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Behringer Harvard Acquires Three Office Properties; Premium Office Assets in Dallas and St. Louis

DALLAS--(BUSINESS WIRE)--July 26, 2004--Behringer HARVARD FUNDS announces the acquisition of three commercial office real estate properties; one for each of its public non-traded real estate funds. Two properties, 5050 Quorum and Northpoint One, are located in Dallas, in the Addison and LBJ submarkets, respectively. St. Louis Place is a core office property located in St. Louis.

"These properties are outstanding additions to our Short-Term, Mid-Term and REIT asset portfolios," said Robert Behringer, the founder and CEO of Behringer HARVARD FUNDS. "Each offered an attractive investment opportunity that should capitalize on improving market conditions across each of the markets. The recently updated buildings are home to quality tenants on long-term leases in strong real estate markets. These new assets enhance the three fund portfolios through geographic diversification and credit quality -- in line with our investors' expectations."

The Dallas buildings offer distinct architectural designs in excellent locations with access to and visibility along two major freeways. The strategic locations, with an abundance of amenities located in close proximity, allow easy access to airports, restaurants and executive neighborhoods in Dallas. Both assets were recently renovated and upgraded. Each offers ample parking for visitors and employees.

5050 Quorum is a 133,799-square foot, seven-story, Class A office building located on approximately four acres at the intersection of the Dallas North Tollway and Quorum Drive. Built in 1981, its common areas and mechanical systems were recently renovated. It is 45 percent occupied by tenants that include a national bank, with an on-site, drive-through facility. This asset was acquired for the Short-Term Opportunity Fund I LP, with the intention to remarket the asset to attract new creditworthy tenants over a short hold period.

Northpoint One is located at 9229 LBJ Freeway. It was extensively renovated in 2001 with upgrades in 2003. The two-story office building has nearly 80,000 rentable square feet. The bright, open lobby and spacious interior atrium complement the building's efficient floorplates. The building provides convenient amenities including an on-site deli. The asset is 100 percent occupied. This investment was made by the Mid-Term Value Enhancement Fund I LP.

With modern architectural design including outdoor balconies and office space facing some of downtown's most famous venues, St. Louis Place is located at the heart of the St. Louis Business District. The 337,088 square foot office building was built in 1983. The building is easily accessible and convenient for commuting tenants. St. Louis Place offers a variety of amenities, including covered, on-site parking and 24-hour security. It has excellent access to many nearby restaurants, hotels, sports venues and tourist attractions.

"St. Louis Place gives the REIT and our investors a foothold in a new geographic market which has experienced positive job, population and rent growth, as well as strong occupancy at a basis significantly lower than replacement cost," said Behringer. "The property's profile fits well with our business and investment strategy. We look forward to growing our portfolio with assets that offer the same underlying fundamentals."

About Behringer HARVARD FUNDS:

Behringer HARVARD FUNDS is a national real estate investment fund sponsor offering a family of real estate funds to the public through the independent broker dealer community. Its three finite-life, non-listed, public funds offer their securities in best efforts public offerings and seek to produce attractive returns to their investors through a balance of current yield and capital appreciation. Behringer Harvard REIT I, Inc. has a planned fund life of eight to ten years and is raising up to \$880 million in its current public offering. It targets for investment institutional quality office properties in

major metropolitan and other markets with high barriers to entry. Behringer Harvard Mid-Term Value Enhancement Fund I LP, is raising up to \$440 million, has a planned fund life of five to eight years, and primarily targets office and office service center investments in markets with identifiable barriers to entry, including suburban sub-markets of mature metropolitan areas. Behringer Harvard Short-Term Opportunity Fund I LP, which has a planned fund life of three to five years, fund targets investment properties with more moderate current yield characteristics, but with the potential for additional capital appreciation through repositioning and the use of leverage. The Short-Term Opportunity Fund I LP is raising up to \$110 million in its current public offering. Behringer Harvard Funds also sponsors 1031 tenant in common securities offerings that invest in institutional quality commercial real estate.

This release contains forward-looking statements relating to the business and financial outlook of Behringer Harvard Funds, including Behringer Harvard REIT I, Inc., Behringer Harvard Mid-Term Value Enhancement Fund I LP, and Behringer Harvard Short-Term Opportunity Fund I LP, which are based on our current expectations, estimates, forecasts and projections and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from the forward-looking statements contained in this release. Such factors include those described in the Risk Factors sections of the prospectuses for the public offerings of equity of each of Behringer Harvard REIT I, Inc., Behringer Harvard Mid-Term Value Enhancement Fund I LP, and Behringer Harvard Short-Term Opportunity Fund I LP. Forward-looking statements in this release speak only as of the date on which such statements were made and we undertake no obligation to update any such statements that become untrue because of subsequent events. We claim the safe harbor protection for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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