



ENCLAVE PLACE

1430 ENCLAVE PARKWAY

HOUSTON, TEXAS



2018 NAREIT CONFERENCE

NOVEMBER 2018

Piedmont Office Realty Trust, Inc. (also referred to herein as “Piedmont” or the “Company”) (NYSE: PDM) is an owner, manager, developer and operator of high-quality, Class A office properties in select sub-markets located primarily within eight major eastern U.S. office markets. The Company’s geographically-diversified portfolio is comprised of almost \$5 billion in gross assets and approximately 17 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).

We use market data and industry forecasts and projections throughout this presentation which have been obtained from publicly available industry publications. These sources are believed to be reliable, but the accuracy and completeness of the information are not guaranteed. Certain statements contained in this presentation constitute forward-looking statements which we intend to be covered by the safe-harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as applicable. Such information is subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “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. Some examples of risk factors that could cause our actual results and expectations to differ materially from those described in our forward-looking statements are detailed in our most recent Annual Report on Form 10-K and other documents we file with the Securities and Exchange Commission (“SEC”). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

Unless the context indicates otherwise, the term “properties” as used in this document and the statistical information presented in this document regarding our properties include our wholly-owned office properties and our office properties owned through consolidated joint ventures, but exclude one out-of-service property as of September 30, 2018.

The information and non-GAAP financial terms contained in this presentation do not contain all of the information and definitions that may be important to you and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2017, and our quarterly report on Form 10-Q for the period ended September 30, 2018 and our other filings with the SEC. Other information important to you may also be found in documents that we furnish to the SEC, such as our Quarterly Supplemental Information dated as of September 30, 2018. Such documents are available at www.sec.gov and under the heading Investor Relations on our website at www.piedmontreit.com.

Unless otherwise noted, all financial and statistical information contained in this presentation is as of September 30, 2018.

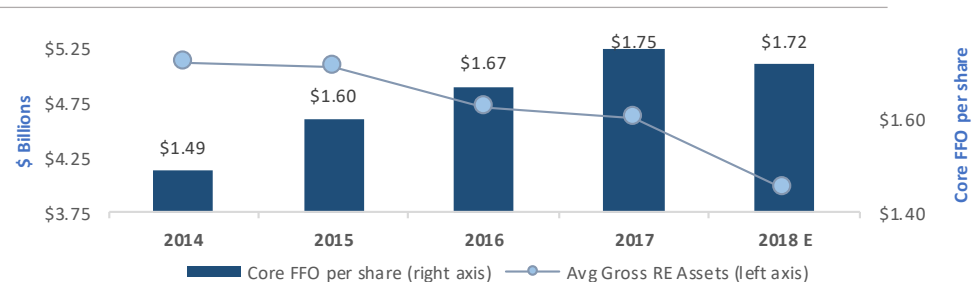
KEY NAREIT DISCUSSION TOPICS



IN CASE YOU MISSED IT...

FFO GROWTH

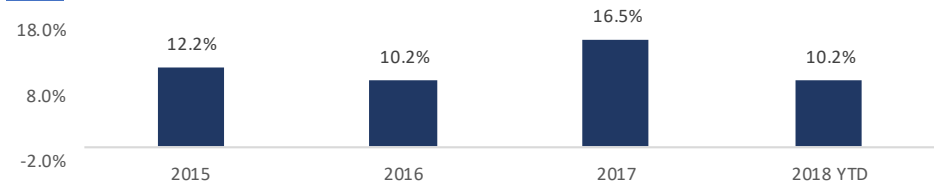
- Since 2014, Piedmont has sharpened its portfolio through **\$2.2 billion** in dispositions, decreasing its Gross Assets by **24%... and STILL grew FFO/sh by 15%**¹.



RENT ROLLUPS

- Piedmont has delivered **double-digit** GAAP rollups every year since 2015.

