

June 20, 2017



HC Government Realty Trust, Inc. to Acquire U.S. Citizenship and Immigration Services Property in Montgomery, Alabama

First Acquisition in Alabama Joins Seven Newly Contributed GSA Properties in Growing Portfolio

SARASOTA, Fla., June 20, 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 U.S. General Services Administration ("GSA")-leased commercial property. The new property, the first acquired by the Company in the State of Alabama, is a U.S. Citizenship and Immigration Services (CIS) field office located in Montgomery.

The tenant currently occupies 16,036 sq. ft. out of the total 21,116 sq. ft. available in the single-story property. It is anticipated the tenant will take occupancy of the remaining 5,080 sq. ft. in the next 12-18 months. It is located at 3381 Atlanta Highway, Montgomery, Alabama, and was purchased from Cushman & Wakefield. The property is 100% leased to the United States of America through December 2031. The CIS Montgomery office currently serves as the USCIS headquarters for the entire State of Alabama. The aggregate purchase price of the property is approximately \$4.8 million and closing of the transaction is scheduled on or about July 30, 2017. As with all GSA properties, the lease is backed by the full faith and credit obligation of the United States of America.

"CIS Montgomery, the first in the State of Alabama, is the latest example of the many GSA properties that we have identified that fits the requirements of our asset acquisition program. Serving as the HQ for the entire State of Alabama and having recently been renovated and secured under a new 15-year lease, CIS Montgomery has all the elements which make it an attractive and valuable addition to our growing portfolio," said Edwin M. Stanton, Chief Executive Officer and Director of HC Government Realty Trust Inc.

A photo accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/1f648610-4527-4901-a4e8-168ea55df271>

In connection with the sale of approximately \$4 million of common stock since May 22, 2017 under the Company's Regulation A+ Offering Statement under Title IV of the JOBS Act, the

ownership interests in seven GSA properties owned by affiliate and sponsor Holmwood Capital, LLC., were contributed to the Company's real estate portfolio. The contributed properties have aggregate Rentable Square Feet (RSF) in excess of 104,000 and currently house GSA tenants including the CIS, FBI, Social Security Administration, and Customs and Border Protection, among others, and bring the total number of properties in the HCGRT portfolio to 12, comprising over 210,000 RSF (approximately 230,000 RSF with the inclusion of CIS Montgomery).

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, "Our business plan is built around the unique investment opportunity of GSA-leased properties and their potential to generate superior risk-adjusted returns. The addition of CIS Montgomery and the seven newly contributed GSA properties are important milestones, ones that we believe will significantly increase the value and cashflow of our portfolio. With these new properties, and others in our pipeline, we are committed to further building our REIT and generating value for our growing base of shareholders."

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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