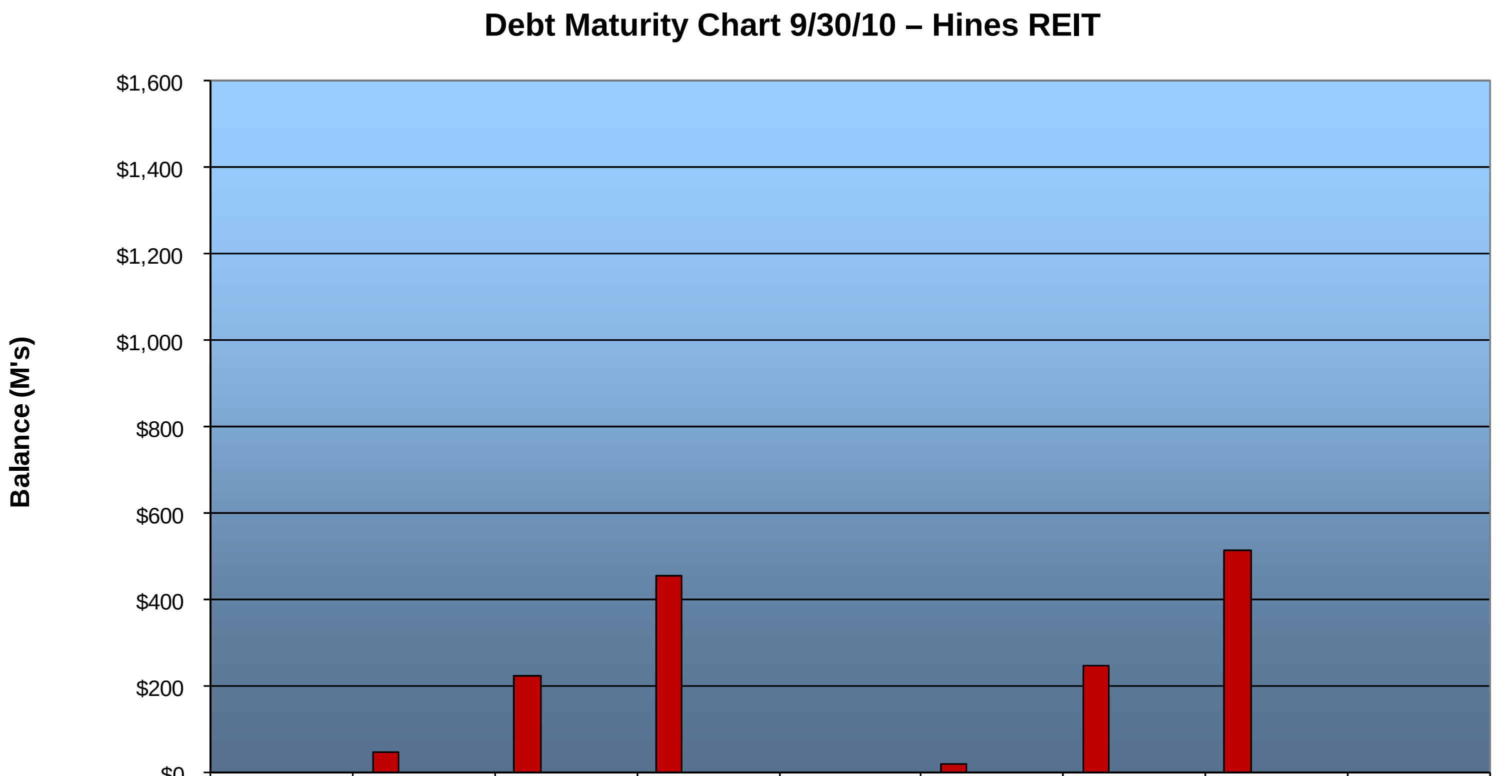
Finding Success in Challenging Markets

- San Francisco – 101 Second Street
  - Executed a lease with Karum Group for 8,645 SF for a 5-year term. Karum Group, founded in 1988 and based in San Francisco, offers credit management solutions and is in the business of helping companies issue private label credit cards.
  - Executed a lease for 18,261 SF for a 9-year term with the California Appellate Courts.
- San Francisco – 55 Second Street
  - Executed three leases totaling 10,000 SF with an average lease length of 2.5 years. The tenants represent the advertising, banking and staffing industries.
- Sacramento – Douglas Boulevard Portfolio
  - Executed a renewal and expansion lease with Composite Engineering, Inc. for 42,445 SF for a 2-year term. Composite Engineering, Inc. offers composite design and manufacturing services.
  - Executed 13 leases totaling approximately 55,000 SF. No lease exceeds 8,500 SF and the average lease term is a 4-year lease. These tenants represent the financial, banking and insurance industries.
- Denver – Arapahoe
  - Executed a 5-year 43,000 SF lease with Santander Bank; a firm founded in Northern Spain in 1857 with a history in retail and commercial banking.
- Charlotte – Carillon
  - Executed a 42,000 SF renewal with law firm Cadwalader, Wickersham and Taft, the asset's largest tenant for a 12-year term. The firm, founded in 1792, is one of the nation's oldest law firms and has a presence in New York, London, Charlotte, N.C., Washington, D.C., and Beijing .

Finding Success in Challenging Markets

- Charlotte – Charlotte Plaza