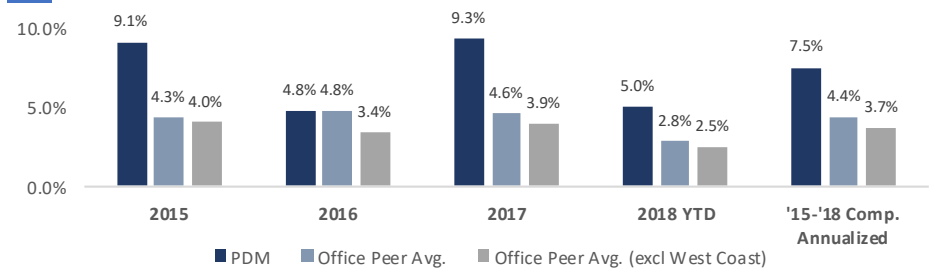
GAAP



SAME STORE NOI

- From 2015-2018 YTD, Piedmont has delivered **the 3rd highest** compounded same store NOI growth rates among all office REITs...on both a cash basis and a GAAP basis.
- For 3Q 2018, PDM delivered **8.5%** (Cash) and **6.5%** (GAAP) same store NOI increases, among the highest in the sector.

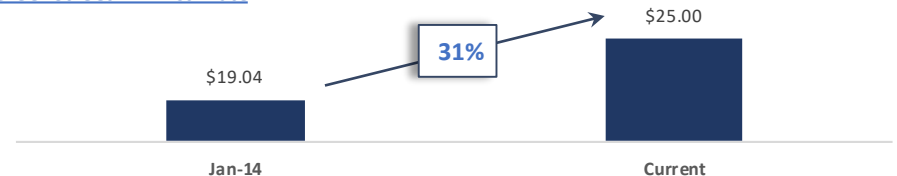
Cash²



NAV

- Since 2014, Piedmont has **grown its NAV by 31%**...through active leasing, strategic redevelopment, intensive operating discipline and the most aggressive share buyback program in the office sector³.

GreenStreet NAV Estimate



WHERE WE'RE HEADING...

2019 FFO PROJECTED ABOVE PEERS

- Based on consensus estimates, Piedmont is projected to deliver **leading** FFO/share growth in 2019.

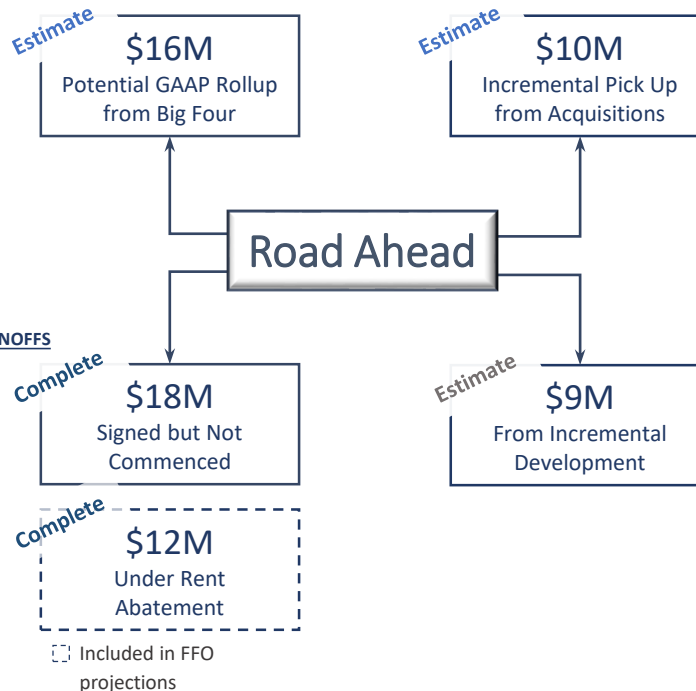
HOW WE GET THERE...2020-2022 OPPORTUNITIES

1 GAAP AND CASH ROLLUPS

- In-place rents average 5%-10% below market rates; remaining expirations in outperforming markets of ATL, DAL, ORL

Four Expiring Leases:

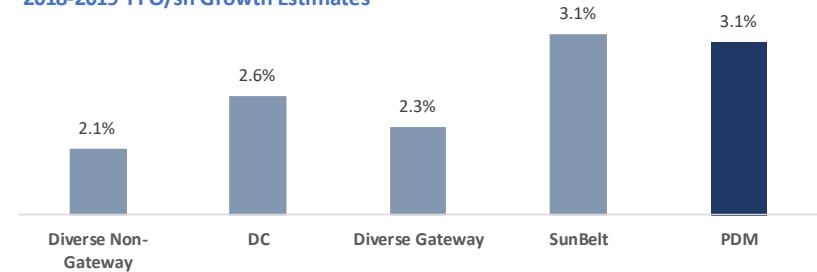
2019	2020
NY State	NY City
Arby's	
SunTrust	



