

HARTMAN COMMERCIAL PROPERTIES REIT
Form 424B3
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Registration No. 333-111674

Hartman Commercial Properties REIT
Maximum Offering of 11,000,000 Common Shares of Beneficial Interest
Minimum Offering of 200,000 Common Shares of Beneficial Interest
Minimum Purchase of 100 Shares (\$1,000) in Most States

Hartman Commercial Properties REIT is a Maryland real estate investment trust that was originally organized in 1998 as a Texas real estate investment trust under the name Hartman Commercial Properties REIT. We invest in and operate retail, industrial and office properties located primarily in the Houston, Dallas and San Antonio, Texas metropolitan areas. We intend to expand our investments to retail, industrial and office properties located in major metropolitan cities in the United States, principally in the Southern United States. As of November 30, 2005, we owned 37 real estate properties.

This prospectus supersedes and replaces our prospectus dated September 15, 2004, as amended by post-effective amendment dated June 27, 2005, as supplemented by Supplement No. 1 dated September 1, 2005, for this offering. We are offering up to 10,000,000 common shares of beneficial interest and a minimum of 200,000 common shares of beneficial interest on a best efforts basis at a price of \$10.00 per share. We also are offering up to 1,000,000 common shares of beneficial interest to be issued under our dividend reinvestment plan at a purchase price of \$9.50 per share. The shares will be offered to investors on a best efforts basis. This offering will terminate on or before September 15, 2006.

	Per Share	Total Minimum	Total Maximum
Primary Offering			
Price to Public	\$ 10.000	\$ 2,000,000	\$ 100,000,000
Selling Commissions*	.675	135,000	6,750,000
Dealer Manager Fee	.250	50,000	2,500,000
Proceeds to Us	\$ 9.075	\$ 1,815,000	\$ 90,750,000
Dividend Reinvestment Plan			
Price to Public	\$ 9.500	—	\$ 9,500,000
Selling Commissions*	—	—	—
Dealer Manager Fee	—	—	—
Proceeds to Us	\$ 9.500	—	\$ 9,500,000

* Selling commissions of up to 7.0% of gross offering proceeds will be paid for sales through participating broker-dealers; however, no selling commissions will be paid to D.H. Hill Securities, LLP, our dealer manager, with respect to shares sold by registered representatives or principals of D.H. Hill Securities, LLP who are affiliated with our company, and no selling commissions will be paid in connection with the purchases pursuant to our dividend reinvestment plan. We anticipate that approximately 360,000 of the shares sold pursuant to this offering will not be subject to selling commissions. A reduction in selling commissions will increase the amount of proceeds of this

offering available for us to invest in real property.

Investing in our common shares involves a high degree of risk. You should purchase common shares only if you can afford a complete loss. See “Risk Factors” beginning on page 17. The most significant risks relating to your investment include the following:

No public market currently exists for our common shares. Our shares cannot be readily sold, and if you are able to sell your shares, you will likely have to sell them at a substantial discount. We intend to either liquidate our assets or list our shares for trading on an exchange within twelve years of the termination of this offering.

All of our properties are located in the Houston, Dallas and San Antonio metropolitan areas. Our operations may be adversely impacted by an economic downturn in Houston, Dallas and/or San Antonio. If we raise substantially less than the maximum offering, we may not be able to invest in a geographically diverse portfolio of properties.

We will rely on Hartman Management, L.P., our advisor, to select properties and other investments and conduct our operations. We are obligated to pay substantial fees to our advisor and its affiliates, some of which are payable based upon factors other than the quality of services provided to us. Our advisor and its affiliates will face conflicts of interest, such as competing demands upon their time, their involvement with other entities and the allocation of opportunities among affiliated entities and us.

We may incur substantial debt, which could hinder our ability to pay dividends to our shareholders or could decrease the value of your investment in the event that income on, or the value of, the property securing such debt falls.

The amount of dividends we may make is uncertain.