  - Successfully leased 24,000 SF to Citco, a financial services firm new to the Charlotte market for a 10-year term, backfilling one of two Wachovia floors that expired in Q1 2010. The Citco Group of Companies is a worldwide group of independent financial service providers offering hedge fund administration, custody and fund trading, financial products and corporate and trust planning solutions.
- New York – 499 Park Avenue
  - Executed a 17,500 SF lease with Halstead Property for 15 years. Halstead Property, founded in 1984, is a residential real estate brokerage firm headquartered in New York City with agents in offices throughout New York, New Jersey and Connecticut.
  - Collected a $1 million payment in connection with the Dreier bankruptcy proceedings which was awarded by the court. The property had previously drawn down a $15.5 million letter of credit in 2009.
- Chicago – 321 North Clark
  - Executed a 15-year lease with the Laborer's and Retirement Employees' Annuity and Benefit Fund of Chicago, a municipal pension fund, for 9,979 SF.
  - Executed a 15-year lease with the Municipal Employees' Annuity and Benefit Fund of Chicago, a municipal pension fund, for 16,367 SF.

Debt Maturity Chart
9/30/10 – Hines REIT



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Balance (M's)	$0	$45	$224	$456	$0	$18	$245	$513	$0
WA Rate	0.00%	5.68%	6.13%	5.57%	0.00%	5.43%	5.82%	5.48%	0.00%
% Maturing	0.00%	3.00%	14.87%	30.39%	0.00%	1.23%	16.35%	34.16%	0.00%
# Loans	0	1	2	4	0	2	5	8	0

Represents principal balance at maturity date.
WA Rate represents the weighted average rate of the interest on the outstanding loan balance

