

Transcript of
Piedmont Realty Trust, Inc.
Piedmont Realty Trust, Inc. First Quarter 2026 Earnings Call
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Participants

Laura Moon - Chief Accounting Officer & EVP, Piedmont Office Realty Trust, Inc.
Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.
George Wells - Co-Chief Operating Officer & EVP, Piedmont Office Realty Trust, Inc.
Alex Valente - Co-Chief Operating Officer & EVP, Piedmont Office Realty Trust, Inc.
Christopher Kollme - EVP, Investments, Piedmont Office Realty Trust, Inc.
Sherry Rexroad - Chief Financial Officer & EVP, Piedmont Office Realty Trust, Inc.

Analysts

Anthony Paolone - JPMorgan
Nicholas Thillman - Robert W. Baird & Co.
Dylan Burzinski - Green Street Advisors

Presentation

Operator

Good day, ladies and gentlemen, and welcome to the Piedmont Realty Trust, Inc. First Quarter 2026 Earnings Conference Call. At this time, all participants are on a listen-only mode, and a question-and-answer session will follow the formal presentation. [Operator Instructions]. And please note this conference is being recorded.

I will now turn the conference over to your host, Laura Moon, Chief Accounting Officer with Piedmont Realty Trust. Ma'am, the floor is yours.

Laura Moon - Chief Accounting Officer & EVP, Piedmont Office Realty Trust, Inc.

Thank you, operator, and good morning, everyone. We appreciate you joining us today for Piedmont's first quarter 2026 earnings conference call. Last night we filed our 10-Q and an 8-K that includes our earnings release and unaudited supplemental information for the first quarter of 2026. Both of these documents are available for your review on our website at piedmontreit.com under the Investor Relations section.

During this call, you will hear from senior officers at Piedmont. Their prepared remarks, followed by answers to your questions, will contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements address matters which are subject to risks and uncertainties, and therefore actual results may differ from those we anticipate and

discuss today. The risks and uncertainties of these forward-looking statements are discussed in our supplemental information, as well as our SEC filings.

We encourage everyone to review the more detailed discussion related to risks associated with forward-looking statements in our SEC filings. Examples of forward-looking statements include those related to Piedmont's future revenues and operating income, dividends and financial guidance, future financing, leasing and investment activity, and the impacts of this activity on the company's financial and operational results. You should not place any undue reliance on any of these forward-looking statements, and these statements are based upon the information and estimates we have reviewed as of the date the statements are made.

Also on today's call, representatives of the company may refer to certain non-GAAP financial measures such as FFO, core FFO, AFFO, and same-store NOI. The definitions and reconciliations of these non-GAAP measures are contained in the supplemental financial information which was filed last night.

At this time, our President and Chief Executive Officer, Brent Smith, will provide some opening comments regarding first quarter 2026 operating results. Brent?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

Thanks, Laura. Good morning, and thank you for joining us today as we review our first quarter 2026 results. In addition to Laura, on the line with me this morning are George Wells and Alex Valente, our Chief Operating Officers; Chris Kollme, our EVP of Investments, and Sherry Rexroad, our Chief Financial Officer. We also have the usual full complement of our management team available to answer your questions.

From a macro perspective, the U.S. office market continued to recover in the first quarter of 2026 as supply demand fundamentals began to stabilize across markets. JLL reports that leasing activity was up 7.6% year-over-year and net absorption positive for a third consecutive quarter, primarily driven by large occupiers.

The demand for office space continues to be very resilient, despite office using employment being down 2% from 2022 levels, according to the Bureau of Labor Statistics. The phenomenon of strong leasing amid a stagnant workforce demonstrates what our customers are telling us. Large businesses are bringing their employees back to a compelling office environment that builds culture, collaboration, and creativity. And we continue to believe that demand for the top quartile of the office market will remain resilient, despite the prospect of limited growth in office using jobs.

