

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):

August 8, 2016

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 2.01 Completion of Acquisition or Disposition of Assets.**

On August 8, 2016, each of HR Venture Properties I LLC, HR Parkland LLC, HR Thompson Bridge LLC and HR Heritage Station LLC, which are wholly-owned subsidiaries of Hines Real Estate Investment Trust, Inc. (“Hines REIT”) sold seven of the Grocery-Anchored Portfolio properties to New Market Properties, LLC (the “Purchaser”). The Grocery-Anchored Portfolio consists of eight grocery-anchored shopping centers located in four states primarily in the southeastern United States. The Purchaser is not affiliated with Hines REIT or its affiliates.

The sales price for the Grocery-Anchored Portfolio properties, exclusive of the shopping center called Champions Village located in Houston, Texas, was approximately \$158.0 million in aggregate, prior to the deduction of transaction costs and certain other closing credits and any adjustments for prorations. The net proceeds received by Hines REIT from this sale were \$147.2 million after transaction costs.

**Item 9.01 Financial Statements and Exhibits.**

(b) *Pro Forma Financial Information.* The following financial information is submitted at the end of this Current Report on Form 8-K and is filed herewith and incorporated herein by reference:

Hines Real Estate Investment Trust, Inc.

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2016

Unaudited Pro Forma Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2016 and the Year Ended December 31, 2015

Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

## 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 thereunto duly authorized.

HINES REAL ESTATE INVESTMENT TRUST, INC.

August 11, 2016

By: /s/ J. Shea Morgenroth  
J. Shea Morgenroth  
Chief Accounting Officer and Treasurer

**Hines Real Estate Investment Trust, Inc.**  
**Unaudited Pro Forma Condensed Consolidated Financial Statements**

On August 8, 2016, each of HR Venture Properties I LLC, HR Parkland LLC, HR Thompson Bridge LLC and HR Heritage Station LLC, which are wholly-owned subsidiaries of Hines Real Estate Investment Trust, Inc. (“Hines REIT”) sold seven of the Grocery-Anchored Portfolio properties to New Market Properties, LLC (the “Purchaser”). The Grocery-Anchored Portfolio consists of eight grocery-anchored shopping centers located in four states primarily in the southeastern United States. The sales price for seven of the Grocery-Anchored Portfolio properties, exclusive of the shopping center called Champions Village located in Houston, Texas (“Champions Village”) was approximately \$158.0 million in aggregate, prior to the deduction of transaction costs and certain other closing credits and any adjustments for prorations. The net proceeds received from this sale were \$147.2 million after transaction costs. The Purchaser is not affiliated with Hines REIT or its affiliates.

The following unaudited pro forma condensed consolidated financial information gives effect to the disposition of seven of the Grocery-Anchored Portfolio properties, excluding Champions Village, including the receipt of proceeds from the sale. In our opinion, all material adjustments necessary to reflect the effects of the above transaction have been made.

**Hines Real Estate Investment Trust, Inc.**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheet**  
**As of March 31, 2016**  
**(In thousands)**

The following unaudited Pro Forma Condensed Consolidated Balance Sheet is presented assuming the disposition of seven of the Grocery-Anchored Portfolio properties, excluding Champions Village, had occurred as of March 31, 2016. This unaudited Pro Forma Condensed Consolidated Balance Sheet should be read in conjunction with our unaudited Pro Forma Condensed Consolidated Statements of Operations appearing herein and our historical financial statements and notes thereto as filed in our quarterly report on Form 10-Q for the three months ended March 31, 2016. This unaudited Pro Forma Condensed Consolidated Balance Sheet is not necessarily indicative of what our actual financial position would have been had we completed this transaction on March 31, 2016, nor does it purport to represent our future financial position.