Evaluating Operating Performance

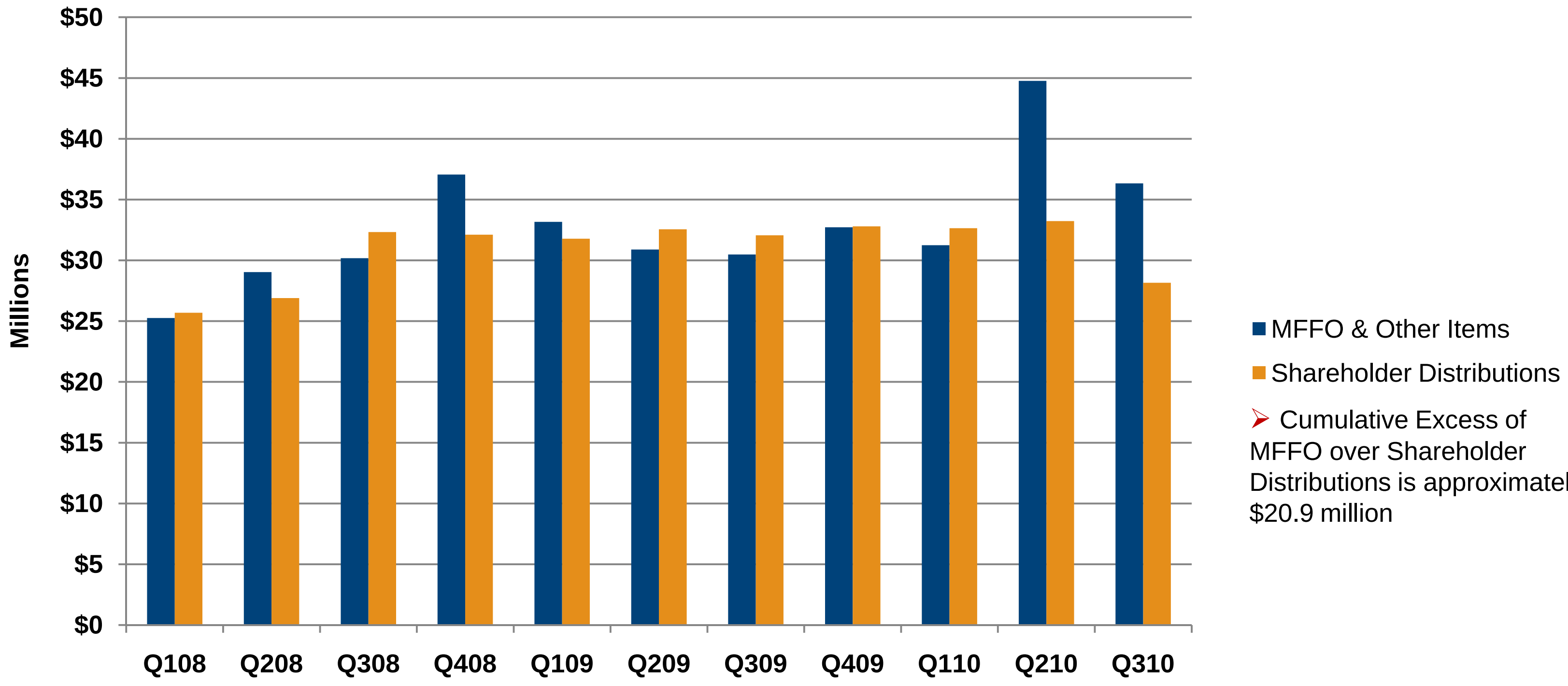
Modified Funds from Operations

- Modified funds from operations ("MFFO") is a non-GAAP supplemental financial performance measure that our management uses in evaluating the operating performance of the Company. It includes funds generated by the operations of our real estate investments and funds used in the Company's corporate-level operations. Similar to Funds from Operations ("FFO"), a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts ("NAREIT") widely recognized as a measure of operating performance, MFFO excludes items such as depreciation and amortization. However, changes in the accounting and reporting rules under GAAP that have been put into effect since the establishment of NAREIT's definition of FFO have prompted a significant increase in the magnitude of non-cash and non-operating items included in FFO, as defined. Such items include amortization of certain in-place lease intangible assets and liabilities and the amortization of certain tenant incentives. MFFO excludes these items, the effects of straight-line rent revenue recognition, fair value adjustments to derivative instruments that do not qualify for hedge accounting treatment, non-cash impairment charges and certain other items as described in the footnotes found on slides 22, 23 and 24, and also includes items such as master lease rental receipts, which are excluded from net income (loss) and FFO, but which we consider in the evaluation of the operating performance of our real estate investments. We believe that MFFO reflects the overall impact on the performance of our real estate investments of occupancy rates, rental rates, property operating costs, as well as corporate-level general and administrative expenses and interest costs, which is not immediately apparent from net income (loss). As such, we believe MFFO, in addition to net income (loss) and cash flows from operating activities as defined by GAAP, is a meaningful supplemental performance measure and is useful in understanding how the Company's management evaluates the Company's ongoing operating performance.
- However, MFFO should not be considered as an alternative to net income (loss) or to cash flows from operating activities and is not intended to be used as a liquidity measure indicative of cash flow available to fund the Company's cash needs. Additionally, please see the limitations listed below associated with the use of MFFO as compared to net income (loss):
- MFFO excludes gains (losses) related to changes in estimated values of derivative instruments related to our interest rate swaps. Although we expect to hold these instruments to maturity, if we were to settle these instruments currently, it would have an impact on our operations.
- MFFO excludes the Participation Interest component of the acquisition and asset management fees. Although we believe the settlement of this liability will be funded using proceeds from the sale of properties in the future, if we were to settle it currently it would have an impact on our operations.
- MFFO excludes impairment charges related to long-lived assets that have been written down to current market valuations. Although these losses are included in the calculation of net income (loss), we have excluded them from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.
- MFFO excludes organizational and offering expenses and acquisition expenses payable to our Advisor. Although these amounts reduce net income, we fund such costs with proceeds from our offerings and acquisition-related indebtedness and do not consider these expenses in the evaluation of the operating performance of the Company and determining MFFO.