On the flip side, supply growth remains extremely low compared to historical levels, with total inventory declining by 9 million square feet during the first quarter and the national development pipeline at its lowest level on record. These trends reinforce landlord leverage, particularly in high quality assets where rents continue to escalate. Vacancy is increasingly concentrated in aging, financially constrained

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buildings, with 10% of office buildings now comprising more than 60% of national vacancy.

Looking ahead, muted job growth and a higher for longer interest rate outlook remain headwinds for longer term demand growth. However, structural supply contraction combined with limited new development are expected to underpin rate resilience and intensify competition for high quality office space. Against that backdrop, Piedmont is well positioned for the next phase of the office cycle for several reasons. First, portfolio quality. We've renovated 90% of the portfolio since 2020, and our amenity-rich, hospitality driven Piedmont places are leasing at record high rental rates. Second, Piedmont has leased over 80% of the portfolio since the pandemic, meaning our customers have already right-sized their office space for the modern workforce.

Third, our service model, recognized in the Top Five by Kingsley, is keeping our customers happy, generating 60% to 70% renewal rates from existing tenancy. More recently, the portfolio is approaching 90% leased and inclusive of our out of service assets has generated more than 480 basis points of absorption in the last 12 months, equating to almost 750,000 square feet of absorption during that time period.

Finally, the average tenant size across the approximately 16 million square foot portfolio is 17,000 square feet, which speaks to our customer and industry diversification and provides a mitigant to large corporate downsizing. As a result of the leasing success in 2025, Piedmont has assigned but not occupied pipeline of leases equating to over \$42 million of annualized rent. The strategic repositioning of the Piedmont portfolio, along with the substantial leasing that we've accomplished over the past 12 months are translating into higher economic occupancy and mid-single digit same-store NOI cash growth and meaningful earnings growth.

The operational performance of the portfolio has led to an increase in our 2026 outlook. Core FFO by \$0.01 and same-store NOI cash and GAAP by 100 basis points, which Sherry will touch on more in a moment. Also fueling our growth are the leasing spreads we're achieving on second generation space. Regularly double-digits on a cash basis and high teens on a GAAP basis, inherently driving cash flow earnings higher as leases expire.

And finally, our balance sheet continues to strengthen, driven by the aforementioned leasing uplift in cash flow and EBITDA, along with a unique opportunity to refinance our near term debt maturities at accretive financing spreads relative to the expiring rates. We believe these factors position Piedmont for consistent annual core FFO per share growth over the next few years.

Turning to our quarterly results, we witnessed a continuation of the elevated demand that we've experienced the latter half of 2025, with tour and proposal activity at levels above historical averages. During the quarter, we executed over 430,000 square feet of leasing, and most importantly, two-thirds was related to new tenancy. Our customer pipeline remains robust with over 700,000 square feet of leases, either already executed or in the legal stage thus far in the second quarter.

As I noted earlier, strong customer demand driven by the flight to quality is giving Piedmont the opportunity to push rents to record levels across our portfolio. In fact, more than half our portfolio experienced an asking rate increase of 15% or more in 2025. And even more exciting is that our rents still remain 35% to 40% below new construction pricing. So there is a little impediment to pushing rental rates further.

Despite strong fundamentals for the office sector, the headlines have been filled with the topic of AI and prognostications of what it will mean to the national workforce. We appreciate the concern that AI could impact office using employment growth over time, but what we're seeing today is that robust demand is concentrating in high quality, well located amenitized space, and that's exactly where our portfolio is positioned.

Even if some roles are redirected as AI adoption evolves over the coming years, companies will still need collaborative environments to build culture, serve clients, and innovate. So we're simply not seeing any cracks in our customers' demand, and our leasing pipeline remains incredibly robust.

