

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

August 18, 2016

Hines Global REIT II, Inc.

(Exact name of registrant as specified in its charter)

Commission file number: 000-55599

Maryland

(State or other jurisdiction of incorporation
or organization)

80-0947092

(I.R.S. Employer Identification No.)

2800 Post Oak Boulevard

Suite 5000

Houston, Texas

(Address of principal executive offices)

77056-6118

(Zip code)

(888) 220-6121

(Registrant's telephone number, including area code)

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

The information discussed under Item 2.03 of this Current Report on Form 8-K is incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On August 18, 2016, Hines Global REIT II, Inc. (“Hines Global II”), through a wholly-owned subsidiary of its operating partnership, acquired Goodyear Crossing II, a Class-A industrial warehouse located in Goodyear, Arizona, a submarket of Phoenix, Arizona. RT GOODYEAR, LLC, the seller of Goodyear Crossing II, is not affiliated with Hines Global II or its affiliates.

Goodyear Crossing II was constructed during the period between 2008 and 2009 and consists of 820,384 square feet of net rentable area that is 100% leased to Amazon.com, under a lease that expires in September 2019.

The contract purchase price for Goodyear Crossing II was \$56.2 million, exclusive of transaction costs and working capital reserves. Hines Global II funded the acquisition using proceeds from its public offering, an advance under its credit facility with Hines Interests Limited Partnership (“Hines”), an affiliate of Hines Global II, and a \$29.0 million loan (see item 2.03 below). The credit facility with Hines was described in Hines Global II’s Current Report on Form 8-K filed with the Securities and Exchange Commission (“SEC”) on December 19, 2014.

The estimated going-in capitalization rate for Goodyear Crossing II is approximately 8.5%. The estimated going-in capitalization rate is determined by dividing the projected property revenues in excess of expenses for the first fiscal year by the net purchase price (excluding closing costs and taxes). Property revenues in excess of expenses includes all projected operating revenues (rental income, tenant reimbursements, parking and any other property-related income) less all projected operating expenses (property operating and maintenance expenses, property taxes, insurance and property management fees). The projected property revenues in excess of expenses includes assumptions which may not be indicative of the actual future performance of the property, including the assumption that the current tenant will perform under its lease agreement during the next 12 months.

The terms of the acquisition of Goodyear Crossing II are set forth in the agreement of purchase and sale (and in the escrow agreement that was an exhibit thereto) that was filed as an exhibit to Hines Global II’s Quarterly Report on Form 10-Q filed with SEC on August 12, 2016 and is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On August 18, 2016, Hines Global II, through a wholly-owned subsidiary of its operating partnership, entered into a loan agreement with SunTrust Bank (“SunTrust”) for a principal sum of \$29.0 million (the “Loan”) to fund the acquisition of Goodyear Crossing II. SunTrust is not affiliated with Hines Global II or its affiliates. The Loan is secured by a first priority lien on Hines Global II’s interest in Goodyear Crossing II and assignments of all of its leases and rents and the personal property on the premises of Goodyear Crossing II.

Interest accrued on the Loan is due and payable on the fifth of each month commencing in October 2016. The Loan has a floating interest rate of Libor + 2.00%. Repayment of principal is due upon the maturity of the Loan on the earlier of (i) August 18, 2021, or (ii) the date on which the principal amount of the Loan has been declared or automatically has become due and payable. The Loan may be prepaid at any time, in whole or in part, without premium or penalty, subject to certain conditions, including but not limited to providing 3 days’ advance written notice to SunTrust.

The Loan contains various customary events of default, with corresponding grace periods, including, without limitation, payment defaults and bankruptcy-related defaults. The Loan also contains customary financial and other covenants, including, without limitation, covenants regarding the debt service coverage ratio, failure to maintain a property management agreement, limitations on the incurrence of debt and other customary covenants which are more fully described therein. Upon the occurrence of an event of default under the Loan, SunTrust may declare all sums owed under the Loan immediately due and payable. Hines Global II’s liability under the Loan and the related loan documents is limited to Hines Global II’s interest in Goodyear Crossing II, including its leases and rents and the personal property on its premises.

Item 7.01 Regulation FD Disclosure.

On August 23, 2016, Hines issued a press release relating to Hines Global II's acquisition of Goodyear Crossing II. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein are deemed to have been furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(a) and (b) Financial Statements of Business Acquired and Pro Forma Financial Information.

To be filed by amendment. The registrant hereby undertakes to file the financial statements required to be filed in response to this item on an amendment to this Current Report on Form 8-K no later than November 3, 2016.

