



GALLERIA OFFICE TOWERS - DALLAS

FEBRUARY 2020

Piedmont Office Realty Trust, Inc. (also referred to herein as “Piedmont” or the “Company”) (NYSE: PDM) is an owner, manager, developer, redeveloper and operator of high-quality, Class A office properties in select sub-markets located primarily within seven major eastern U.S. office markets. The Company’s geographically-diversified portfolio is comprised of \$5 billion in gross assets and approximately 18 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). At the end of the fourth quarter of 2019, 60% of the Company’s portfolio was Energy Star certified and approximately 35% was LEED certified.

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, our office properties owned through consolidated joint ventures, and One Galleria Tower, Two Galleria Tower, and Three Galleria Tower in Dallas, TX, which were acquired subsequent to the end of the fourth quarter of 2019, but exclude one out-of-service property as of December 31, 2019.

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, 2018, and our quarterly report on Form 10-Q for the period ended September 30, 2019, along with 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 December 31, 2019. Such documents are available at www.sec.gov and under the heading Investor Relations on our website at www.piedmontreit.com.

PIEDMONT HAS ACQUIRED ONE, TWO AND THREE GALLERIA TOWERS, TOTALING 1.4 MILLION SQUARE FEET IN DALLAS, TEXAS FOR APPROXIMATELY \$400 MILLION. THIS TRANSACTION SIGNIFICANTLY REDEFINES PIEDMONT'S CONCENTRATION IN AND COMMITMENT TO ONE OF THE NATION'S MOST VIBRANT ECONOMIES.

- ❑ **Unparalleled Demographic Environment**
Dallas-Forth Worth, Texas is widely considered one of the nation's leading economies. The Lower Tollway submarket is ideally-located at the epicenter of the city's numerous population bases.
- ❑ **The Optimal Hub-Urban Environment**
Galleria Office Towers are seamlessly integrated with Galleria Dallas, one of North Dallas' premier shopping destinations, and the 448-key Westin Galleria Dallas. Over 8,500 multifamily units are within one mile of The Galleria, fostering a genuine live, work, play environment.
- ❑ **Modern Workforce Value Proposition**
The property features three office towers with ideal floorplates and a highly-amenitized, vibrant, easily-accessible professional environment at a compelling price-point.
- ❑ **Piedmont's Portfolio Realignment**
Following the closing of the acquisition, Dallas will become PDM's second largest market based on ALR and almost 50% of revenues will be generated from SunBelt markets. The transaction is expected to generate an accrual yield of 8.1%.¹



DALLAS RANKS AS ONE OF THE NATION'S MOST VIBRANT CITIES.

Dallas- National Leader in Economic Conditions

Dallas-Fort Worth is one of the top regions in the nation for business, thanks to low cost of living, a business-friendly environment, a strong base of well-educated and skilled employees, and robust access to both U.S. and world markets.

Year after year, the region's selling points are lauded by prestigious business experts in publications including Bloomberg Businessweek, Forbes, Fortune and Site Selection.

Dallas-Fort Worth is consistently ranked among the top places to work, the best places to live, and the best places for investment.

Corporate Relocation Magnet



Dallas Chamber of Commerce

"[Dallas possesses a] unique blend of the hospitality of the South, that pioneer spirit of the West and the values that I remember growing up as a child in the Midwest...employees who relocated [from California] have enjoyed North Texas' quality of life...and their shorter commutes mean more free time with family and getting involved in the community."