Lastly, before I turn it over to George, I wanted to mention that we're also particularly excited about several operational recognitions during the first quarter. Galleria Towers in Dallas won the CoStar Impact Award for Redevelopment of the Year in Dallas Fort-Worth market. As I alluded to earlier, Piedmont was recognized as an Elite 5 participant in the annual Kingsley survey for the office sector, which rates landlords on their performance based on tenant feedback. These accolades serve as further evidence that our modern, redeveloped, amenity-rich Piedmont places, combined with our hospitality infused service model, are recognized by our customers and peers as the premier office experience.

With that, I'll hand it over to George for further details on first quarter operational performance. George?

George Wells - Co-Chief Operating Officer & EVP, Piedmont Office Realty Trust, Inc.

Thanks, Brent. We've been experiencing persistent demand for several quarters now. And once again, the Piedmont platform delivered exceptional operating results for the first quarter. Leasing velocity continued at its strong pace with 50 transactions completed for over 430,000 square feet. Like last year, new deal activity was a dominant theme, accounting for roughly 70% of total volume, and a meaningful portion of that volume is expected to translate into 2026 GAAP rent recognition as commencements occurred over the balance of the year.

Average new lease size was approximately 11,000 square feet, reflecting a good mix of small, medium, and large clients, and a weighted average lease term for new transactions was approximately nine years. Expansions exceeded contractions for the seventh straight quarter and largely to accommodate clients' organic growth. Our retention rate remained high at approximately 70%.

The portfolio continues to post robust leasing economics, delivering 11% and 18% roll-ups this quarter on a cash and accrual basis, respectively. Our average accrual base roll up over the last eight quarters is an impressive 17%. Additionally, the portfolio generated an impressive 11% same-store NOI growth, driven primarily by the burn off of free rent. As Sherry will discuss in a moment, this strong cash flow growth along with recent leasing success, has helped push earnings and same-store cash NOI outlook for the year higher.

Leasing capital spend was \$5.18 per square feet per year, materially lower than our trailing 12 months average of \$6.20, driven from modest concessions associated with several renewal and sublet to direct deals. Additionally, leasing commissions were also lower than historical trend this quarter as a result of greater number of leases that were direct deals without a broker.

Net effective rents increased to \$22.03 per square foot, up almost 5% from the previous quarter, and we anticipate further rental rate growth supported by strong demand for high quality space and little to no new development in our submarkets. These encouraging first quarter metrics signal that Piedmont is off to a strong start for 2026.

Next, I'd like to highlight notable market activity and progress on our key expirations. Dallas led all markets during the first quarter, closing on 14 deals for 123,000 square feet with new transactions accounting for a majority of that amount. Also in Dallas, we've agreed to extension terms with Epsilon at our Las Colinas connection project for roughly half of its current footprint, and our pipeline for backfilling the balance of that space is deep and at improving rents.

Atlanta was our second most active market with 12 deals for 88,000 square feet. Our local team signed an 11-year new deal with a global accounting firm to backfill another Eversheds floor at 999 Peachtree in Midtown. While our supplemental report shows Eversheds having 180,000 square feet expiring this quarter, we have already backfilled roughly half of that space at 40% cash roll-ups and have strong activity for the balance.

At 60 Broad, we announced last quarter that we had agreed to terms with the new administration of the City of New York at our 60 Broad Street project for substantially all of that space, and that a lease of this size will require other internal city reviews and a public hearing process before the transaction can be fully executed. The city is steadily progressing to conclude our lease. However, it's likely the process will not conclude until later this year.

Our redevelopment projects posted another strong quarter of deal flow with over 100,000 square feet of new transaction signed, increasing a lease percentage from 62% to 76% at quarter end. Including leases executed in the second quarter or in the legal stage, the out of service portfolio is greater than 80% leased. We anticipate placing 222 Orange Ave back into service in the second quarter, and we continue to

be confident that the remainder of the out of service portfolio will reach stabilization around the end of the year.