Hines

Evaluating Operating Performance

- MFFO is used by Senior Management and the Board of Directors to evaluate operating performance
- The graph below includes MFFO and certain other items we believe may be helpful in assessing our operating performance results such as gains on the sale of assets



➢ Cumulative Excess of MFFO over Shareholder Distributions is approximately $20.9 million

Hines

Evaluating Operating Performance

	2008				2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net income (loss)	($43,187)	$8,837	($23,780)	($104,213)	$3,805	$23,549	($25,789)	$5,120	($12,938)	($8,419)	($28,302)
Adjustments:											
Depreciation and amortization(1)	25,381	32,216	32,888	32,313	31,779	31,010	31,859	31,423	28,876	27,372	28,380
(Gain) loss on derivative instruments(2)	27,445	(26,780)	10,530	74,685	(10,896)	(35,895)	11,701	(14,207)	5,854	24,374	15,441
Participation interest expense (3)	4,205	4,642	3,115	6,686	(28)	4,949	3,708	3,795	3,877	3,864	3,179
Impairment on land parcel (4)	-	-	-	-	-	-	3,415	-	-	-	811
Other components of revenues and expenses (5)	(4,561)	(4,137)	(3,201)	(1,532)	(4,896)	(3,251)	(4,133)	(3,402)	(2,431)	(977)	(3,947)
Master lease rents (6)	3,464	1,239	1,058	1,223	721	479	-	-	-	-	-
Gain on sale of investment property (7)	-	1,695	34	2,012	-	-	-	-	(4,225)	(18,311)	-
Acquisition fees (8)	1,447	1,572	-	8,122	1,160	-	-	-	-	-	-
Organization and offering expenses (9)	1,918										
Adjustments to equity in losses in unconsolidated entities, net (10)	9,779	10,502	10,335	16,425	11,313	10,624	10,264	10,133	11,243	(2,432)	9,560
Adjustments for noncontrolling interests (11)	(632)	(754)	(796)	(896)	(929)	(930)	(964)	(1,089)	(1,013)	(892)	(917)
MFFO Attributable to Common Shareholders	$25,259	$29,032	$30,183	$32,907	$32,029	$30,535	$30,061	$31,773	$29,243	$24,579	$24,205
MFFO per Common Share	$0.15	$0.16	$0.16	$0.17	$0.16	$0.15	$0.14	$0.15	$0.13	$0.11	$0.11
Weighted Average Shares Outstanding	165,144	178,536	192,012	183,776	201,428	204,152	210,298	207,807	218,666	220,421	221,649

1) Represents the depreciation and amortization of various real estate assets. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such depreciation and amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of MFFO.

2) Represents components of net income (loss) related to the estimated changes in the values of our interest rate swap derivatives. We have excluded these changes in value from our evaluation of the operating performance of the Company and MFFO because we expect to hold the underlying instruments to their maturity and accordingly the interim gains or losses will remain unrealized.

3) Represents the portion of the acquisition and asset management fees that are paid in equity, which we expect will be settled in the future using proceeds from the sale of properties or other non-operating sources, and which we therefore do not consider in evaluating the operating performance of the Company and determining MFFO.