*Jim Lentz
CEO, Toyota North America*

#1
Projected Job Growth
2019-2024¹

#1
Projected Population
Growth 2019-2024¹

#1
Best City for Jobs
Forbes 2018²

#1
Job Growth
2017-2018³

#1
Total Net Office
Absorption since
2015⁴



24
Fortune 500
Corporate HQs⁵

#12
Busiest airport in the
U.S.⁶

#7
Largest concentration
of high-tech jobs in
the U.S.⁶

144
Corporate
Relocations since
2010⁶

0%
State and Local
Income Taxes

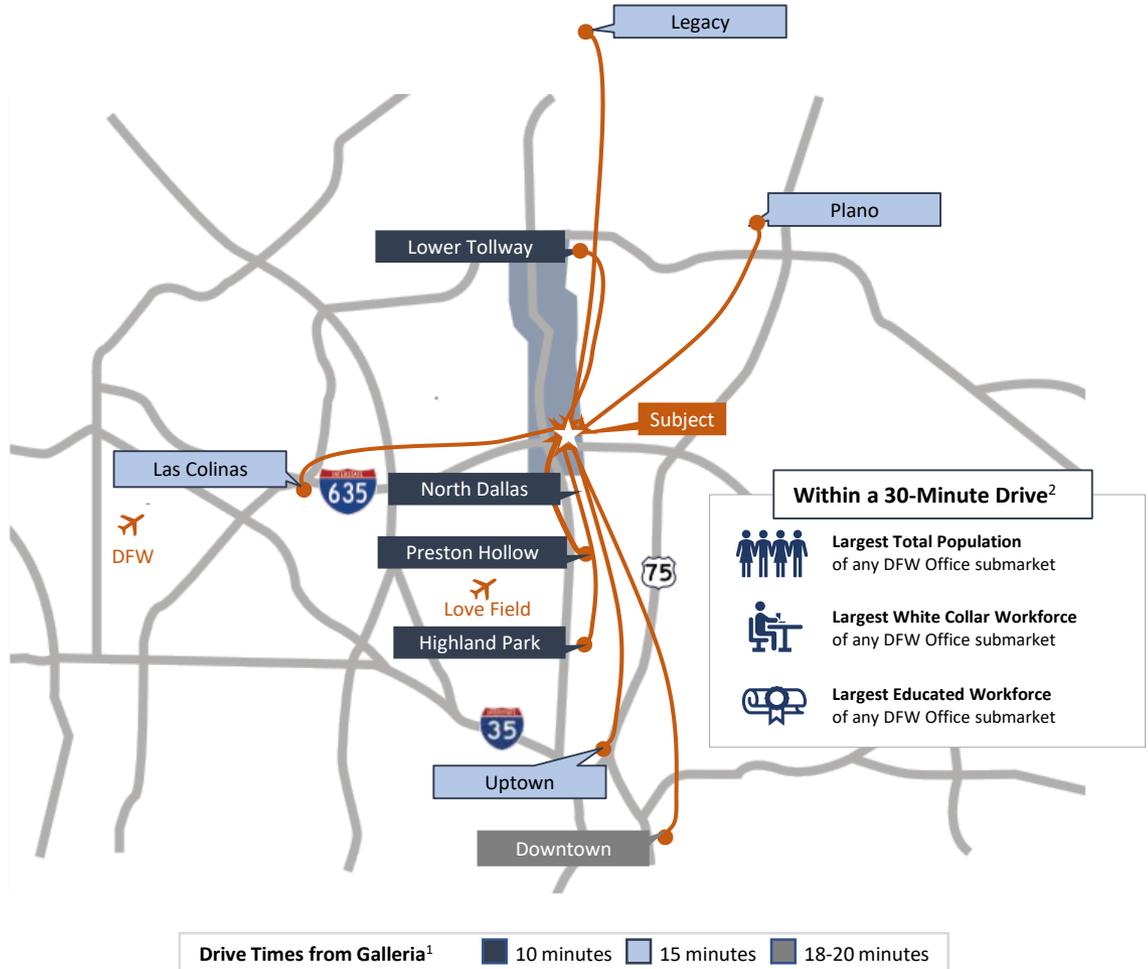
GALLERIA OFFICE TOWERS ARE IDEALLY LOCATED AT THE EPICENTER OF DALLAS' GROWING POPULATION HUBS.