Looking ahead, our leasing pipeline remains robust and now has over 700,000 square feet in the legal stage for the second quarter. Outstanding proposals have jumped from 1.8 million square feet last quarter to 2.4 million. Our supplemental report shows 9% of leases expiring in 2026, with the vast majority of that occurring in the second quarter and relates to the Eversheds, Epsilon, and New York City leases, each of which I just reviewed. Aside from those three leases, there are negligible expirations remaining for 2026.

As a result, we remain comfortable projecting that we will end the year within our previously released year-end lease percentage guidance of 89.5% to 90.5% for our total portfolio, including both our operating and our out of service redevelopment portfolios.

I'll now turn the call over to Chris Kollme for his comments on investment activity. Chris?

Christopher Kollme - EVP, Investments, Piedmont Office Realty Trust, Inc.

Thank you, George. Capital markets have shown improving liquidity so far this year, as evidenced by the strongest first quarter office sales volume since 2020. And we continue to seek ways to optimize and elevate our portfolio. As I have previously stated, we have two land parcels under contract, one of which is in the Las Colinas submarket of Dallas, and that deal went hard this quarter. The buyer still has several extension options. However, we anticipate this transaction will ultimately close later in 2026 and will generate approximately \$12 million in net sale proceeds.

The other land parcel is still in the midst of a lengthy rezoning process, so the timing there is much less predictable, and we expect it to close in the first half of 2027. In addition to the obvious financial benefits of these two land sales, we're also excited about the additional retail amenities that these transactions will ultimately provide for our adjacent office projects.

We continue to act and re-evaluate and under rate potential acquisition opportunities, but over the last couple of years we have redirected and prioritized our capital towards other accretive uses, such as funding our tremendous leasing volume, reinvesting in our core assets, and reducing our debt. We are in the market with some of our other non-core assets. Although, it is too early to comment on any specifics, we are optimistic that we will return to a more active capital recycling program later this year.

With that, I'll pass it over to Sherry to cover our financial results.

Sherry Rexroad - Chief Financial Officer & EVP, Piedmont Office Realty Trust, Inc.

Thank you, Chris. We will be discussing some of this quarter's financial highlights today, but please review the earnings release and accompanying supplemental financial information which were filed yesterday for more complete details. Core FFO per diluted share for the first quarter of 2026 was \$0.36, in line with consensus and consistent with the first quarter of 2025, as higher economic occupancy and rental rate growth were offset by the sale of two projects during the year ended December 31, 2025. AFFO generated during the first quarter of 2026 was approximately \$23.8 million.

From a balance sheet perspective, we had approximately \$526 million of capacity on the revolver as of quarter end. And as we've highlighted previously, we currently have no final debt maturities until 2028. We continue to think creatively as we evaluate balance sheet management options to extend and smooth our maturity ladder and continue reducing our interest costs.

Our overall weighted average cost of debt continues to decrease. And based on the current forward yield curve, we expect that all of our unsecured debt maturing for the remainder of this decade could be refinanced at lower interest rates and thus be a tailwind to FFO per share growth.

As Brent noted, we are narrowing and increasing our 2026 annual Core FFO guidance by \$0.01 to a range of \$1.49 to a \$1.54 per diluted share, an increase of over \$0.10 per share at the midpoint over 2025 results. We are also increasing our same-store NOI, cash and GAAP guidance range by full percent from 3% to 6% to 4% to 7%. Please note that this guidance does not include any speculative acquisitions, dispositions, or refinancing activity. We will adjust guidance if and when those types of transactions occur.

With that, I will turn the call back over to Brent for closing comments.

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

Thank you, George, Chris, and Sherry. Despite the ongoing noise in the office sector, Piedmont remains focused on leasing our portfolio of recently renovated, well-located, hospitality inspired Piedmont places. With a quality space becoming harder to find and the cost of new development at all-time highs, we believe our portfolio offers a cost efficient alternative to new construction, and we will be able to continue to drive meaningful leasing volume, rental rate increases, and same-store NOI growth as 2026 unfolds.