We may not qualify as a REIT in a given taxable year. If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates, and we would be disqualified from being taxed as a REIT for the four taxable years following the year during which qualification was lost, unless entitled to relief under certain statutory provisions.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

No one is authorized to make any statement about this offering different from those that appear in this prospectus. The use of projections or forecasts in this offering is prohibited. Any representation to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefit or tax consequence that may flow from an investment in this offering is not permitted.

The dealer manager of this offering is D.H. Hill Securities, LLP. The dealer manager is not required to sell any specific number or dollar amount of our common shares but will use its best efforts to sell the shares offered hereby. Your subscription payments will be placed in an account held by the escrow agent, Wells Fargo Bank, N.A., and will be held in trust for your benefit, pending release to us.

The date of this prospectus is March 9, 2006

TABLE OF CONTENTS

	<u>Page</u>
<u>SUITABILITY STANDARDS</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THIS OFFERING</u>	1
<u>PROSPECTUS SUMMARY</u>	9
<u>Hartman Commercial Properties REIT</u>	9
<u>Our Advisor</u>	9
<u>Our Management</u>	9
<u>Terms of The Offering</u>	10
<u>Summary Risk Factors</u>	10
<u>Description of Properties, Investments and Borrowing</u>	11
<u>Estimated Use of Proceeds of This Offering</u>	12
<u>Investment Objectives</u>	12
<u>Dividend Policy</u>	12
<u>Conflicts of Interest</u>	12
<u>Prior Offering Summary</u>	14
<u>Compensation to Hartman Management and Its Affiliates</u>	14
<u>Dividend Reinvestment Plan</u>	15
<u>Share Redemption Program</u>	15
<u>Hartman REIT Operating Partnership, L.P.</u>	15
<u>ERISA Considerations</u>	16
<u>Description of Shares</u>	16
<u>RISK FACTORS</u>	17
<u>Risks Related to an Investment in Hartman Commercial Properties REIT</u>	17
<u>There is no public trading market for your shares; therefore, it will be difficult for you to sell your shares.</u>	17
<u>If we, through Hartman Management, are unable to find suitable investments, then we may not be able to achieve our investment objectives or pay dividends.</u>	17
<u>We may suffer from delays in locating suitable investments, which could adversely affect the return on your investment.</u>	17
<u>Our accumulated deficit may negatively impact our ability to fund our working capital needs or our ability to pay dividends.</u>	18
<u>You will not have the opportunity to evaluate our investments before we make them.</u>	18
<u>Our shares in this offering are being sold by our dealer manager, D.H. Hill Securities, LLP, on a “best efforts” basis. Because of the “best efforts” nature of this offering, there is no guarantee that we will be able to raise substantially more than the minimum offering amount.</u>	18
<u>If we are unable to raise substantially more than the minimum offering amount, we will be limited in the number and type of investments we may make and the value of your investment in us will fluctuate with the performance of the specific investments we make.</u>	18
<u>Because of the lack of geographic diversification of our portfolio, an economic downturn in the Houston, Dallas or San Antonio, Texas metropolitan areas could adversely impact our operations and ability to pay dividends to our shareholders.</u>	18
<u>This is the first publicly offered REIT sponsored by Mr. Hartman, and the prior performance of private real estate investment programs sponsored by affiliates</u>	19

<u>of Mr. Hartman may not be an indication of our future results.</u>	
<u>If we lose or are unable to obtain key personnel, our ability to implement our investment strategies could be delayed or hindered.</u>	19
<u>Our rights, and the rights of our shareholders, to recover claims against our officers, trustees and our advisor are limited.</u>	19
<u>We may need to incur borrowings to meet REIT minimum distribution requirements.</u>	19
<u>An increase in market interest rates may have an adverse effect on our ability to sell shares in this offering.</u>	20
<u>We expect to acquire or develop several properties with the proceeds of this offering that, if unsuccessful, could adversely impact our ability to pay dividends to our shareholders.</u>	20
<u>Our use of borrowings to fund acquisitions and improvements on properties could result in foreclosures and unexpected debt service expenses upon refinancing.</u>	21

