

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  Hines Real Estate Investment Trust, Inc.		2 Issuer's employer identification number (EIN)  20-0138854	
3 Name of contact for additional information  Shea Morgenroth	4 Telephone No. of contact  888-220-6121	5 Email address of contact  HinesInvestorRelations@hines.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  2800 Post Oak Blvd., Suite 5000		7 City, town, or post office, state, and ZIP code of contact  Houston, TX 77056-6118	
8 Date of action  See Below	9 Classification and description  Common Stock		
10 CUSIP number  433264108, 433264207	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Taxpayer made a distribution in excess of its current and accumulated earnings and profits. See Part II, Line 15 for the amount of the distribution per share.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ All of its final liquidating distribution paid on July 27, 2018 is a cash liquidation distribution. Statement 1 shows the reduction of tax basis on a per share basis. A cash liquidation distribution is a non-taxable distribution until such time that the total cash liquidation distribution received exceeds the cost basis of the investment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Amounts received by a shareholder in a liquidation are non-taxable until such time that the total cash liquidation distributions received exceed the cost basis of the investment on July 27, 2018.  
If the cash liquidation distribution exceeds the cost basis, the portion of the cash liquidation distribution that exceeds basis is considered a capital gain and taxed accordingly. Whether you report the gain as a long-term or short-term capital gain depends on how long you have held the stock. If the cash liquidation distribution does not exceed the cost basis, then the full amount of the cash liquidation distribution will be non-taxable. Even if the cash liquidation distribution does not exceed the cost basis, a loss cannot be recognized until the final liquidating distribution has been made and the account has been fully liquidated. This is a final liquidating distribution.  
Shareholders should contact their tax advisors regarding the specific circumstances surrounding their shares subject to this organizational action.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►  
Internal Revenue Code section 331(a) provides that the amount received by a shareholder in a distribution in complete liquidation shall be treated as in full payment in exchange for stock.

**18** Can any resulting loss be recognized? ► This is the final liquidating distribution. If the the cash liquidation distribution does not exceed the cost basis, a loss can be recognized.  
Shareholders should contact their tax advisors regarding the specific circumstances surrounding their shares subject to this organizational action.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► 2018  
 These actions are effective on the dates of distribution identified above.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Date ►

Print your name ► J. Shea Morgenroth

Title ► Chief Accounting Officer and Treasurer

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Hines Real Estate Investment Trust, Inc.  
EIN: 20-0138854  
Form 8937

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Part II, Question 15. Describe the quantitative effect of the organization or action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

The liquidating distribution reduced the basis of the security as follows:

Liquidation Distribution			
Record Date	Distribution Payable Date	Distributions per share	
7/9/2018	7/27/2018	\$	0.08