With that, I will now ask the operator to provide our listeners with instructions on how they can submit their questions. Operator?

Operator

Thank you. Ladies and gentlemen, at this time we'll be conducting our question-and-answer session. [Operator Instructions] One moment please while we pull for

questions. Thank you. Our first question is coming from Anthony Paolone with JPMorgan. Your line is live.

Q: Great. Thanks. Good morning. My first question relates to your comment about half the portfolio seeing a, I think it was a 15% increase or more in rents, and I think it was 2025. I'm just wondering how specific is that to assets versus markets? Like maybe if you could give us a little bit more depth on like where that all occurred or where it didn't perhaps?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

Sure, Tony, and thanks for joining us this morning. So as we talked about, we did move rates materially, particularly from an ask perspective over the course of 2025, driven by a lot of absorption that we talked about earlier in the call as well, about 750,000 square feet. Markets and assets certainly from a market perspective, the assets around our projects are not necessarily achieving what we are. I'll take the Northwest sub-market in Atlanta, for example, our Galleria project there crossed over \$40 a foot. Today, we're asking over \$50 a foot, and that all occurred over the course of '25, while the rest of the sub-market relatively stayed flat.

And I would say Midtown Atlanta, also an example of where we've continued to push rates at those meaningful levels. Frankly, all of Dallas would also incorporate that. Some of our suburban assets in Minneapolis where we renovated would also incorporate a really meaningful uptick in rental rates over the course of the year. And then finally, our downtown Orlando projects as well would all encompass that. And we're seeing continued activity now in our Northern Virginia sub-market. Not nearly to that degree, but we're starting to see the same effects that in those markets I just mentioned occur there as well.

And it's really related to, again, that high quality space, that top quartile of the market, particularly in which we play in, has continued to have meaningful absorption and seen large blocks of space continue to be pulled off the market. And that has allowed us to continue to meaningfully move rates across those assets. If you look in the supplemental that are 90% plus or more leased.

Q: Okay. Got it. Thank you. And then maybe second question, Chris, I think, mentioned being in the market with a few assets for sale, and I know you don't want to give too many specifics, but maybe any sense of order of magnitude, dollar-wise that we could see on the disposition side this year?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

I'll take that. This is Brent again, Tony. So as you noted, as Chris noted earlier, we have about \$30 million under contract, \$12 million hard and in the held for sale bucket, and we do expect those to close in third quarter and the rest will happen in early 2027.

As Chris noted, we're marketing one building and evaluating a few others at the moment. And we're looking really to harvest value from stabilized assets and improve the overall quality of our portfolio. So looking again to always cull that bottom 10% in an efficient manner. So we'd like to monetize and/or dispose of assets, particularly in the district in Houston or ones we've noted. But also, looking a little bit to the future, we've noted we'd like to monetize our New York asset upon the conclusion of the New York City lease, although that's likely now an early 2027 event.

Given the profile of the assets we do have in the market, and what we would recycle, we think we could take those proceeds and put them in likely to initially pay down debt. On a longer term basis, we are seeing opportunities in our Sun Belt market that would stabilize, would be redeployed on an earnings neutral to accretive basis. But obviously, anything at this point, transaction-wise, is likely to occur late in the year, if at all. And there's going to be a limited impact to 2026 earnings if we were to dispose of an asset at this point, given where we are in the year.

Q: Okay. Thank you.

Operator

Thank you. Our next question is coming from Nick Thillman with Baird. Your line is live.

Q: Hey, good morning. Maybe, George, just appreciate the commentary on 2026 and the bulk of them discussing those. But as we look at '27, you alluded to 50% to 60% retention. You guys have highlighted the two move-outs in Atlanta. But just curious if there's any other notable ones that we should be highlighting. It looks like a decent amount of concentration in Orlando and Minneapolis. So any large tenants to monitor there as well and just expectations on that front?