<u>We operate in a competitive business and many of our competitors have greater resources and operating flexibility than we do.</u>	21
<u>Approximately 30.2% of our gross leasable area is subject to leases that expire prior to December 31, 2007.</u>	21
<u>We depend on tenants for our revenue and on anchor tenants to attract non-anchor tenants.</u>	21
<u>The bankruptcy or insolvency of major tenants would adversely impact our operations.</u>	22
<u>We may be subject to risks as the result of joint ownership of real estate with third parties.</u>	22
<u>We may have difficulty selling our real estate investments, which may have an adverse impact on our ability to pay dividends.</u>	22
<u>It is likely that you will not have the benefit of an independent due diligence review in connection with this offering.</u>	22
<u>We established the offering price on an arbitrary basis.</u>	22
<u>Provisions in our charter may discourage a takeover attempt.</u>	23
<u>You may experience immediate dilution and could suffer additional dilution as the result of the conversion of OP Units and issuances of additional shares.</u>	23
<u>Complying with REIT requirements may cause us to forego otherwise attractive opportunities.</u>	24
<u>Complying with REIT requirements may force us to liquidate otherwise attractive investments.</u>	24
<u>Risks Related to Conflicts of Interest</u>	24
<u>Hartman Management will face conflicts of interest relating to the purchase and leasing of properties, and such conflicts may not be resolved in our favor.</u>	24
<u>Our advisor may face a conflict of interest when allocating personnel and resources between our operations and the operations of other entities it manages.</u>	24
<u>Certain of our officers and trustees face conflicts of interests relating to the positions they hold with other entities.</u>	25
<u>Allen R. Hartman controls other entities that compete with us for his time as well as tenants and acquisition opportunities.</u>	25
<u>Hartman Management will face conflicts of interest relating to joint ventures, which could result in a disproportionate benefit to a Hartman program or third party other than us.</u>	25
<u>Hartman Management will face conflicts of interest relating to the incentive fee structure under our advisory agreement, which could result in actions that are not necessarily in the long-term best interests of our shareholders.</u>	26
<u>There is no separate counsel for our affiliates and us, which could result in conflicts of interest.</u>	26
<u>Our UPREIT structure may result in potential conflicts of interest.</u>	26
<u>We have acquired a majority of our properties from entities controlled by Mr. Hartman.</u>	27
<u>Risks Related to Our Business in General</u>	27
<u>Our charter permits our board of trustees to issue capital shares with terms that may subordinate the rights of the holders of our current common shares or discourage a third party from acquiring us.</u>	27
<u>Maryland law prohibits certain business combinations, which may make it more difficult for us to be acquired.</u>	27
	28

<u>Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.</u>	
<u>You are bound by the majority vote on matters on which you are entitled to vote.</u>	29
<u>Shareholders have limited control over changes in our policies and operations.</u>	29
<u>You are limited in your ability to sell your shares pursuant to our share redemption program.</u>	29
<u>If you are able to resell your shares to us pursuant to our redemption program, you will likely receive substantially less than the fair market value for your shares.</u>	29
<u>Payment of fees to Hartman Management and its affiliates will reduce cash available for investment and dividends.</u>	30
<u>There can be no assurance that we will be able to pay or maintain cash dividends or that dividends will increase over time.</u>	30
<u>If we experience decreased cash flows, we may need to use other sources of cash to fund dividends or we may be unable to pay dividends.</u>	30
<u>Adverse economic and geopolitical conditions could negatively affect our returns and profitability.</u>	30
<u>We are uncertain of our sources for funding of future capital needs, which could adversely affect the value of our investments.</u>	31