2 UPSIDE: COMMENCEMENT & BURNOFFS

- 547K SF signed but not yet commenced
- 759K SF currently under rent abatement

2018-2019 FFO/sh Growth Estimates¹



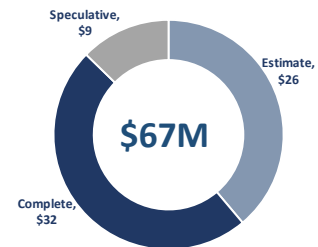
3 ACCRETIVE ACQUISITIONS

- Targeted non-core assets are expected to be sold at low cap rate levels and redeployed into strategic markets at positive spreads
- Sample Assumptions:
~\$300-\$350M/yr at 100bps positive spread

4 DEVELOPMENT/REDEVELOPMENT

- Five highly-strategic development sites, representing over \$750 million of investment; we are in active discussions with pre-leased tenants
 - Active in redevelopment and repositioning of certain assets; highly accretive, effective risk-adjusted returns
- Sample Assumptions:
~\$100M at 8.5% yield for development
\$35M at 10% yield for redevelopment

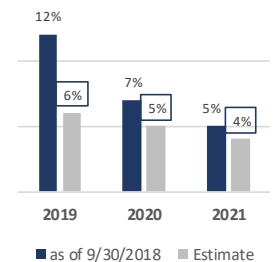
SUMMARY



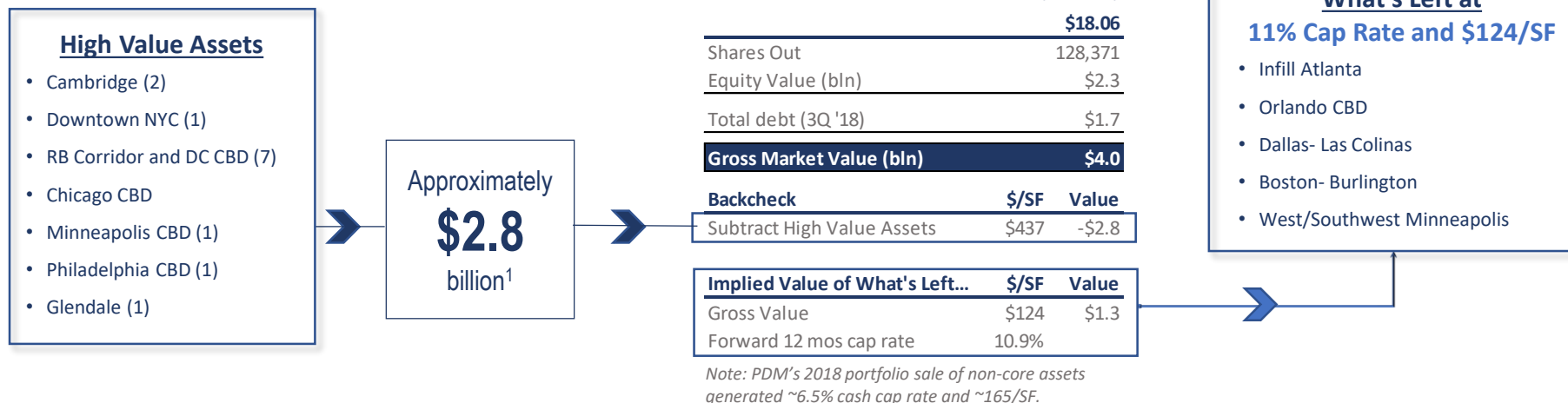
WITH LITTLE RISK TO THE DOWNSIDE:

Accounting for estimated leasing activity...

