

Piedmont Office Realty Trust Announces 2016 Year-End and Fourth Quarter Leasing and Capital Markets Activity

January 12, 2017



ATLANTA - January 12, 2017 - Piedmont Office Realty Trust, Inc. (the "Company" or "Piedmont") (NYSE:PDM) announced today that it completed over 2 million square feet of total leasing transactions in 2016, and reported that approximately 400,000 square feet was executed in the fourth quarter. Piedmont also announced that it completed four capital markets transactions during the quarter.

Significant leasing highlights of transactions greater than 15,000 square feet for the quarter included:

Los Angeles, CA - Children's Hospital Los Angeles completed a 96,909 square foot, 10-year lease expansion and extension through 2026 at 800 North Brand Boulevard in Glendale, CA.

Denver, CO - One of the nation's leading cable and broadband communications companies signed a 64,693 square foot, 10+ year new lease through 2027 at 8560 Upland Drive in Englewood, CO.

Atlanta, GA - GreenSky Trade Credit, LLC completed a 38,663 square foot, 5-year lease extension and expansion through 2022 at Piedmont's Glenridge Highlands Two property, located at 5565 Glenridge Connector in Atlanta, GA.

Detroit, MI - Magneti Marelli Holding USA, LLC completed a 17,210 square foot, 4+ year new lease through 2021 at Piedmont's Auburn Hills Corporate Center property, located at 900 N. Squirrel Rd. in Auburn Hills, MI.

Minneapolis, MN - Newell Sales & Marketing Group, Inc. signed a 16,910 square foot, 10+ year lease renewal and expansion through 2027 at Piedmont's US Bancorp Center, located at 800 Nicollet Mall in Minneapolis, MN.

Washington, D.C. - American Road & Transportation Builders Association completed a 15,093 square foot, 11-year new lease through 2028 at Piedmont's One Independence Square, located at 250 E Street, SW in Washington, DC.

"We are pleased with our overall leasing activity in 2016, and particularly the amount of net absorption in our portfolio from new leases executed in the year," said C.A. "Bo" Reddic, IV, Executive Vice-President of Real Estate Operations for Piedmont. "There was a slow start to the fourth quarter that may have been reflective of some political uncertainty at the time; however, we experienced a noticeable pick up in our leasing activity post-election. Looking to the year ahead, we feel optimistic about continued net absorption of available space in 2017 given our leasing pipeline and low relative level of lease expirations," added Reddic.

Additionally, Piedmont completed the following capital markets transactions in the fourth quarter, furthering its portfolio refinement strategy of disposing of non-core assets and recycling a portion of proceeds into two core asset acquisitions:

Dispositions-

- 1) **Braker Pointe III (Austin, TX)** - Piedmont closed on the sale of this 196,380 square foot 7-story office building, located at 10801-III N. MoPac Expressway in Austin, TX. The property was constructed in 2001, is situated on approximately 8.4 acres, and includes a two-story parking garage. An owner / occupant purchased the 18% leased property for \$49.25 million (approximately \$251 per square foot).
- 2) **11695 Johns Creek Parkway (Atlanta, GA)** - Piedmont completed the sale of its 4-story office headquarters, a 101,656 square foot office building, located at 11695 Johns Creek Parkway in Johns Creek, GA. The property was constructed in 2001, is situated on approximately 7.5 acres, includes surface parking and is 92% leased. Piedmont sold the property for \$14 million (approximately \$138 per square foot).

Acquisitions -

- 3) **750 West John Carpenter Freeway (Dallas, TX)** - Piedmont completed the purchase of this 314,714 square foot Class A office building, located at 750 W. John Carpenter Freeway in Irving, TX for \$49.6 million (\$158 per square foot), using recycled

proceeds from the Braker Pointe disposition. Constructed in 1999, the building is 78% leased to two tenants; CVS Health and IBM, with an average lease term remaining of six years. Piedmont also purchased an adjoining, developable land parcel of 3.5 acres for \$1 million.

4) **Galleria 200 (Atlanta, GA)** - Finally, as previously disclosed in October, Piedmont closed on the acquisition of Galleria 200, located at 200 Galleria Parkway in Atlanta GA for \$69.6 million (approximately \$161 per square foot). The 431,614 square foot 20-story Class A office building was constructed in 1984, is 89% leased to multiple tenants and is located adjacent to Piedmont's existing sister property, Galleria 300.

"Our fourth quarter transactional activity demonstrates our continued success of selling non-strategic assets and redeploying the related proceeds into our targeted submarkets," said Raymond L. Owens, Chief Investment Officer for Piedmont. "In particular, the sale of the 18% leased Austin asset at a stabilized building price reflects our philosophy of opportunistically realizing value, while also contributing to raising our portfolio leased percentage to over 94% at year end," added Owens.

For further details regarding our fourth quarter transactional activity, please refer to our "Strategic Capital Deployment - January 2017" presentation included under "Featured Presentations" of the Investor Relations section of our website at www.piedmontreit.com.

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 over 19 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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