



Boston Properties and Hines Close on Record Land Sale for Transbay Transit Tower Parcel

March 26, 2013

Ceremonial Groundbreaking of the West Coast's Tallest Tower Scheduled

BOSTON--(BUSINESS WIRE)--Mar. 26, 2013-- Hines and Boston Properties (NYSE: BXP) announced today that it will ceremonially break ground to celebrate the acquisition of 101 First Street, a land parcel sold by Transbay Joint Powers Authority (TJPA) for approximately \$192 million. The sale of the 50,000-square-foot parcel closed today at nearly \$4,000 per land foot. The firms are now set to develop the Transbay Transit Tower, a new Pelli Clarke Pelli-designed icon adjacent to the Transbay Transit Center, a multi-modal transportation hub and the new heart of the revitalized South of Market San Francisco neighborhood. It was also announced that a partnership of Clark Construction and Hathaway Dinwiddie will serve as general contractors for the soaring, 60-story office building at Mission and First streets.

At 1,070 feet, the tower is set to be the tallest on the United States' West Coast and the seventh tallest in the U.S., edging out New York's Chrysler Building. The project was initiated in 2007 and received planning approval in October of 2012. Construction of the 1.4 million-square-foot tower could begin as early as summer 2013 with project completion in 2016, just before the opening of the new transit facility.

A ceremonial groundbreaking celebration is scheduled to occur on March 27, 2013 with such dignitaries in attendance as: San Francisco Mayor Edwin M. Lee; TJPA Executive Director Maria Ayerdi-Kaplan, Chair of the TJPA Board and Supervisor Jane Kim, along with other board members, as well as Boston Properties Chairman and CEO Mortimer B. Zuckerman; and Hines Chairman Gerald D. Hines.

"The sale of the Transbay Transit Tower property is a transformative moment for San Francisco," said Executive Director of the TJPA, Maria Ayerdi-Kaplan. "The Tower and the Transbay Transit Center will stand at the center of one of the most forward-looking transit-oriented developments in the world today."

Zuckerman commented, "We are dedicated to making this an iconic tower that will stand as a landmark for all who travel to San Francisco and add to its appeal as one of our most sought after 24/7 cities in the U.S. on top of being the technology capital of the world."

Hines Senior Managing Director Paul Paradis notes, "Tenant interest in the financial, professional services and tech sectors has been extremely high. Now that we are closing on the land and moving full speed ahead with the design, I'm confident that discussions will progress into leasing quickly. Transbay will be a new icon for the city and state, but also a beacon for a progressive anchor tenant looking for the finest, sustainable office space."

"This record transaction signifies the investor confidence that we all have in San Francisco's future," said San Francisco Mayor Edwin M. Lee. "Soon to be the West Coast's tallest building, the Transbay Tower benefits not only a world class transit facility but also represents the strength of our City's economic recovery, providing jobs to build a better, more sustainable future."

"Investments in transportation are fueling our economic recovery and the Transbay Terminal epitomizes how federal support helps attract and leverage private investment," said U.S. Transportation Secretary LaHood. "Construction of the Transit Tower will create thousands of jobs today, while positioning the surrounding neighborhood to become a major employment center for the Bay Area for generations to come."

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 four 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, D.C.

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. 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.

This press release contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects" and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties' control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the costs and availability of financing, the ability of our joint venture partners to satisfy their obligations, the effects of local, national and international economic and market conditions (including the impact of the European sovereign debt issues), the effects of acquisitions,

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