<u>General Risks Related to Investments in Real Estate</u>	31
<u>Your investment will be directly affected by general economic and regulatory factors we cannot control or predict.</u>	31
<u>Properties that have significant vacancies could be difficult to sell, which could diminish the return on your investment.</u>	31
<u>If we set aside insufficient working capital or are unable to secure funds for future tenant improvements, we may be required to defer necessary property improvements, which could adversely impact our ability to pay cash dividends to our shareholders.</u>	32
<u>Uninsured losses relating to real property or excessively expensive premiums for insurance coverage may adversely affect your returns.</u>	32
<u>Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.</u>	32
<u>Uncertain market conditions relating to the future disposition of properties could adversely affect the return on your investment.</u>	33
<u>The costs of compliance with environmental laws and other governmental laws and regulations may adversely affect our income and the cash available for any dividends.</u>	33
<u>Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.</u>	33
<u>Our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem.</u>	34
<u>Our costs associated with complying with the Americans with Disabilities Act may affect cash available for dividends.</u>	34
<u>If we sell properties by providing financing to purchasers, we will bear the risk of default by the purchaser.</u>	34
<u>Risks Associated with Debt Financing</u>	34
<u>We may incur mortgage indebtedness and other borrowings, which may increase our business risks.</u>	34
<u>If mortgage debt is unavailable at reasonable rates, we may not be able to finance the properties, which could reduce the number of properties we can acquire and the amount of cash dividends we can make.</u>	35
<u>Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to pay dividends to our shareholders.</u>	35
<u>If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to pay dividends.</u>	35
<u>Risks Associated with Section 1031 Exchange Transactions</u>	35
<u>We may have increased exposure to liabilities from litigation as a result of any participation by us in Section 1031 Exchange Transactions.</u>	35
<u>We will be subject to risks associated with co-tenancy arrangements that otherwise may not be present in a real estate investment.</u>	36
<u>Actions by a co-tenant might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing your returns.</u>	36
<u>Our participation in the Section 1031 Exchange Transactions may limit our ability to borrow funds in the future, which could adversely affect the value of our investments.</u>	36
<u>Federal Income Tax Risks</u>	36

<u>If we failed to qualify as a REIT, our operations and dividends to shareholders would be adversely impacted.</u>	36
<u>If Hartman OP was classified as a “publicly-traded partnership” under the Internal Revenue Code, our operations and dividends to shareholders could be adversely affected.</u>	37
<u>Dividends to tax-exempt investors may be classified as unrelated business tax income.</u>	37
<u>Investors subject to ERISA must address special consideration when determining whether to acquire common shares.</u>	37
<u>Certain fees paid to Hartman OP may affect our REIT status.</u>	38
<u>Recharacterization of the Section 1031 Exchange Transactions may result in taxation of income from a prohibited transaction, which would diminish our cash dividends to our shareholders.</u>	38
<u>You may have tax liability on dividends that you elect to reinvest in our common shares.</u>	38
<u>In certain circumstances, we may be subject to federal and state income taxes as a REIT, which would reduce our cash available for payment of dividends to our shareholders.</u>	38