ALR Expiration Schedule

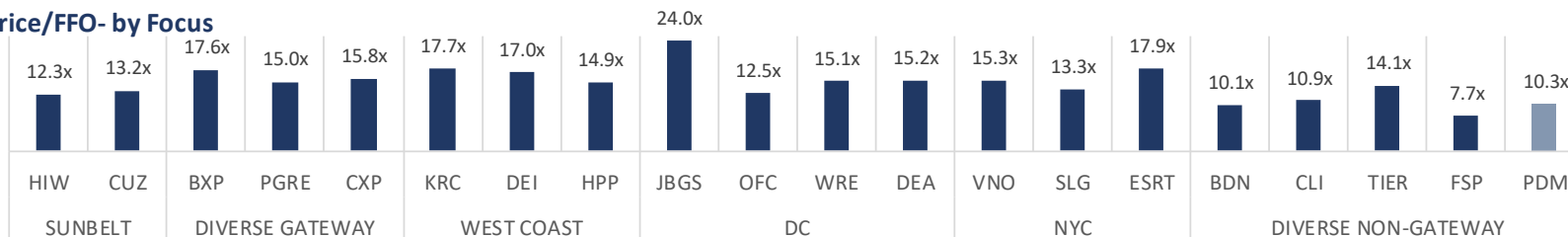


UNDERLYING REAL ESTATE VALUATION



ADDITIONAL METRICS²

Price/FFO- by Focus



14.1x

2019 AFFO Multiple²

28%

Discount to GreenStreet's
Estimated NAV³

4.7%

Dividend Yield²

60%

ALR from Credit-Rated
Tenants⁴

6.7 yrs

Weighted Average Lease
Term⁵

SUBMARKET SPOTLIGHTS

A dark blue horizontal bar spanning the width of the page. It features a pattern of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, in various shades of blue and grey, creating a modern, abstract design.

GALLERIA (ATLANTA)

AT A GLANCE

SUBMARKET STATS (4 and 5 Stars)

Size	15.2 MSF
Vacancy	17.3%
Rent	\$28.88/SF
Under Construction	.369 MSF
LTM Net Absorption	.160 MSF

PIEDMONT HOLDINGS

Buildings	2
SF	864,000
Occupancy	92.6%
Wtd Average Rent	\$27.16
Gross Basis	\$217

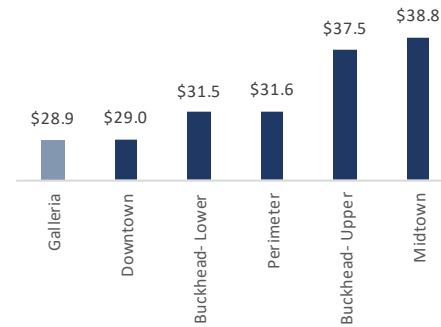
CORPORATE TENANT BASE:

"The Home Depot, Genuine Parts (owner of Napa Auto Parts), and Comcast are some of the larger tenants here. In fact, Comcast's new home is at One Ballpark Center, which is part of The Battery, the Atlanta Braves' mixed-use development centered around the new SunTrust Park. This blend of high-end retail, office, apartment, and entertainment offerings serves as a destination, **which is important because it targets the changing tastes of workers who are drawn to walkable communities with an urban feel.**"

CoStar, 2018

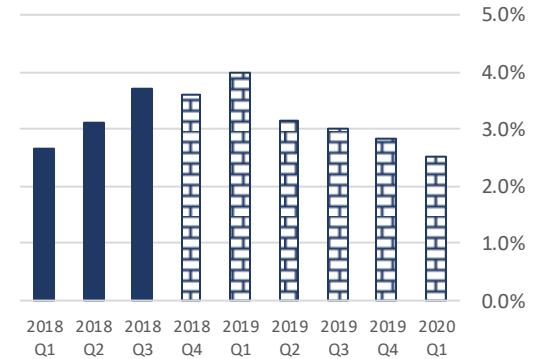
WEIGHING THE ALTERNATIVES:

Source: CoStar

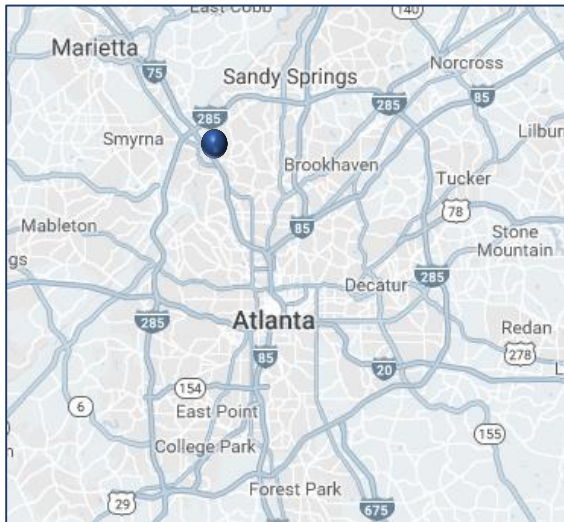


DRIVING RENT GROWTH:

Source: CoStar



GALLERIA 200 & 300



AMENITY-RICH WALKABILITY



BURLINGTON (BOSTON)

AT A GLANCE

SUBMARKET STATS (4 and 5 Stars)