(d) Exhibits:

- 10.1 Agreement of Purchase and Sale, dated as of June 24, 2016, by and between RT GOODYEAR, LLC and HGREIT II Goodyear Crossing LLC (filed as Exhibit 10.6 to the registrant's Quarterly Report on Form 10-Q filed on August 12, 2016 and incorporated by reference herein)
- 99.1 Press Release of Hines, dated August 23, 2016

Statements in this Current Report on Form 8-K, including but not limited to intentions, beliefs, expectations or projections relating to the estimated going-in capitalization rate for the property described herein, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on current expectations and assumptions with respect to, among other things, tenant performance, future economic, competitive and market conditions and future business decisions that may prove incorrect or inaccurate. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the risks associated with the ability and willingness of the current tenants to continue to make rental payments pursuant to their lease agreements and other risks described in the "Risk Factors" section of Hines Global II's Annual Report on Form 10-K for the year ended December 31, 2015, as updated by its other filings with the SEC. You are cautioned not to place undue reliance on any forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Hines Global REIT II, Inc.

August 23, 2016

By: /s/ J. Shea Morgenroth
Name: J. Shea Morgenroth
Title: Chief Accounting Officer and Treasurer

Exhibit Index

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Hines

News Release

For Immediate Release For Further Information, Contact:
August 23, 2016 George Lancaster, Hines
713/966-7676
George.lancaster@hines.com

HINES GLOBAL REIT II ACQUIRES GOODYEAR CROSSING II

Class A Industrial Warehouse is 100 Percent Leased

(PHOENIX) – Hines, the international real estate firm, announced today that Hines Global REIT II, Inc. has acquired Goodyear Crossing II, a Class A industrial warehouse located in the Goodyear submarket of Phoenix, Arizona.

The project consists of 820,384 square feet of net rentable area that is fully leased. The tenant, a major online retailer, has occupied the project since its completion in 2008, and utilizes it as a distribution facility. Included in the sale is an adjacent parcel, totaling approximately 11.8 acres that would allow an expansion of approximately 285,000 square feet, should the tenant wish to grow its operations there.

Sherri Schugart, president and CEO of Hines Global REIT II, said, “We were attracted to this opportunity to expand our exposure to the U.S. bulk distribution and logistics market by acquiring this recent-vintage, institutional-quality industrial project with an investment-grade tenant that has heavily invested in the space. Its location in the Southwest Valley is in the largest warehouse/distribution submarket in Phoenix that has become the center hub for the area’s growing e-commerce presence.”

Hines Senior Managing Director Palmer Letzerich noted, “Goodyear Crossing II is an outstanding facility located in one of the fastest growing metros in the U.S. The combination of strong market fundamentals and high-quality tenancy made this an attractive investment for Hines Global REIT II.”

The seller was Gramercy Property Trust, which was represented in the transaction by JLL. The acquisition of Goodyear Crossing II is Hines Global REIT II's fifth investment, and its first within the Southwest region.

Hines Global REIT II is a public, non-listed real estate investment trust sponsored by Hines. It commenced operations in 2014 and invests in commercial real estate investments located in the United States and internationally. For additional information about Hines Global REIT II, visit www.hinessecurities.com/reits/hines-global-reit-2/.

Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 182 cities in 20 countries. Hines has \$89.1 billion of assets under management, including \$42.5 billion for which Hines provides fiduciary investment management services, and \$46.6 billion for which Hines provides third-party property-level services. The firm has 109 developments currently underway around the world. Historically, Hines has developed, redeveloped or acquired 1,126 properties, totaling over 351 million square feet. The firm's current property and asset management portfolio includes 457 properties, representing over 193 million square feet. With extensive experience in investments across the risk spectrum and all property types, and a pioneering commitment to sustainability, Hines is one of the largest and most-respected real estate organizations in the world. Visit www.hines.com for more information.

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Forward-Looking Statements

Statements in this press release, including intentions, beliefs, expectations or projections relating to the acquisition described herein, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on current expectations and assumptions with respect to, among other things, tenant performance, future economic, competitive and market conditions and future business decisions that may prove to be incorrect or inaccurate. Important factors that could cause actual results to differ materially from those in the forward-looking statements including the risks associated with the ability and willingness of the current tenants to continue to make rental payments pursuant to their lease agreements and other risks described in the "Risk Factors" section of Hines Global II's Annual Report on Form 10-K for the year ended December 31, 2015, as updated by its other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on any forward-looking statements.