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HC Government Realty Trust, Inc. to Acquire Immigration and Customs Enforcement Property in San Antonio, Texas

Portfolio Expands to Nine States with First Acquisition in Texas

SARASOTA, Fla., Sept. 06, 2017 (GLOBE NEWSWIRE) -- HC Government Realty Trust Inc. ("HCGRT" or "the Company"), today announced that it has entered into a definitive agreement to acquire its latest commercial property leased to the United States of America. The new property is an Immigration and Customs Enforcement (ICE) facility in San Antonio, Texas.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/91b88031-9ed7-4589-8461-23276f10a483>

The San Antonio facility is a 38,763-square foot, single-tenant office building which was completely redeveloped expressly to meet the requirements of the Department of Homeland Security (DHS) in May 2017. The "retrofit-to-suit" facility houses mission-critical divisions of the DHS including Immigration and Customs Enforcement, Homeland Security Investigations and Office of the Principal Legal Advisor. It is located at 1015 Jackson Keller Road, San Antonio, Texas. The property is 100% leased to the United States of America under a new 10-year commitment ending in April 2027. The contractual purchase price of the property is approximately \$8.2 million and closing of the transaction is scheduled on or about October 15, 2017. As with all "built-to-suit," federally-leased properties, the lease is backed by the full faith and credit of the United States of America.

"The purchase of the ICE facility in San Antonio, our third transaction this year and first in the State of Texas, further demonstrates the building momentum in our acquisition pipeline. Once this transaction is completed, our portfolio will include 13 federally-leased properties, creating a solid foundation from which we will continue to build our property portfolio, while increasing our cashflow and expanding our footprint into new geographic markets across the country," said Edwin M. Stanton, Chief Executive Officer and Director of HC Government Realty Trust Inc.

The Company's strategy is to acquire and operate "built-to-suit" properties leased to the United States of America that fulfill mission-critical or direct citizen service functions primarily

located across secondary or smaller markets. HCGRT has identified more than 1,300 potential acquisition targets which fall within size ranges of 5,000-50,000 rentable square feet, and are in their first lease term after construction or retrofit to post-9/11 standards. As of Fiscal Year 2014, the six largest occupants of federally leased inventory were the Department of Justice, Department of Homeland Security, Social Security Administration, Department of the Treasury, Department of Health & Human Services, and the Department of Defense.

About HC Government Realty Trust, Inc.

HC Government Realty Trust, Inc. was formed in 2016 for the purpose of acquiring and operating federally-leased properties, the leases for which are full-faith and credit obligations of the United States. Federally-leased real estate asset classes typically possess a highly stable tenant base, long-term lease structures and low risk of tenant turnover. The Company's portfolio of leased facilities is occupied by U.S. Government agencies, including a number of the largest and most essential agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, the Social Security Administration and the Department of Transportation. For more information, please visit our corporate website at www.hcgovtrust.com.

About this Press Release

This press release is neither an offer to sell nor a solicitation of an offer to buy any securities of the Company, including without limitation the common stock. Any such offer is made exclusively through the Company's final offering circular dated November 7, 2016, as the same may be amended or supplemented (the "Final Offering Circular"). The Final Offering Circular is available at: <https://www.sec.gov/cgi-bin/browse-edgar?company=hc+gove&match=contains&action=getcompany>.

Forward-Looking Statements

We make statements in this press release that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. We intend for these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this press release for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control. For further discussion of the factors that could affect outcomes, please refer to the risk factors set forth in the "Risk Factors" section of the Final Offering Circular. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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