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HC Government Realty Trust, Inc. to Acquire Latest GSA Property in Norfolk, Virginia

Newest Property is Eleventh Addition to Company's Growing GSA Property Portfolio

SARASOTA, Fla., March 07, 2017 (GLOBE NEWSWIRE) -- HC Government Realty Trust Inc. ("HCGRT" or "the Company"), today announced that it has entered into a definitive agreement to acquire a new real-estate holding in Norfolk, Virginia, the latest addition to its growing portfolio of single-tenant, U.S General Services Administration ("GSA")-leased commercial properties.



GSA Social Security Administration Building, 5850 Lake Herbert Drive, Norfolk, Virginia

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/26147cbb-b305-4163-be69-a3651d56ca57>

The three-story, 53,917sq. ft. property is a Social Security Administration (SSA) building located at 5850 Lake Herbert Drive, Norfolk, Virginia, and was purchased from USAA Real Estate Company. The Property is 100% leased to the United States of America through June 2027. The SSA has been the building's sole occupying agency since construction was completed as a build to-suit property back in 2007. The aggregate purchase price of the property is \$14,500,000 and closing of the transaction is scheduled for on or about March 30, 2017. As with all GSA properties, the lease is backed by the full faith and credit obligation of the United States of America.

“The Norfolk property is an ideal addition to our growing GSA asset portfolio. This high-quality property features modern, built to suit features, is operated under a long-term lease and provides critical Social Security Administrative services to the residents of downtown Norfolk and Virginia Beach communities,” said Edwin M. Stanton, Director and Chief Executive Officer of HC Government Realty Trust Inc. “We look forward to completing this transaction and closing on other properties for which we are currently negotiating purchases or conducting due diligence. The asset class is ripe with opportunities and we intend to pursue this strategy to build our portfolio and generate value for tenants, partners and key stakeholders.”

The Company’s strategy is to acquire and operate GSA properties 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 within their first term after construction or retrofitted to post-9/11 standards. As of Fiscal Year 2014, the six largest customers of GSA-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.

Robert R. Kaplan, Jr., President of HC Government Realty Trust Inc., added, “The opportunity to build a portfolio of GSA-leased properties capable of delivering stable, predictable income supported by the superior credit and backing of the U.S. Government, is large. Through acquisitions like today’s GSA SSA building in Norfolk, we are committed to capitalizing on the investment potential of government-backed properties and further building the value of HC Government Realty Trust and our growing portfolio of real estate assets.”

About HC Government Realty Trust, Inc.

HC Government Realty Trust, Inc. was formed in 2016 with the purpose of acquiring and operating GSA properties, which are full-faith credit obligations of the U.S. Government. GSA-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 initial portfolio consists of U.S. Government tenant agencies, including a number of the U.S. Government’s 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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