<u>We may be subject to adverse legislative or regulatory tax changes that could adversely impact our ability to sell shares in this offering.</u>	39
<u>There are special considerations that apply to pension or profit-sharing trusts or IRAs investing in our shares.</u>	39
<u>Equity participation in mortgage loans may result in taxable income and gains from these properties, which could adversely impact our REIT status.</u>	39
<u>Forward-Looking Statements</u>	39
<u>ESTIMATED USE OF PROCEEDS</u>	41
<u>DILUTION</u>	43
<u>CURRENT STATUS OF THE OFFERING</u>	44
<u>MANAGEMENT</u>	45
<u>General Information About Us</u>	45
<u>Committees of the Board of Trustees</u>	47
<u>Audit Committee</u>	47
<u>Nominating and Corporate Governance Committee</u>	47
<u>Compensation Committee</u>	47
<u>Conflicts Committee</u>	47
<u>Executive Officers and Trustees</u>	48
<u>Compensation of Trustees</u>	48
<u>Provisions Applicable to Our Equity Compensation Plans</u>	49
<u>Limited Liability and Indemnification of Trustees, Officers, Employees and Other Agents</u>	50
<u>The Advisor and Property Manager</u>	51
<u>The Advisory Agreement</u>	52
<u>The Property Management Agreement</u>	52
<u>The Dealer Manager</u>	54
<u>Management Decisions</u>	54
<u>MANAGEMENT COMPENSATION</u>	55
<u>OWNERSHIP OF SHARES</u>	59
<u>CONFLICTS OF INTEREST</u>	60
<u>Interests in Other Real Estate Programs</u>	60
<u>Property Acquisitions From Entities Controlled by Mr. Hartman</u>	60
<u>Certain Relationships and Related Transactions</u>	62
<u>Relationships and Related Transactions with Mr. Hartman</u>	63
<u>Private Placement</u>	64
<u>Other Transactions with Affiliated Entities</u>	64
<u>Advisory Agreement</u>	65
<u>Property Management</u>	65
<u>Competition in Acquiring Properties</u>	65
<u>Dealer Manager</u>	66
<u>Affiliated Property Manager</u>	66
<u>Lack of Separate Representation</u>	66
<u>Joint Ventures with Affiliates of Hartman Management</u>	66
<u>Receipt of Fees and Other Compensation by Hartman Management and Its Affiliates</u>	66
<u>No Arm's-Length Agreements</u>	67
<u>Indebtedness of Management</u>	67
<u>Additional Conflicts of Interest</u>	67
<u>Certain Conflict Resolution Procedures</u>	68

<u>Conflicts Committee</u>	68
<u>Other Charter Provisions Relating to Conflicts of Interest</u>	68
<u>INVESTMENT OBJECTIVES AND CRITERIA</u>	70
<u>General</u>	70
<u>Acquisition and Investment Policies</u>	70
<u>Development and Construction of Properties</u>	73
<u>Terms of Leases and Tenant Creditworthiness</u>	73
<u>Joint Venture Investments</u>	74
<u>Making Loans and Investments in Mortgages</u>	75
<u>Section 1031 Exchange Transactions</u>	77
<u>Borrowing Policies</u>	77
<u>Disposition Policies</u>	78
<u>Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers</u>	79
<u>Equity Capital</u>	79

<u>Other Investments</u>	79
<u>Investment Limitations</u>	80
<u>Change in Investment Objectives and Limitations</u>	80
<u>Real Property Investments</u>	81
<u>Certain Other Policies</u>	81
<u>DESCRIPTION OF REAL ESTATE AND OPERATING DATA</u>	82
<u>General Physical Attributes</u>	83
<u>General Economic Attributes</u>	84
<u>Major Tenants</u>	86
<u>Lease Expirations</u>	87
<u>Depreciation and Tax Items</u>	87
<u>Recent Developments</u>	88
<u>Competition</u>	89
<u>Insurance</u>	89
<u>Employees</u>	90
<u>Legal Proceedings</u>	90
<u>Economic Dependency</u>	90
<u>Environmental Regulations and Related Matters</u>	90
<u>SELECTED FINANCIAL DATA</u>	92
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	93
<u>Overview</u>	93
<u>Critical Accounting Policies</u>	94
<u>Liquidity and Capital Resources</u>	96
<u>Results of Operations</u>	102
<u>Taxes</u>	106
<u>Inflation</u>	106
<u>Environmental Matters</u>	107
<u>Off-Balance Sheet Arrangements</u>	107
<u>Recent Accounting Pronouncements</u>	107
<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	107
<u>PRIOR PERFORMANCE SUMMARY</u>	108
<u>Prior Investment Programs</u>	108
<u>Summary Information</u>	108
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	111
<u>General</u>	111
<u>Opinion of Counsel</u>	111
<u>Taxation of the Trust</u>	112
<u>Requirements for Qualification as a REIT</u>	112
<u>Failure to Qualify as a REIT</u>	117
<u>Sale-Leaseback Transactions</u>	117
<u>Taxation of United States Shareholders</u>	117
<u>Treatment of Tax-Exempt Shareholders</u>	119
<u>Special Tax Considerations for Non-United States Shareholders</u>	119
<u>Statement of Share Ownership</u>	121
<u>State and Local Taxation</u>	121
<u>Tax Aspects of Our Operating Partnership</u>	121
	125