Hines

Evaluating Operating Performance

4) Represents an impairment charge recorded in accordance with the Property, Plant and Equipment topic of the FASB Accounting Standards Codification. Although such charges are included in the calculation of net income (loss), we have excluded them from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.

5) Includes the following components of revenues and expenses that we do not consider in evaluating the operating performance of the Company and determining MFFO for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	2008				2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Other components of revenues and expenses is comprised of:	($3,925)	($4,653)	($4,244)	($3,566)	($3,440)	($1,839)	($2,633)	($1,523)	($1,978)	($724)	($2,934)
Straight-line rent adjustment (a)	773	879	1,077	1,489	1,270	1,265	1,302	1,469	1,788	1,958	2,237
Amortization of lease incentives (b)	(2,055)	(1,078)	(765)	(438)	(3,625)	(3,628)	(3,789)	(3,706)	(3,196)	(3,156)	(4,164)
Amortization of out-of-market leases (b)	379	412	446	462	522	737	772	752	740	732	701
Amortization of deferred financing costs (b)	267	285	285	539	377	214	215	(394)	215	213	213
Other	($4,561)	($4,137)	($3,201)	($1,532)	($4,896)	($3,251)	($4,133)	($3,402)	($2,431)	($977)	($3,947)

a) Represents the adjustments to rental revenue as required by GAAP to recognize minimum lease payments on a straight-line basis over the respective lease terms. We have excluded these adjustments from our evaluation of the operating performance of the Company and in determining MFFO because we believe that the rent that is billable during the current period is a more relevant measure of the Company's operating performance for such period.

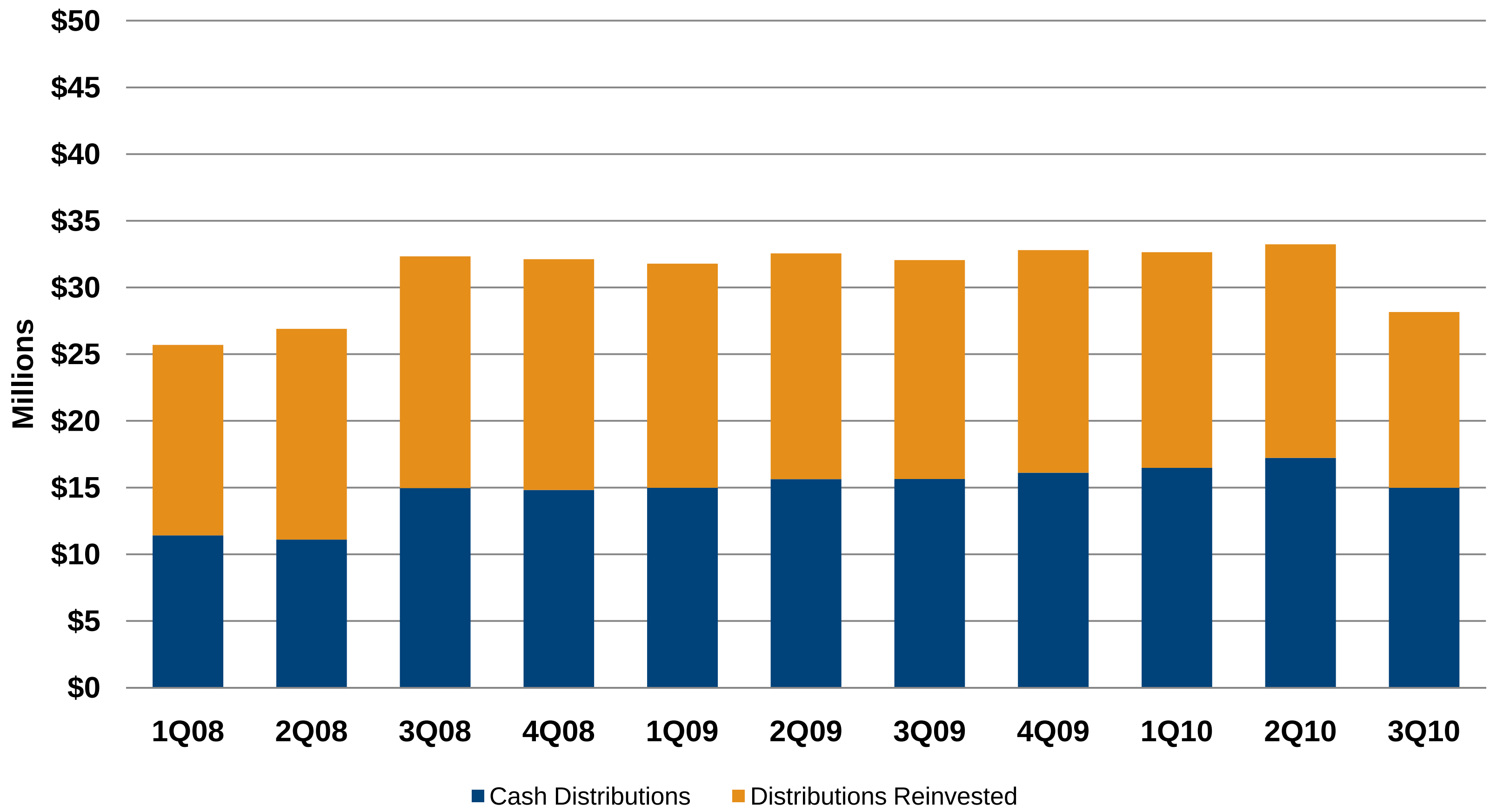
b) Represents the amortization of lease incentives, out-of-market leases and deferred financing costs. As stated in Note 1 above, historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of MFFO.

