

Piedmont Office Realty Trust Announces Third Quarter Leasing and Capital Markets Results

October 17, 2016



ATLANTA - October 17, 2016 - Piedmont Office Realty Trust (NYSE: PDM) announced today that it secured 701,446 square feet of total leasing and completed five capital market transactions in the third quarter of 2016. Leasing highlights for major transactions 20,000 square feet or greater completed during the quarter included the following:

Greater New York, NY - Synchronoss Technologies, Inc. completed a 118,691 square foot, 12-year lease renewal and expansion through 2028 at 200 Bridgewater Crossing in Bridgewater, NJ.

Washington, D.C. - Piedmont executed three (3) new major leases in the Washington, D.C. market.

- A technology division of a large, multi-national company completed an 87,786 square foot, 11- year new lease through 2028 at 4250 North Fairfax Drive in Arlington, VA.
- The Cadmus Group, Inc. signed a 25,068 square foot, 10+ year new lease through 2027 at 3100 Clarendon Boulevard in Arlington, VA.
- The National Association of County & City Health Officials signed a 23,047 square foot, 11-year new lease through 2028 at 1201 Eye Street in Washington, D.C.

Boston, MA - Lighttower Fiber Networks, LLC completed a 55,419 square foot, 4+ year lease renewal and expansion through 2021 at 80 Central Street in Boxborough, MA.

Chicago, IL - An undisclosed tenant signed a 53,708 square foot, 11+ year new lease through 2028 at 500 West Monroe Street in downtown Chicago, IL.

Fort Lauderdale, FL - Convergys Customer Management Group, Inc. signed a 50,000 square foot, 7+ year lease renewal through 2024 at 5601 Hiatus Road in Tamarac, FL.

Minneapolis, MN - BDO USA, LLP completed a 20,049 square foot, 11-year new lease through 2028 at Piedmont's US Bancorp Center property, located at 800 Nicollet Mall in downtown Minneapolis, MN.

"We were very pleased with the increased leasing activity and momentum we enjoyed during the third quarter, delivering a balanced blend of both new leases and lease renewals dispersed across many of our strategic markets," said C.A. "Bo" Reddic, IV, Executive Vice-President of Real Estate Operations for Piedmont. "Of note this quarter was the completion of several larger leases for existing vacancies in Washington, D.C. and Chicago," added Reddic.

Additionally, Piedmont furthered its portfolio refinement strategy by completing five capital markets transactions during the third quarter:

Dispositions:

- **150 West Jefferson (Detroit, MI)** - Piedmont closed on the sale of its 489,786 square foot, 25-story office tower located at 150 West Jefferson Avenue in Detroit, Michigan for \$81.5 million. The property was constructed in 1989 and was 88% leased to multiple tenants.
- **Shady Grove Office Properties (Rockville, MD)** - Piedmont completed two disposition transactions comprised of three (3) office buildings located in the Shady Grove Office complex in Rockville, Maryland, completing the company's exit from this submarket of Washington, D.C. The company sold **9200, 9211, 9221 Corporate Boulevard**, three 4-story office buildings totaling approximately 340,000 square feet and an adjacent parking garage for \$26 million.

Acquisitions:

- **One Wayside Road (Burlington, MA)** - Piedmont completed the strategic purchase of One Wayside Road in Burlington, Massachusetts, a much desired corporate submarket of Boston. Piedmont purchased the 200,605 square foot Class A building for \$62.9 million. The office property was constructed in 1997 and expanded in 2008, is 100% leased to one tenant and located adjacent to two other existing properties owned by Piedmont, 5 and 15 Wayside Road.
- **CNL Towers (Orlando, FL)** - Piedmont acquired a 99% interest in the entity that owns CNL Towers, two (2) Class A trophy towers, totaling 622,488 square feet in downtown Orlando for \$166.7 million. **CNL Tower I** is a 347,542 square foot, 14-story office building with a large adjacent parking garage. The multi-tenant building was constructed in 1999 and is 96% leased **CNL Tower II** is a 274,946 square foot, 12-story office building with a large adjacent parking garage. The multi-tenant building was constructed in 2006 and is 93% leased.

With the acquisition of CNL Towers, Piedmont now owns a total of 1.3 million square feet and three of the highest quality buildings in downtown Orlando. This makes Piedmont the largest owner of Class A office space in the Orlando CBD market.

"Our transactional accomplishments in the third quarter continued to advance our capital markets strategy and clearly demonstrates our portfolio refinement capabilities," said Raymond L. Owens, Chief Investment Officer for Piedmont. "The proceeds derived from the disposition of non-strategic assets provided us the opportunity to thoughtfully recycle capital into specifically targeted investments in our core operating markets," added Owens.

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 select sub-markets of major U.S. cities. Its geographically-diversified, over \$5 billion portfolio is comprised of approximately 20 million square feet. 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.

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