

Hines and Boston Properties Partner on Transbay Tower

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Project Approved by San Francisco Planning Commission

SAN FRANCISCO--(BUSINESS WIRE)--Oct. 23, 2012-- The San Francisco office of Hines announced today two major milestones of its Transbay Tower project, a 1.4 million-square-foot, 61-story icon to be built adjacent to the Transbay Transit Center.

First, Hines recently finalized the formation of a joint venture with Boston Properties (NYSE: BXP) to acquire the project land from the Transbay Joint Powers Authority. The approximately \$190 million acquisition is expected to close in the first quarter of 2013. Hines and Boston Properties each have a 50 percent interest in the venture.

In addition, on October 18, the San Francisco Planning Commission granted final planning approval for the tower to proceed. Designed by Pelli Clarke Pelli Architects (PCPA), the building is slated to be the tallest on the West Coast, with its crown soaring to a height of 1,070 feet.

Hines Chairman Gerald D. Hines commented, "We are very gratified to have both a stellar partner and the city's nod of approval. We think the tower will be a beautiful addition to San Francisco's beloved skyline as well as an extremely desirable and sustainable workplace next to one of the state's busiest transit hubs."

Mortimer B. Zuckerman, Chairman and CEO of Boston Properties, added, "We are delighted with our partnership with the Hines organization. Both organizations share the same values of building the highest-quality buildings in the best locations. The combination of our two organizations will provide superior management at all levels of this extraordinary project, which we are committed to make a landmark for generations to come."

The Transbay Transit Center project is a visionary transportation and housing project that is transforming downtown San Francisco and the San Francisco Bay Area's regional transportation system by creating a "Grand Central Station of the West Coast" in the heart of a new transit-friendly neighborhood. The \$4 billion project will replace the former Transbay Terminal at First and Mission streets in San Francisco with a modern regional transit hub connecting eight Bay Area counties and the State of California through 11 transit systems. Designed by PCPA, the new Transit Center will feature a 5.4-acre rooftop park. The Transit Center project is a national model for environmentally friendly transit-oriented development. The Transbay Tower will be built adjacent to the Transit Center and the land sale proceeds will provide additional financing for the Transit Center project.

Hines is a privately owned real estate firm involved in real estate investment, development and management. The firm's historical and current portfolio of projects underway, completed, acquired and managed includes 1,208 properties representing more than 488 million square feet of office, residential, mixed-use and industrial facilities. With offices in 104 cities in 18 countries, and controlled assets valued at approximately \$23.8 billion, Hines is one of the most respected real estate organizations in the world.

Boston Properties is a fully integrated, self-administered and self-managed real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of Class A office space, one hotel, three residential properties and three retail properties. The company is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets – Boston, New York, Princeton, San Francisco and Washington, DC.

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