Lower Tollway Attributes

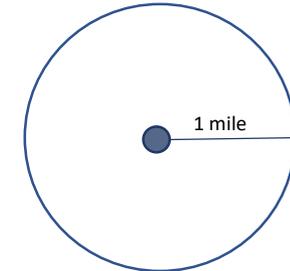
-  Primary Growth Corridor for Dallas
-  Centrally Located to Downtown and Legacy
-  Premier Public and Private Schools
-  World Class Shopping and Dining
-  Proximity to Two Major Airports
-  Easy Access for Multiple Skilled Labor Pools

Surrounding Area Demographics¹

			
Legacy	\$431	\$133	73%
Far North Dallas	\$462	\$125	59%
Plano	\$349	\$142	70%
Las Colinas	\$365	\$110	71%
North Dallas	\$823	\$159	65%
Preston Hollow	\$1,200	\$238	84%
Highland Park	\$1,300	\$198	83%
Uptown	\$1,007	\$123	77%
	Avg Home Price (000s)	Household Income (000s)	Bachelors Degree or Higher



THE COMPLEX IS ADJACENT TO THE RAPIDLY-DENSIFYING AREA AROUND THE GALLERIA, CATERING TO MILLENNIALS AND WORKING PROFESSIONALS SEEKING A MIXED-USE, WALKABLE ENVIRONMENT.



OVER 125 RESTAURANTS
 NINE HOTELS
 8,500 MULTIFAMILY UNITS

MULTIFAMILY



HOTELS



DIRECTLY CONNECTED TO THE GALLERIA DALLAS, NORTH DALLAS' PREMIER SHOPPING DESTINATION.



-  1.5 million SF super-regional retail destination
-  Over 40 restaurants and eateries
-  Est. \$900/SF sales¹
-  21-story, 448-room Westin Galleria



Source: Dallas Morning News- conceptual renderings only. Trademark has been engaged to operate the asset on behalf of its owner, UBS Realty

CATERING TO THE CHANGING NEEDS OF TODAY'S PROFESSIONAL WORKFORCE.

Class A User Checklist...

- Amenities

- Walkability

- Access to Labor Pool

- Proximity to Airport

- Nearby Executive Housing

- Pro-Business Climate

- Premier Schools (public and private)

- Appropriate Value

Companies Anchoring the Lower Tollway

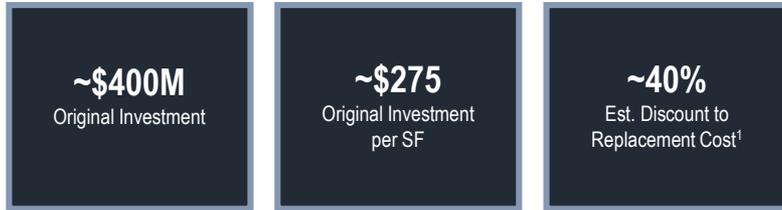


Companies Voting for the Lower Tollway Since 2017¹

Tenant	Relocating From...
Ansira	Consol. from Upper Tollway and West End
Kimley Horn	Park Central
HCA	Las Colinas
AECOM	Consol. from Upper Tollway and West End
Outmatch	Park Central
Wunderlich	Preston Center
Davis Craig Law Firm	Uptown
Sonic Wall	New to Dallas
U.S. Freedom	Legacy
Richard Law Group	Preston Center
Onica	New to Dallas
Arden Trust	Uptown
Good Harbor Asset Mgmt	New to Dallas

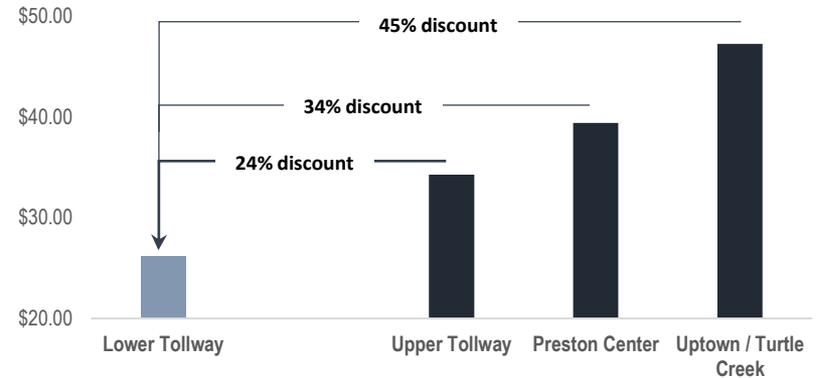
DELIVERING A UNIQUE ENVIRONMENT...AT A COMPELLING VALUE.