Size	5.9 MSF
Vacancy	11.8%
Rent	\$35.60/SF
Under Construction	0 MSF
LTM Net Absorption	.281 MSF

PIEDMONT HOLDINGS

Buildings	3
SF	655,000
Occupancy	94.5%
Wtd Average Rent	\$35.70
Gross Basis	\$326

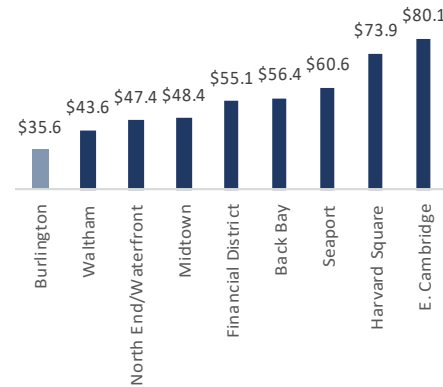
GROWING TAMI TENANT BASE:

"This stock has successfully attracted a strong base of technology companies, such as Nuance Communications, Oracle, SAP, Nokia, and Avid Technologies. The submarket has **one of the largest number of tech firms in the entire metro, second only to Cambridge and Waltham**....Several other large tech groups have relocated to Burlington, promising to keep its tech market strong."

CoStar, 2018

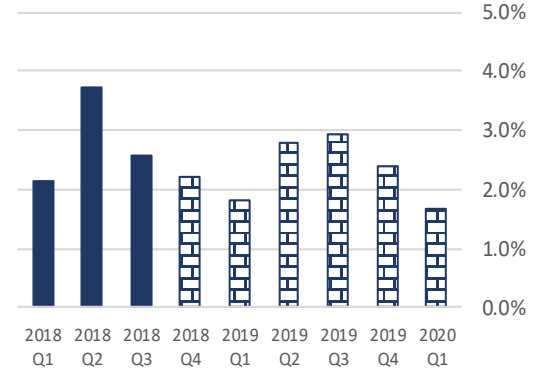
WEIGHING THE ALTERNATIVES:

Source: CoStar

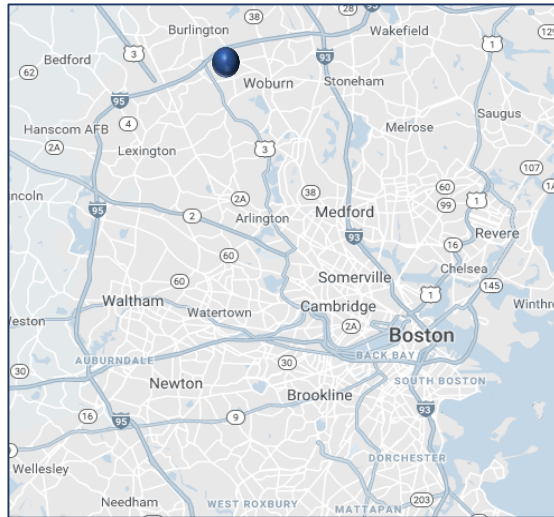


DRIVING RENT GROWTH:

Source: CoStar



5 WALL ST, 1, 5 & 15 WAYSIDE RD



AMENITY-RICH WALKABILITY



LAKE MARY (ORLANDO)

AT A GLANCE

SUBMARKET STATS (4 and 5 Stars)

Size	4.4 MSF
Vacancy	6.1%
Rent	\$26.03/SF
Under Construction	.110 MSF
LTM Net Absorption	.071 MSF

PIEDMONT HOLDINGS

Buildings	2
SF	310,000 (+~1MSF for dev.)
Occupancy	89.0%
Wtd Average Rent	\$28.29
Gross Basis	\$212

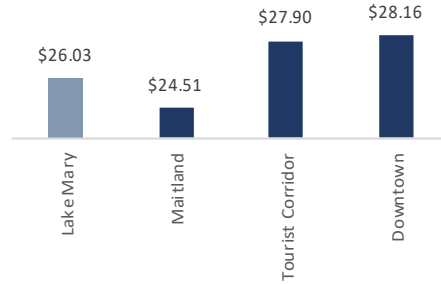
CORPORATE TENANT BASE:

*"Unlike in neighboring submarkets, jobs here do not stem largely from the leisure and hospitality sector. Instead, major corporations such as Verizon and Chase Card Services provide a steady employment base. Moreover, the **added perk of public transportation without lengthy commutes** has also appealed to residents working in the submarket. Lake Mary continues to see **numerous corporate relocations and expansions.**"*