George Wells - Co-Chief Operating Officer & EVP, Piedmont Office Realty Trust, Inc.

Sure. Good morning, Nick. Thanks for joining us. I think before I address that, it's really important to understand the momentum that we saw in 2025 continues to roll into 2026, right? I mean, the record leasing that we completed was on the backs of early proposals around 2.4 million to almost 3 million square feet. Though it dropped in the fourth quarter to 1.8, we're excited the fact that it came back to 2.4 million square feet. That's just providing the tailwinds for these large expirations that are coming up in our submarkets.

You mentioned 2027. Yes, it's true, Broadcom and Fiserv in Atlanta will be vacating the third quarter of 2027. But what we've seen here is that we're going ahead and put into place the PMO strategy that's worked so well over the past couple of years, right? I mean, these properties are modern, they're well-amenitized, and when those large users leave, we're going to have the opportunity to put up a building signage

for the next prospect that comes along, right? These assets are located in Atlanta. We've had a tremendous amount of success here.

Central Perimeter is one of those markets that's the most accessible in all of Atlanta. It's got a long track record of landing large corporate relocations into the submarket. In fact, we had three last year with StubHub, TriNet, and AIG, and we expect that to continue.

Our pipeline right now is about 300,000 square feet to backfill those two large prospects in Central Perimeter. I think one of the advantages here is that when you look at the supply of large block space of 150,000 square feet or larger, there's only four that really we would call the Tier 1, and we own two out of four of those, so two of those four supplies. So we feel pretty good about that. And if you look at our overall track record in terms of what we've accomplished in Atlanta, we're at 94% leased today. I think that gives us the confidence we can backfill that space in a pretty short order.

Q: Yes, I understood the Atlanta one. I just wanted a little bit of clarity on maybe Orlando and Minneapolis in particular. Those are some of the more concentrated ones at 27. I was just curious if there's any other notable, like 50,000 square foot tenants that we need to monitor on that side and if you've had discussions on that front.

George Wells - Co-Chief Operating Officer & EVP, Piedmont Office Realty Trust, Inc.

Certainly. We've got one in Minneapolis, a little over 100,000 square feet. It's in a suburb location. We've got some early looks right now. We got two or three prospects looking for a full floor more. We've got a great brand in Minneapolis. I mean, what you've seen, what we've done in Bridgewater Crossing, right? We took back 40,000 square feet, and we backfill all of that over the next 15 months or so.

So we're not overly concerned about it. And then going to Orlando, we've got one project, one project that has about 100,000 square feet expiring. We actually have two prospects that could backfill all of that space right now. Proposals are outstanding. I think we're getting close, getting a good handshake on a deal. So we're looking good there.

Q: That's helpful. And then just on the 700,000 square foot pipeline, 300,000 of that's the renewal with New York, but are there any other chunkier ones within that that's late stage or signed to date?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

I'd say, Nick, this is Brent. Thanks for joining today. I'd say it's runs the gamut. It's consistently what we've seen in the past that small users have been there, and large users continue to bring their people back and want great space. Obviously, we have

less and less larger blocks, so we're going to continue to see less probably 100,000 square footers except for some of the noted backfills that George mentioned really aren't till '27 in the first place.

And so I'd say it's to kind of consistently seeing 50 to 60s and also the 5 to 15 as well across industries. I think that is what investors should take away from the robust demand we see is not being impeded from an AI perspective at all.

Q: Oh, that's helpful. And then Brent, just maybe conversations with the Board and status on the dividend. I know there's some talk of potentially starting again to declare dividends next year in '27, is there any update on that front or sentiment there?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

Yeah, of course, the board reviews the opportunity to pay a dividend really every quarter. But as you noted, we've said that at this point, with the dividend suspended, the board would not really evaluate that again until 2027. I would say until we have the need, i.e., positive taxable net income, and see our ability to continue to have excess cash flow.