	<b>As of March 31, 2016 (a)</b>	<b>Adjustments for the Grocery-Anchored Portfolio, exclusive of Champions Village</b>	<b>Adjustments for JPMorgan Chase Tower</b>	<b>Pro Forma</b>
<b>ASSETS</b>				
Investment property, at cost:				
Buildings and improvements, net	\$ 1,252,530	\$ (66,586) (b)	\$ (205,427) (e)	\$ 980,517
Land	437,701	(45,350) (b)	(8,768) (e)	383,583
Total investment property	1,690,231	(111,936)	(214,195)	1,364,100
Investments in unconsolidated entities	97,249	—	—	97,249
Cash and cash equivalents	49,610	143,702 (c)	211,765 (f)	405,077
Restricted cash	1,281	—	—	1,281
Distributions receivable	1,209	—	—	1,209
Tenant and other receivables, net	43,982	(925) (b)	(10,879) (e)	32,178
Intangible lease assets, net	115,196	(9,852) (b)	(3,726) (e)	101,618
Deferred leasing costs, net	154,334	(3,286) (b)	(46,059) (e)	104,989
Deferred financing costs, net	416	— (b)	— (e)	416
Other assets	4,411	(38) (b)	(166) (e)	4,207
<b>TOTAL ASSETS</b>	<b>\$ 2,157,919</b>	<b>\$ 17,665</b>	<b>\$ (63,260)</b>	<b>\$ 2,112,324</b>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 56,125	\$ (2,555) (b)	\$ (4,238) (e)	\$ 49,332
Due to affiliates	4,572	— (b)	(8) (e)	4,564
Intangible lease liabilities, net	28,619	(11,849) (b)	(2,406) (e)	14,364
Other liabilities	16,295	(573) (b)	(981) (e)	14,741
Interest rate swap contracts	13,491	—	—	13,491
Participation interest liability	130,386	—	—	130,386
Distributions payable	15,026	—	—	15,026
Notes payable, net	836,583	(5,065) (b)	(49,035) (e)	782,483
Total liabilities	1,101,097	(20,042)	(56,668)	1,024,387
Commitments and contingencies	—	—	—	—
Equity:				
Preferred shares	—	—	—	—
Common shares	223	—	—	223
Additional paid-in capital	2,099,093	—	—	2,099,093
Accumulated distributions in excess of earnings	(1,041,421)	37,707 (d)	(6,592) (g)	(1,010,306)
Accumulated other comprehensive income (loss)	(1,073)	—	—	(1,073)
Total stockholders' equity	1,056,822	37,707	(6,592)	1,087,937
Noncontrolling interests	—	—	—	—
Total equity	1,056,822	37,707	(6,592)	1,087,937
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,157,919</b>	<b>\$ 17,665</b>	<b>\$ (63,260)</b>	<b>\$ 2,112,324</b>

See notes to unaudited pro forma condensed consolidated financial statements.

**Hines Real Estate Investment Trust, Inc.**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
**For the Three Months Ended March 31, 2016**  
**(In thousands, except per share amounts)**

The following unaudited Pro Forma Condensed Consolidated Statement of Operations is presented assuming the disposition of seven of the Grocery-Anchored Portfolio properties, excluding Champions Village, had occurred as of January 1, 2015. This unaudited Pro Forma Condensed Consolidated Statement of Operations should be read in conjunction with our unaudited Pro Forma Condensed Consolidated Balance Sheet and our historical financial statements and notes thereto as filed in our quarterly report on Form 10-Q for the three months ended March 31, 2016. This unaudited Pro Forma Condensed Consolidated Statement of Operations is not necessarily indicative of what our actual results of operations would have been had we completed this transaction on January 1, 2015, nor does it purport to represent our future operations.