Piedmont's Galleria Office Towers Investment



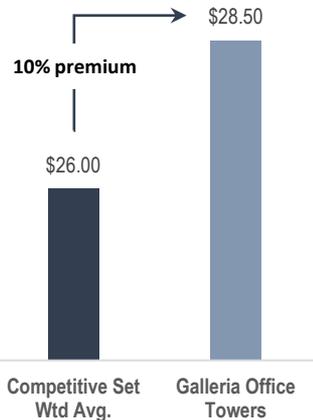
The Lower Tollway Value Proposition²

Asking Rents (Net)

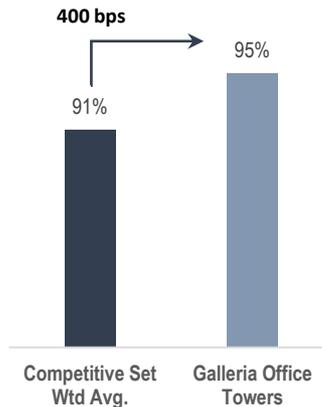


Galleria Office Towers Outperform the Lower Tollway Competitive Set^{3, 4}

Asking Rents (Net)



Occupancy Rate



The Galleria Advantage



¹ Based on management estimates

² Asking Rates. Source: Cushman & Wakefield Q4 19 Report

³ Asking Rates. Set includes: Colonnade I, II, III, International Plaza I, III, Pinnacle Tower, Lincoln Tower, Galleria North Tower I, II

⁴ Source: CBRE

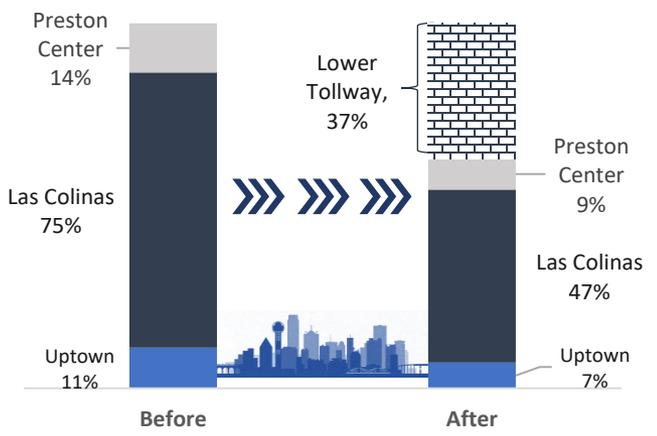
DALLAS IS MOVING TO THE FOREFRONT OF PIEDMONT'S PORTFOLIO.

Pro-Forma ALR

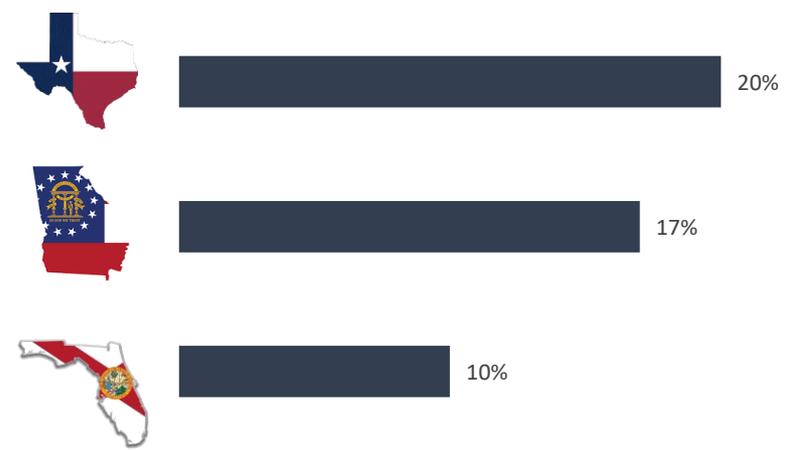
(Data as of 12/31/19 with addition of Dallas Acquisition)