INVESTMENT BY TAX-EXEMPT ENTITIES AND ERISA
CONSIDERATIONS

<u>General</u>	125
<u>Minimum Distribution Requirements – Plan Liquidity</u>	125
<u>Annual Valuation Requirement</u>	126
<u>Fiduciary Obligations – Prohibited Transactions</u>	126
<u>Plan Assets – Definition</u>	126
<u>Publicly Offered Securities Exemption</u>	127
<u>Real Estate Operating Company Exemption</u>	127
<u>Consequences of Holding Plan Assets</u>	128
<u>Prohibited Transactions</u>	128
<u>Prohibited Transactions - Consequences</u>	128
<u>DESCRIPTION OF SHARES</u>	129
<u>General</u>	129

<u>Common Shares</u>	129
<u>Power to Reclassify Our Shares</u>	129
<u>Power to Issue Additional Common Shares and Preferred Shares</u>	130
<u>Reports to Shareholders</u>	130
<u>Meetings and Special Voting Requirements</u>	130
<u>Restrictions on Transfer</u>	131
<u>Dividends</u>	132
<u>Share Redemption Program</u>	136
<u>Registrar and Transfer Agent</u>	137
<u>Restrictions on Roll-Up Transactions</u>	137
<u>Provisions of Maryland Law and of Our Charter and Bylaws</u>	138
<u>Board of Trustees</u>	138
<u>Business Combinations</u>	138
<u>Control Share Acquisitions</u>	139
<u>Subtitle 8</u>	139
<u>Advance Notice of Trustee Nominations and New Business</u>	140
<u>Anti-Takeover Effect of Certain Provisions of Maryland Law and of the</u>	140
<u>Declaration of Trust and Bylaws</u>	
<u>SUMMARY OF DIVIDEND REINVESTMENT PLAN</u>	141
<u>Eligibility</u>	141
<u>Election to Participate</u>	141
<u>Share Purchases</u>	141
<u>Account Statements</u>	141
<u>Fees and Commissions</u>	142
<u>Voting</u>	142
<u>Tax Consequences of Participation</u>	142
<u>Termination of Participation</u>	142
<u>Amendment or Termination of Plan</u>	142
<u>THE OPERATING PARTNERSHIP AGREEMENT</u>	143
<u>General</u>	143
<u>Capital Contributions</u>	143
<u>Operations</u>	143
<u>Distributions and Allocations of Profits and Losses</u>	143
<u>Rights, Obligations and Powers of the General Partner</u>	144
<u>Exchange Rights</u>	144
<u>Change in General Partner</u>	145
<u>Amendment to the Limited Partnership Agreement</u>	145
<u>PLAN OF DISTRIBUTION</u>	146
<u>The Offering</u>	146
<u>Compensation We Will Pay for the Sale of Our Shares</u>	146
<u>Subscription Procedures</u>	148
<u>Suitability Standards</u>	148
<u>Minimum Purchase Requirements</u>	149
<u>Special Notice to Pennsylvania Investors</u>	149
<u>Special Notice to New York Investors</u>	149
<u>SUPPLEMENTAL SALES MATERIAL</u>	150
<u>LEGAL MATTERS</u>	150
<u>EXPERTS</u>	150
<u>ADDITIONAL INFORMATION</u>	150

<u>FINANCIAL INFORMATION</u>	F-1
APPENDIX A: PRIOR PERFORMANCE TABLES	A-1
APPENDIX B: SUBSCRIPTION AGREEMENT	B-1
APPENDIX C: DIVIDEND REINVESTMENT PLAN	C-1

SUITABILITY STANDARDS

An investment in our company involves significant risk and is only suitable for persons who have adequate financial means, desire a re