	Three Months Ended March 31, 2016 (a)	Adjustments for the Grocery- Anchored Portfolio, exclusive of Champions Village (b)	Adjustments for JPMorgan Chase Tower (c)	Pro Forma
<b>Revenues:</b>				
Rental revenue	\$ 48,106	\$ (2,913)	\$ (6,060)	\$ 39,133
Other revenue	4,989	(47)	(856)	4,086
Total revenues	53,095	(2,960)	(6,916)	43,219
<b>Expenses:</b>				
Property operating expenses	13,764	(346)	(2,334)	11,084
Real property taxes	8,446	(320)	(1,627)	6,499
Property management fees	1,385	(106)	(166)	1,113
Depreciation and amortization	19,593	(846)	(2,115)	16,632
Asset management and acquisition fees	8,419	—	—	8,419
General and administrative	1,950	—	(3)	1,947
Total expenses	53,557	(1,618)	(6,245)	45,694
<b>Operating income (loss)</b>	(462)	(1,342)	(671)	(2,475)
<b>Other income (expenses):</b>				
Gain (loss) on derivative instruments, net	3,957	—	—	3,957
Equity in earnings (losses) of unconsolidated entities, net	16,347	—	—	16,347
Gain (loss) on sale of real estate investments	2	—	—	2
Interest expense	(8,639)	51	539	(8,049)
Interest income	26	(1)	(2)	23
<b>Income (loss) from continuing operations before benefit (provision) for income taxes</b>	11,231	(1,292)	(134)	9,805
Benefit (provision) for income taxes	(39)	2	25	(12)
<b>Income (loss) from continuing operations</b>	\$ 11,192	\$ (1,290)	\$ (109)	\$ 9,793
Income (loss) from continuing operations per common share	\$ 0.05			\$ 0.04
Weighted average number common shares outstanding	222,106			222,106

See notes to unaudited pro forma condensed consolidated financial statements.

**Hines Real Estate Investment Trust, Inc.**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
**For the Year Ended December 31, 2015**  
**(In thousands, except per share amounts)**

The following unaudited Pro Forma Condensed Consolidated Statement of Operations is presented assuming the disposition of seven of the Grocery-Anchored Portfolio properties, excluding Champions Village, had occurred as of January 1, 2015. This unaudited Pro Forma Condensed Consolidated Statement of Operations should be read in conjunction with our unaudited Pro Forma Condensed Consolidated Balance Sheet and our historical financial statements and notes thereto as filed in our annual report on Form 10-K for the year ended December 31, 2015. This unaudited Pro Forma Condensed Consolidated Statement of Operations is not necessarily indicative of what our actual results of operations would have been had we completed this transaction on January 1, 2015, nor does it purport to represent our future operations.

	Year Ended December 31, 2015 (a)	Adjustments for the Grocery- Anchored Portfolio, exclusive of Champions Village (b)	Adjustments for JPMorgan Chase Tower (c)	Adjustments for 2555 Grand (d)	Pro Forma
<b>Revenues:</b>					
Rental revenue	\$ 198,684	\$ (11,738)	\$ (28,088)	\$ (9,945)	\$ 148,913
Other revenue	20,105	(253)	(3,696)	(546)	15,610
Total revenues	218,789	(11,991)	(31,784)	(10,491)	164,523
<b>Expenses:</b>					
Property operating expenses	59,996	(1,540)	(10,663)	(2,675)	45,118
Real property taxes	30,931	(1,258)	(5,514)	(641)	23,518
Property management fees	5,683	(382)	(849)	(242)	4,210
Depreciation and amortization	87,923	(3,612)	(9,716)	(2,459)	72,136
Acquisition related expense	505	—	—	—	505
Asset management and acquisition fees	36,576	—	—	—	36,576
General and administrative	6,635	—	(3)	—	6,632
Impairment losses	19,663	—	(11,865)	—	7,798
Total expenses	247,912	(6,792)	(38,610)	(6,017)	196,493
<b>Operating income (loss)</b>	(29,123)	(5,199)	6,826	(4,474)	(31,970)
<b>Other income (expenses):</b>					
Gain (loss) on derivative instruments, net	16,945	—	—	—	16,945
Equity in earnings (losses) of unconsolidated entities, net	43,267	—	—	—	43,267
Gain (loss) on sale of real estate investments	50,144	—	—	(20,747)	29,397
Interest expense	(37,684)	215	4,415	—	(33,054)
Interest income	46	(6)	(2)	(1)	37
<b>Income (loss) from continuing operations before benefit (provision) for income taxes</b>	43,595	(4,990)	11,239	(25,222)	24,622
Benefit (provision) for income taxes	(225)	5	186	—	(34)
<b>Income (loss) from continuing operations</b>	\$ 43,370	\$ (4,985)	\$ 11,425	\$ (25,222)	\$ 24,588
Income (loss) from continuing operations per common share	\$ 0.19				\$ 0.11
Weighted average number common shares outstanding	223,369				223,369

See notes to unaudited pro forma condensed consolidated financial statements.