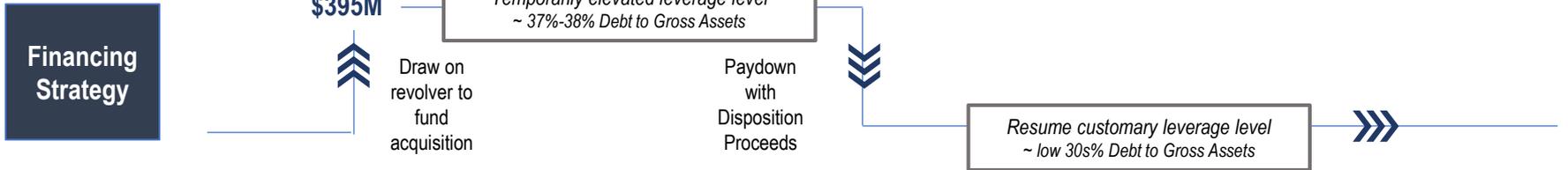
Piedmont's Reconstituted Dallas Portfolio



Almost 50% of Piedmont's ALR Generated from SunBelt States



THE ACQUISITION IS EXPECTED TO BE ACCRETIVE TO CASH FLOW AND THE GROWTH PROFILE OF PIEDMONT. ANTICIPATED TO BE LARGELY FUNDED BY THE DISPOSITION OF A NON-CORE ASSET IN PHILADELPHIA.

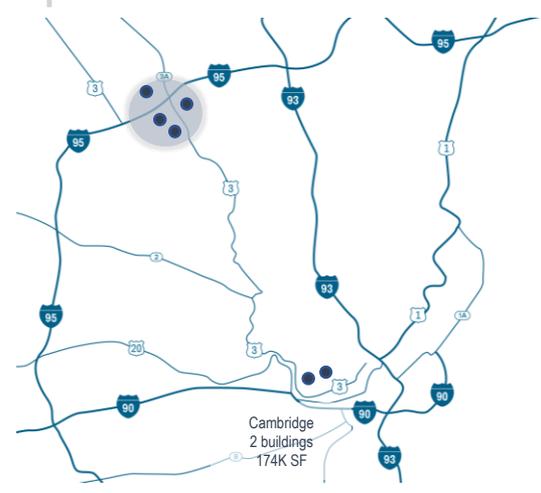


SINCE DECEMBER 2018, PIEDMONT HAS INVESTED \$800M TO STRENGTHEN OR BUILD DOMINANT POSITIONS WITHIN DISTINCT AND VIBRANT SUBMARKETS IN MAJOR MSAs.

ATLANTA \$326M Galleria- 5 bldgs, 2.1M SF



BOSTON \$74M Burlington- 4 bldgs, 942K SF



DALLAS ~\$400M Galleria Office Towers- 3 bldgs, 1.4M SF



Piedmont's recent transaction activity in Atlanta, Boston and Dallas is strategically consistent with its highly-concentrated positions in Orlando CBD, Orlando Lake Mary and the RB Corridor in Washington.

ORLANDO
CBD, 4 bldgs, 1.4M SF



ORLANDO
Lake Mary- 2 bldgs, 309K SF
Land for 1M SF



WASHINGTON
RB Corridor- 3 bldgs, 900K SF



● Atlanta land for development; 11.7 acres at The Galleria and 3 acres in Central Perimeter
Dallas land for development; 2 acres at The Galleria Office Towers and 14 acres in Las Colinas

LANDMARK, CLASS A OFFICE TOWERS

Financial Snapshot

Purchase price	~\$400M
Price/SF (buildings)	~\$275
Wtd. Avg. In-Place Rent vs. Market	~25% discount
Accrual NOI Yield ¹	8.1%

On-Site Amenities

- Rooftop Terrace
- State-of-the-Art Fitness Center
- Tenant Lounges
- Abundant Conference Facilities



	One Galleria Tower	Two Galleria Tower	Three Galleria Tower
Size (000s SF)	470	434	531
Built / Renovated	1982 / 2018	1985 / 2018	1991 / 2018
Occupancy	92%	99%	95%
Parking per 1,000 SF	3.0	3.2	3.0
Anchor Tenants	 MERRILL <small>A BANK OF AMERICA COMPANY</small> 	  	  