CoStar, 2018

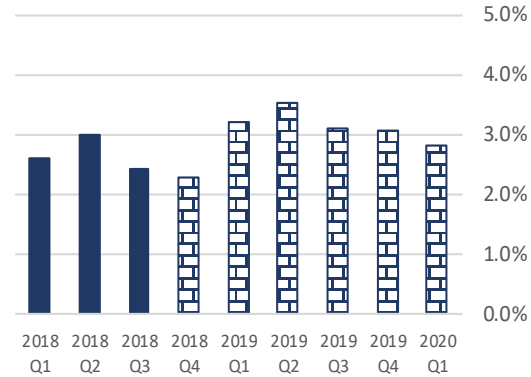
WEIGHING THE ALTERNATIVES:

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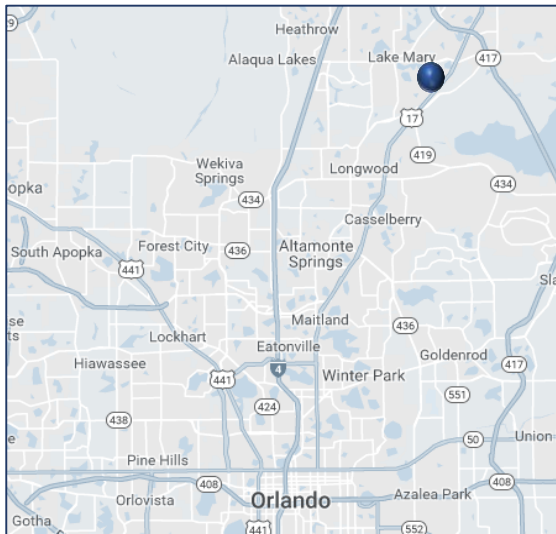


DRIVING RENT GROWTH:

Source: CoStar



400 & 500 TOWN PARK



LIAM FITZPATRICK'S
restaurant and irish pub



ACTIVELY PURSUING DEVELOPMENT OPPORTUNITIES...WITH STRATEGIC LAND POSITIONS AT LOW BASIS LEVELS

Two Million SF...\$750 Million of Investment



1,000,000 SF

Lake Mary, FL

Adjacent to 400 & 500 TownPark
Land Basis: \$6.3M



250,000 SF

Atlanta, GA

Adjacent to Glenridge
Highlands One & Two
Land Basis: \$2.0M



250,000 SF

Atlanta, GA

Adjacent to The Medici
Land Basis: \$2.7M



500,000 SF

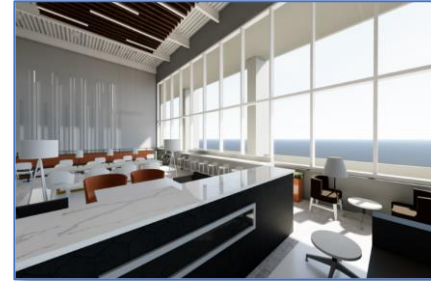
Irving, TX

Adjacent to 6011, 6021 & 6031
Connection Drive
Land Basis: \$2.8M

ACTIVELY PURSUING REDEVELOPMENT OPPORTUNITIES...AT ACCRETIVE INCREMENTAL RETURNS

31st Floor, US Bank Tower, Minneapolis

Investment ~\$10 million



200 South Orange, Orlando

Investment ~\$15 million



PAGE 3

¹ Assumes midpoint of guidance for 2018 FY FFO

² Source: SNL

Peer Group: HPP, KRC, CLI, PGRE, BXP, BDN, CXP, OFC, CUZ, DEI, ESRT, FSP, HIW, TIER, WRE

West Coast: DEI, HPP, KRC

³ Based as a percentage of market cap

PAGE 4

¹ Source: SNL as of 11/5/2018, straight averages

Groupings:

Non-Gateway: BDN, TIER, CLI

DC: JBGS, OFC, WRE

Diverse Gateway: BXP, CXP, PGRE

SunBelt: CUZ, HIW

PAGE 5

¹ Internal estimate

² Source: SNL, as of 11/1/2018

³ Source: GreenStreet Advisors

⁴ Source: Defined as rated by S&P, Moody's or widely-recognized companies such as Racetrac Petroleum, KPMG and Independence Blue Cross

⁵ Source: Company filing as of 9/30/2018

PAGES 7, 8, 9

Market rent and rental growth rates: CoStar four and five star assets only