

ESTIMATE

Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

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

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 distributions in excess of its current and accumulated earnings and profits. See Part II, Line 15 for the amount of these distributions 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 ► The company estimated that a portion of the dividend paid each month is a return of capital. Statement 1 shows the reduction of tax basis on a per share per day basis.

****Note:** The amounts reported are only estimates at this time. The Taxpayer is making Form 8937 available on its website by January 17, 2012 in accordance with IRS Notice 2011-18 and Notice 2012-11. The Taxpayer used reasonable assumptions in completing this form, however, the Taxpayer will update Form 8937 within 45 days of determining a different quantitative effect in accordance with Treasury Reg. §1.6045B-1(a)(2)(ii).

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 ► The Taxpayer's earnings and profits were calculated under IRC §312, as modified by Internal Revenue Code §857(d) for a real estate investment trust, and the regulations thereunder. Amounts in excess of earnings and profits reduce the shareholder's basis in its shares to the extent of basis.

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 §301(c)(2) provides that the portion of the common stock distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock.

18 Can any resulting loss be recognized? ► No tax loss is recognized by shareholders as a result of receiving the distribution payments.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
 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 ►

1/17/12

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.

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 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.

The distributions reduced the basis of the security as follows:

<u>Record Date (Each Day in the Quarter)</u>	<u>Distribution Payable Date</u>	<u>Per Share Per Day Reduction of Basis</u>
October - December 2010	1/3/2011	\$0.00024855
January - March 2011	4/1/2011	\$0.00024855
April - June 2011	7/1/2011	\$0.00024855
July - September 2011	10/3/2011	\$0.00024855

STATEMENT 1