



Piedmont Office Realty Trust Sells NASA's Headquarters in Washington, D.C. -- Announces Second Quarter Leasing and Capital Markets Activity

July 10, 2017

ATLANTA - July 10, 2017 - Piedmont Office Realty Trust (NYSE:[PDM](#)) announced today that it has successfully completed the sale of one of its largest properties, Two Independence Square, located at 300 E Street, S.W. in Washington D.C. The building is 100% leased and has served as the headquarters for the National Aeronautics and Space Administration (NASA) since its construction. Hana Asset Management (advised by Ocean West Capital Partners) purchased the property for approximately \$360 million, or \$593 per square foot.

"We are very pleased to have executed on the sale of our largest asset in Washington, D.C., generating a substantial capital gain for our shareholders. The opportunity to harvest the value created from a \$50 million redevelopment of the property and execution of a 15-year lease with NASA for the entire building, reflects our robust operating capabilities," stated Brent Smith, Chief Investment Officer for Piedmont. "Sale proceeds will be used to reduce debt and solidify our balance sheet," added Smith. "While we anticipate being a net seller this year, we continue to search for strategic acquisitions in our eight core operating markets which will further bolster our competitive positioning in the submarkets in which we currently operate." Keith Willby, Vice-President of Capital Markets, coordinated the building sale on behalf of Piedmont.

Additionally during the second quarter, Piedmont disposed of Sarasota Commerce Center II for \$23.5 million or \$158 per square foot, marking our exit from the Sarasota market.

Piedmont also announced that it secured approximately 362,000 square feet of total leasing in the second quarter of 2017. Highlights of significant leasing transactions greater than 10,000 square feet for the quarter included:

Atlanta, GA- NAI Brannen Goddard completed a 28,392 square foot, 5-year lease renewal through 2023 at Piedmont's Glenridge Highlands One property, located at 5555 Glenridge Connector in Atlanta, GA.

Dallas, TX- Several sizable leasing transactions were executed in this core operating market during the second quarter.

- Caris Life Sciences, LLC signed a 27,188 square foot, 10+ year new lease through 2028 at 750 West John Carpenter Freeway in Irving, TX.
- Covey Park Energy signed a 19,407 square foot, 5-year lease expansion and short-term extension through 2022 at Piedmont's One Lincoln Park property, located at 8401 North Central Expressway in Dallas, TX.
- Veterans United Home Loans executed an 18,847 square foot, 5+ year lease renewal and expansion through 2023 at Las Colinas Corporate Center II, located at 6363 N. State Hwy 161 in Irving, TX;
- A sports equipment manufacturing company signed a 10,972 square foot, 5+ year lease through 2022 at Las Colinas Corporate Center I, located at 6333 N. State Hwy 161 in Irving, TX.
- Heygood, Orr & Pearson signed a 10,416 square foot, 5+ year new lease through 2024 at Las Colinas Corporate Center II, located at 6363 N. State Hwy 161 in Irving, TX.

Washington, D.C. - The General Services Administration (GSA) signed a 21,042 square foot, 5-year lease renewal through 2022 at 400 Virginia Avenue in Washington, D.C.

Chicago, IL - R-T Specialty, LLC signed an 11,034 square foot, 11+ year lease expansion through 2029 at 500 West Monroe Street in Chicago, IL.

"Our leasing results for the first half of the year had fewer large transactions than in prior years, yet the volume remained steady. Considering the level of activity in our leasing pipeline, we anticipate a much stronger leasing volume in the second half of the year," said C.A. "Bo" Reddic, IV, Executive Vice-President of Real Estate Operations for Piedmont.

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 in select submarkets located primarily within eight major U.S. office markets. 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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