Hines

Evaluating Operating Performance

6) Includes master lease rents related to master leases entered into in conjunction with certain asset acquisitions. In accordance with GAAP, these rents are not included in rental revenue; however, we consider this rent in evaluating the operating performance of the Company and determining MFFO.
7) Represents the gain on disposition of our real estate investments. Although this gain is included in the calculation of net income (loss), we have excluded it from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.
8) Represents acquisition fees paid to our Advisor that are expensed in our condensed consolidated statements of operations. We fund such costs with proceeds from our offering and acquisition-related indebtedness, and therefore do not consider these expenses in evaluating the operating performance of the Company and determining MFFO.
9) Represents organizational and offering expenses paid to our Advisor that are expensed in our condensed consolidated statements of operations. We fund such costs with proceeds from our offering and acquisition-related indebtedness, and therefore do not consider these expenses in evaluating the operating performance of the Company and determining MFFO.
10) Includes adjustments to equity in losses of unconsolidated entities, net, similar to those described in Notes 1, 4, 5 and 7 above for our unconsolidated entities, which are necessary to convert the Company's share of income (loss) from unconsolidated entities to MFFO.
11) Includes income attributable to non-controlling interests and all adjustments to eliminate the non-controlling interests' share of the adjustments to convert the Company's net income (loss) to MFFO.

