Piedmont Reports on Fourth Quarter and Annual Capital Markets and Leasing Activities

January 21, 2019

Atlanta, Jan. 21, 2019 (GLOBE NEWSWIRE) -- Piedmont Office Realty Trust (NYSE: PDM) announced today that during the fourth quarter of 2018 the Company entered into a binding contract for the sale of a 334,000 square foot asset in Washington, D.C. This transaction is in addition to two previously disclosed acquisitions and the sale of one property during the quarter.

Piedmont also reported that the Company completed a total of 1.6 million square feet of leasing during the year, with approximately 256,000 square feet of leasing executed during the fourth quarter, and that the leased percentage for its in-service portfolio had increased to 93.3% as of yearend.

Previously reported transactional activity during the fourth quarter included the following:

- The value-add acquisition of 9320 Excelsior Boulevard in Minneapolis, MN, for $48.7 million, which represents a substantial discount to replacement cost. 9320 Excelsior Boulevard is a 7-story, 268,000 square foot, Class AA office building built in 2010 that is in close proximity to Piedmont's Norman Pointe I property. The building, which offers 20,000 square feet of on-site amenities, is currently 100% leased to Cargill, Inc. whose lease is scheduled to expire in 2023;

- The acquisition of 25 Burlington Mall Road in Boston, MA for approximately $74.0 million. 25 Burlington Mall Road is a 6-story, approximately 288,000 square foot office building situated within one mile of over 800,000 square feet of shopping, dining and entertainment options, as well as, Piedmont's other Burlington sub-market holdings. The acquisition brings Piedmont's market share of this Boston submarket's Class A office space to 40%. 25 Burlington Mall Road is approximately 89% leased to a diverse tenant roster anchored by Lahey Hospital & Medical Center and Bank of America Merrill Lynch.

- The sale of 800 North Brand Boulevard in Glendale, CA for approximately $160.0 million in total proceeds. 800 North Brand Boulevard is a 527,000 square foot, 21–story, 90% leased, office building constructed in 1990. The sale completed Piedmont's exit from the West Coast.

In addition to the capital transactions above, the Company entered into a binding, non-refundable contract to sell the One Independence Square building located in the Southwest sub-market of Washington, D.C, subject to customary closing conditions. The Company renovated the property in 2013, adding a rooftop deck, modern fitness facility and café, and has leased the building to 94% occupancy to multiple governmental tenants.The sale is expected to close during the first quarter of 2019 and follows the sale of the adjacent Two Independence Square building in 2017.

Leasing highlights during the fourth quarter of 2018 included the following:

- **In Washington, D.C.** - Bipartisan Policy Center renewed its 38,000 square foot lease through 2033 at 1225 Eye Street;

- **In Houston** - Schlumberger Technology Corporation signed an expansion for an additional 28,000 square feet through 2028, bringing their total square footage at 1430 Enclave Parkways to 254,000 square feet;

- **In Chicago** - Utilities, Inc. signed a 27,000 square foot new lease through 2034 at 500 West Monroe Street, and NNR Global Logistics USA, Inc. completed a 10,000 square foot new lease through 2030 at Two Pierce Place;

- **In Orlando**- JPMorgan Chase Bank, N.A. executed a renewal and expansion totaling 26,000 square feet through 2025 at CNL Center I; and

- **In Boston** - HERE North America executed a renewal of approximately 23,000 square feet through 2024 at 5&15 Wayside Road.

Discussing Piedmont's results for the year and fourth quarter, Donald A. Miller, CFA, Chief Executive Officer of Piedmont, said, "I am very pleased with the accomplishments for the year and this quarter. At this point in the real estate cycle, we have been a net seller of assets, ...selling a total of fifteen properties totaling over 3.1 million square feet in 2018, with another significant asset ready for sale early in 2019. We have used the $400 million of net disposition proceeds to acquire three accretive, strategic assets; to restructure and strengthen our balance sheet; and to buy back our own stock at what we believe is a significant discount to net asset value. And through these transactions, we have exited several non-strategic markets."

Commenting further on this year's capital transactions and leasing results, C. Brent Smith, President and Chief Investment Officer stated, "The repositioning of our portfolio over the last few years is now substantially complete. Future capital transactions will focus upon refining our targeted markets where we have local expertise, a concentration of assets, strong corporate tenant leasing interest, and competitive advantages. Looking at our leasing, 2018 was a great year, growing overall occupancy between 2 and 3%, and building a strong pipeline of prospects for 2019. We have two large renewals in advanced stages that we hope to close in the first half of 2019, as well as, strong and consistent activity on much of our vacant space."

About Piedmont Office Realty Trust:
Piedmont Office Realty Trust, Inc. (NYSE: PDM) is an owner, manager, developer, and operator of high-quality, Class A office properties located in eight major cities in the eastern half of the U.S. The almost $5 billion portfolio is comprised of approximately 17 million square feet of office space. The Company is a fully-integrated, self-managed real estate investment trust (REIT) with local management offices in each of its major markets and is investment-grade rated by Standard & Poor's (BBB) and Moody's (Baa2). For more information, see www.piedmontreit.com.

Forward Looking Statements
Certain statements contained in this press release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends for all such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "estimate", "may," "will," "expect," "intend," "anticipate," "believe," "continue" or similar words or phrases that are predictions of future events or trends and which do not relate solely to historical matters. Certain matters discussed in this press release are forward-looking statements that are subject to certain risks and uncertainties that could cause the actual results or performance to differ materially from those discussed in such statements. Additional risks are discussed in the Company's filings with the Securities and Exchange Commission.

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