

HALLWOOD REALTY PARTNERS, L.P.

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NEWS RELEASE

HALLWOOD REALTY PARTNERS, L.P. ANNOUNCES 2000 FINANCIAL RESULTS

Dallas, Texas, March 21, 2001 - Hallwood Realty Partners, L.P. ("HRP") (HRY-AMEX) announced today its financial results for the year ended December 31, 2000. HRP had funds from operations of \$14,566,000 (\$8.61 per unit) for 2000, as compared to \$16,060,000 (\$9.14 per unit) for 1999. HRP had income before extraordinary item of \$90,000 (\$0.05 per unit) for 2000, compared to income of \$4,062,000 (\$2.31 per unit) for 1999. During 2000, HRP had an extraordinary loss from the early extinguishment of debt of \$389,000 (\$0.23 per unit), and accordingly HRP had a net loss of \$299,000 (\$0.18 per unit) for 2000. The net results included \$14,476,000 and \$11,998,000 of non-cash depreciation and amortization expense in 2000 and 1999, respectively.

Total revenues increased \$7,647,000, or 12.8%, in 2000 compared to 1999 primarily as a result of an increase in rental income, principally due to higher rental rates, the August 1999 to January 2000 acquisitions of three real estate properties, and the completion of a new development property in mid-2000.

Total expenses were \$11,619,000, or 20.9%, higher in 2000 than in 1999 due to increases in litigation costs of \$3,558,000, property operating expenses of \$2,612,000, depreciation and amortization expense of \$2,478,000, interest expense of \$1,742,000, and general and administrative expenses of \$1,229,000.

HRP had a loss before extraordinary item of \$2,552,000 (\$1.59 per unit) for the fourth quarter of 2000 compared to income of \$427,000 (\$0.24 per unit) for the 1999 comparable fourth quarter. During the fourth quarter of 2000, HRP had an extraordinary loss from the early extinguishment of debt of \$389,000, and accordingly HRP had a net loss of \$2,941,000 (\$1.83 per unit) for the fourth quarter of 2000. The net results included \$4,718,000 and \$3,033,000 of non-cash depreciation and amortization expense in the 2000 and 1999 fourth quarters, respectively.

Total revenues increased \$2,055,000, or 13.1%, during the fourth quarter of 2000 versus 1999 primarily as a result of an increase in rental income, principally due to higher rental rates, the August 1999 to January 2000 acquisitions of three real estate properties, and the completion of a new development property in mid-2000.

Total expenses were \$5,034,000, or 33.0%, higher during the fourth quarter of 2000 than in the 1999 quarter due to increases in depreciation and amortization expense of \$1,685,000, litigation costs of \$1,601,000, interest expense of \$808,000, property operating expenses of \$651,000, and general and administrative expenses of \$289,000.

Property operating expenses and depreciation and amortization were influenced in the fourth quarter and for the year due to the addition of three real estate properties to HRP's real estate portfolio since August 1999 and the addition of one development property in mid-2000. Interest expense increased in the fourth quarter and for the year due to a higher average mortgage balance, in the aggregate, and to a lesser extent, an increase in loan cost amortization. General and administrative expenses were affected by increases to professional fees, travel, and insurance costs.

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Selected Financial Information -

The following tables set forth selected financial information (in thousands, except per unit amounts):

Statements of Income:

	Three months ended		Year ended	
	December 31,		December 31,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Total revenues	\$ 17,749	\$ 15,694	\$ 67,292	\$ 59,645
Total expenses	<u>20,301</u>	<u>15,267</u>	<u>67,202</u>	<u>55,583</u>
Income (loss) before extraordinary item	(2,552)	427	90	4,062
Loss on early extinguishment of debt	<u>(389)</u>	-	<u>(389)</u>	-
Net income (loss)	\$ <u>(2,941)</u>	\$ <u>427</u>	\$ <u>(299)</u>	\$ <u>4,062</u>
<i>Earnings per unit - basic :</i>				
Income (loss) before extraordinary item	\$ (1.59)	\$ 0.25	\$ 0.06	\$ 2.40
Loss on early extinguishment of debt	<u>(0.24)</u>	-	<u>(0.24)</u>	-
Net income (loss)	\$ <u>(1.83)</u>	\$ <u>0.25</u>	\$ <u>(0.18)</u>	\$ <u>2.40</u>
<i>Earnings per unit - assuming dilution :</i> (antidilutive in 4 th quarter of 2000)				
Income (loss) before extraordinary item	\$ (1.59)	\$ 0.24	\$ 0.05	\$ 2.31
Loss on early extinguishment of debt	<u>(0.24)</u>	-	<u>(0.23)</u>	-
Net income (loss)	\$ <u>(1.83)</u>	\$ <u>0.24</u>	\$ <u>(0.18)</u>	\$ <u>2.31</u>
Weighted average units outstanding -				
Basic	1,590	1,673	1,620	1,673
Assuming dilution (antidilutive in 4 th quarter of 2000)	1,590	1,739	1,674	1,740
Funds from operations (a) -				
Income (loss) before extraordinary item	\$ (2,552)	\$ 427	\$ 90	\$ 4,062
Depreciation and amortization	<u>4,718</u>	<u>3,033</u>	<u>14,476</u>	<u>11,998</u>
Funds from operations	\$ <u>2,166</u>	\$ <u>3,460</u>	\$ <u>14,566</u>	\$ <u>16,060</u>
Funds from operations per unit -				
Basic	\$ <u>1.35</u>	\$ <u>2.05</u>	\$ <u>8.90</u>	\$ <u>9.50</u>
Assuming dilution	\$ <u>1.31</u>	\$ <u>1.97</u>	\$ <u>8.61</u>	\$ <u>9.14</u>
Weighted average units outstanding -				
Basic	1,590	1,673	1,620	1,673
Assuming dilution	1,640	1,739	1,674	1,740

(a) Funds from operations is computed in accordance with the National Policy Bulletin by NAREIT dated November 8, 1999.

Balance Sheets:

	As of December 31,	
	<u>2000</u>	<u>1999</u>
Real estate property, net	\$ 206,392	\$ 192,814
Total assets	254,504	230,386
Mortgages payable	200,096	171,312
Partners' capital	44,490	48,696

HRP, a publicly traded Delaware limited partnership, is engaged in the acquisition, ownership and operation of commercial real estate assets.

This news release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are subject to known and unknown risks and uncertainties. Any such projections or statements reflect HRP's current views and are based on reasonable assumptions, however no assurances can be given. HRP's periodic reports filed with the Securities and Exchange Commission include a discussion of important factors that could cause actual results to differ materially from those that may be indicated in any forward-looking statements or projections.

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