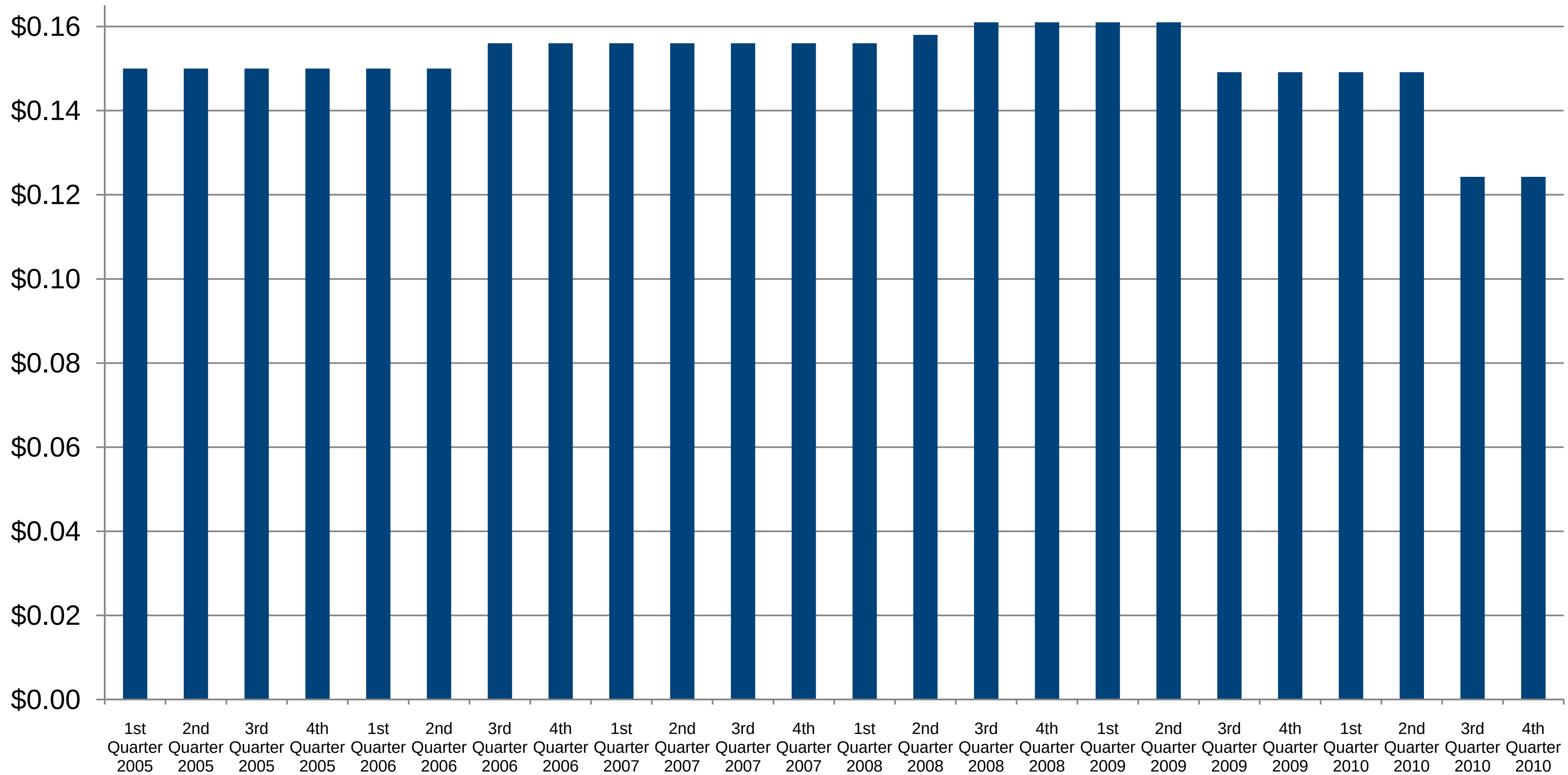
Distribution History – Quarterly in Dollars



We funded our cash distributions with cash flows from operating activities, distributions received from our unconsolidated investments, proceeds from the sales of our real estate investments and cash generated during prior periods, which had cash flows from operating activities and distributions received from our unconsolidated investments in excess of distributions.

Distribution History - Cents Per Share Paid Quarterly

Relatively Stable Distribution



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Current Priorities & Focus

- Our Near-Term Priorities Consist of:
  - Leasing of Existing Assets in Our Portfolio
  - Targeted Asset Sales
  - Managing Liquidity & Maximizing Distributions to Shareholders
- Our Long-Term Priorities Consist of:
  - Evaluating Future Capital Raising Alternatives
  - Evaluating Potential Exit Strategies
  - Managing Our Debt Maturities
- These Priorities are Designed to Assist Us in Meeting Our Primary Objective of Maximizing Shareholder Returns over the Long Term

Hines

"**Hines** began as a one-man operation in 1957 with the sole focus of delivering better quality services and products to tenants and investors. More than **half a century** later, with 3,300 professionals working on four continents, our philosophy has not wavered and our **commitment to excellence in the built environment** is stronger than ever."

Gerald D. Hines

Hines

Thank You

Hines