Right now, we're putting a lot in the leasing space, which is obviously generating great returns. But until we see both of those, which depends somewhat on leasing velocity and momentum, the board is not likely to turn on the dividend. So I will continue to update. Again, probably the first quarter of 2027 would be that opportunity when capital does significantly right now start to wane off and we see excess cash flow. But again, that's up to the Board to evaluate at that point in time.

Q: That's it for me. Thank you.

Operator

Thank you. [Operator Instructions] Our next question is coming from Dylan Burzinski with Green Street. Your line is live.

Q: Hi, guys. Thanks for taking the question. Most of mine have been asked, but maybe just sort of looking at portfolio lease percentage and where you guys think that can head over time. Just sort of looking at where you guys, where you guys were at pre-COVID, call it in the 91%, low 91% range. Obviously, this year, you guys are guiding to sort of the 90% of the midpoint. I mean, do you think the portfolio is just structurally different today in that not only in terms of the location and the quality of, but also benefiting from the flight to quality such that lease percentage can get beyond where it has been historically?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

Thanks, Dylan. This is Brent. A great question. As you point out, we were about 91% leased pre-pandemic, and of course, that had a shift in the marketplace that was pretty substantial. We've recovered almost all of that back, and we're guiding to 90% leased into this year. As we look at our own portfolio, we have a substantial number of assets where we push lease percentages that are well into the nineties, sometimes approaching 100%. I think to your point, we have seen those assets that can perform are generating well in excess of historical 91%-92% stabilization. I do believe we can continue to generate roughly 50 basis points-100 basis points of absorption a year across the portfolio.

That's reasonable to assume that we could be in the 91% to 92% leased range in a few years and potentially drive that higher. Particularly at the unique amenitized, large scale projects like both our Galleria projects. Even those mid-sized projects like The Meridian in Minneapolis, which we've leased up over about the course of 18 months from zero percent leased. Those environments are proving out that we can take assets to, again, 95% plus, and that will have a meaningful impact on growth in the portfolio longer term.

I do see, particularly with no construction really coming online till the end of the decade, a good runway to push further, but that's just a little too far out to prognosticate. Certainly feel comfortable saying 50 basis points to 100 basis points of absorption over the next few years is achievable.

Q: Okay, great. That's extremely helpful, Brent. And then I think you mentioned D.C. and Houston being geographies or assets that you guys were looking to monetize. Can we say the same for Minneapolis as some of those assets for stabilization?

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

I'd say, Dylan we continue to want to harvest assets that we've created value and are stabilized to reemploy that into accretive opportunities. Regardless of market, I think we take that lens through the portfolio. You note Minneapolis, we do have a couple assets that have leased up really well there and have long WALTs. 12-year plus weighted lease term through those buildings.

We'll let those come online and evaluate the market at that time. Hopefully, it continues to improve. We have, as you know, created a lot of value with those buildings, and we'll look for ways to either recapitalize or monetize and redeploy those proceeds accretively into another market where we see growth in a similar fashion. A little too early to tell on Minneapolis, but it's likely that we would reduce our exposure there over time.

Q: Great. Thanks, all.

Operator

Thank you. As we have no further questions in queue at this time, I'd like to turn the call back over to Mr. Smith for any closing remarks.

Brent Smith - President, Chief Executive Officer & Director, Piedmont Office Realty Trust, Inc.

I appreciate everyone joining today. I want to take the opportunity to thank my colleagues and fellow Piedmont Placemakers for their hard work and efforts over the past really few years that have resulted in the sector-leading growth that we're witnessing this year.

I also want to invite investors to join us at the Wells Fargo conference next week, if you happen to be attending that and/or in the June Nareit meeting in New York City, if you want to sit down with management and hear more about the growth story and what's unfolding in the office sector.

Thank you, everyone, again. Have a great day.

Operator

Thank you. Ladies and gentlemen, this does conclude today's call, and you may disconnect your lines at this time. And we thank you for your participation.