**Hines Real Estate Investment Trust, Inc.**  
**Unaudited Notes to Pro Forma Condensed Consolidated Financial Statements**

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2016

- a. Reflects the Company's historical condensed consolidated balance sheet as of March 31, 2016.
- b. Reflects the Company's disposition of seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village. Amounts represent the adjustments necessary to remove the assets and liabilities associated with the Grocery-Anchored Portfolio, exclusive of Champions Village.
- c. Reflects the proceeds received from the sale of seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village, less any cash on hand at the Grocery-Anchored Portfolio, exclusive of Champions Village, as of March 31, 2016.
- d. Reflects the adjustments related to the disposition of seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village, and the gain on sale.
- e. Reflects the Company's disposition of JPMorgan Chase Tower. Amounts represent the adjustments necessary to remove the assets and liabilities associated with JPMorgan Chase Tower.
- f. Reflects the proceeds received from the sale of JPMorgan Chase Tower less any cash on hand at JPMorgan Chase Tower as of March 31, 2016.
- g. Reflects the adjustments related to the disposition of JPMorgan Chase Tower and the gain on sale.

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Three Months Ended March 31, 2016

- a. Reflects the Company's historical condensed consolidated statement of operations for the three months ended March 31, 2016.
- b. Reflects the Company's disposition of seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village. Amounts represent the adjustments necessary to remove the historical revenues and expenses of the Grocery-Anchored Portfolio, exclusive of Champions Village, including property operating expenses, property taxes, management fees, depreciation and amortization, general and administrative expenses, interest expense and interest income associated with the Grocery-Anchored Portfolio, exclusive of Champions Village. Such adjustments exclude the effect of the gain on sale, as this represents a non-recurring transaction.
- c. Reflects the Company's disposition of JPMorgan Chase Tower. Amounts represent the adjustments necessary to remove the historical revenues and expenses of JPMorgan Chase Tower, including property operating expenses, property taxes, management fees, depreciation and amortization, general and administrative expenses, interest expense and interest income associated with JPMorgan Chase Tower. Such adjustments exclude the effect of the gain on sale, as this represents a non-recurring transaction.

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2015

- a. Reflects the Company's historical condensed consolidated statement of operations for the year ended December 31, 2015.
- b. Reflects the Company's disposition of seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village. Amounts represent the adjustments necessary to remove the historical revenues and expenses of the Grocery-Anchored Portfolio, exclusive of Champions Village, including property operating expenses, property taxes, management fees, depreciation and amortization, general and administrative expenses, interest expense and interest income associated with the Grocery-Anchored Portfolio, exclusive of Champions Village. Such adjustments exclude the effect of the gain on sale, as this represents a non-recurring transaction.
- c. Reflects the Company's disposition of JPMorgan Chase Tower. Amounts represent the adjustments necessary to remove the historical revenues and expenses of JPMorgan Chase Tower, including property operating expenses, property taxes, management fees, depreciation and amortization, general and administrative expenses, interest expense, interest income and impairment losses associated with JPMorgan Chase Tower. Such adjustments exclude the effect of the gain on sale, as this represents a non-recurring transaction.
- d. Reflects the Company's disposition of 2555 Grand. Amounts represent the adjustments necessary to remove the historical revenues and expenses of 2555 Grand, including property operating expenses, property taxes, management fees, depreciation and amortization and interest income associated with 2555 Grand. Such adjustments exclude the effect of the gain on sale, as this represents a non-recurring transaction.