



Hanover Real Estate Partners Summarizes Activity at Its Texas Properties

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GREENWICH, Conn.--(BUSINESS WIRE)--Hanover Real Estate Partners ("Hanover"), a privately held real estate investment company focused on owning, managing and operating institutional grade commercial real estate assets across the United States, today announced new lease agreements and other business developments at its three Texas properties. In 2011, the Company secured 11 new lease agreements, funded and committed to fund over \$3.1 million for property and tenant improvements, paid \$1.2 million in leasing commissions, retained CBRE Group, Inc. (NYSE:CBG) to lead its leasing efforts in San Antonio, TX and retained CBRE to provide on-site property management services for the Marathon Oil Tower, Houston, TX.

Leasing:

Despite the challenging economic conditions throughout the United States, over the past year Hanover has seen leasing activity increase across its core Texas commercial real estate markets. Between its Marathon Oil Tower property, a 41-story, Class-A office building located in Houston, and its Colonial Center and Citizens Center properties, a four-story and five-story commercial office building, respectively, both located in San Antonio, Hanover secured the following lease agreements in 2011:

* Marathon Oil Tower, Houston – Hanover signed new leases with Duke Energy for 42,576 square feet, the Marathon Oil Company for 36,575 square feet and Univation Technologies for 29,532 square feet. In addition, Ankor E & P Holdings Corporation, a wholly-owned subsidiary of Korea National Oil ("KNOC"), signed a six year lease extension and agreed to more than triple its original lease from 3,024 square feet to 12,915 square feet. Other tenants that renewed their lease or moved into the building include Kelpetro, Inc., Helix Well Containment Group, U.S. Bank and MCImetro, a division of Verizon (NYSE: VZ). As a result of this activity, the property is 97 percent leased.

* Colonial Center and Citizens Center, San Antonio – Hanover entered into new lease agreements with Trinity Title of Texas, a San Antonio-based title insurance company, to occupy 3,997 square feet and DNR Facilities Services, a San Antonio-based janitorial services company, to occupy 2,925 square feet. Other tenants that occupy Colonial Center include the Art Institute of San Antonio, Inc., a division of Education Management Services. At Citizens Center Hanover successfully renewed its lease with a local office of Farmers Insurance.

Investments:

In order to drive occupancy and value, Hanover has invested substantially in building improvements and upgrades at its Texas properties. The investment activity is a direct result of the Company's broad strategy to maximize the value of its properties and attract and retain quality tenants. Hanover's 2011 investments include:

* Marathon Oil Tower, Houston – As a result of the new lease agreements highlighted above, Hanover has funded or has committed to fund tenant improvement allowances in excess of \$2 million. This capital will allow

tenants to customize their leased space to meet their specific needs. In addition, the Company continues to make strategic investments to improve the building's efficiencies, security and overall appearance. These investments are highlighted by the new state-of-the-art security turnstiles located at each elevator entrance and the new, interactive building directory, parking garage lighting and directional signage. Hanover plans to make additional improvements to the building in the near future.

* Colonial Center, San Antonio – In conjunction with the Trinity Title and DNR Facilities Services leases, Hanover has funded over \$160,000 in tenant improvements at the building. Furthermore, the Company recently completed renovation of the Colonial Center's lobby, bathrooms also upgraded landscaping, building signage and exterior lighting.

* Citizens Center, San Antonio – Earlier this year, Hanover completed a new management office at its Citizens Center property and continues to make ongoing improvements to the building's mechanical systems, landscaping, exterior lighting and building signage.

New Partnerships:

Hanover is pleased to announce that it has retained CBRE to lead its leasing efforts in San Antonio. Steve Thomas and Lindsey Tucker, who together boast 35 years of leasing experience in San Antonio, will lead CBRE's efforts in the area. Both individuals are currently promoting the vacant space at Colonial Center and Citizens Center to qualified tenants.

Executive Commentary:

Reed Miller and Ken Boyle, managing partners for Hanover Real Estate Partners commented: "We are pleased with the leasing activity at our Texas properties and believe it's a testament to the strength of Texas' economy. The state has seen an increase in year-over-year job growth since 2009 and we expect that trend to continue as more companies bring their operations to Texas. These positive fundamentals bode well for office operators as the increased demand for office space will drive up rental rates. We believe we are well positioned to continue to capitalize on this trend in 2012."

About Hanover Real Estate Partners

Hanover Real Estate Partners, Greenwich, CT is owned by Reed Miller and Ken Boyle. Hanover is a national full service real estate investment company focused on owning, managing and operating institutional grade commercial real estate. Its portfolio includes properties in the office, hospitality, residential and retail sectors located across the United States. For its own account Hanover acquires and repositions valuable but often under-performing real estate assets and specializes in repositioning assets and lease restructurings to realize untapped potential. Founded in 1981 and based in Greenwich, CT, Hanover approaches each asset from an owner's perspective, priding itself on its strong operating and management capabilities strictly applied to each of its investments. The company currently owns and manages an aggregate of 2.7 million square feet of office buildings and industrial/warehouse, and several hotels. Please go to www.hanover-partners.com for more information.