

7601 TECH

DENVER, CO
ACQUISITION
SEPTEMBER 2019



FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements within the meaning of the federal securities laws and as such are based upon City Office REIT, Inc. ("City Office" or the "Company") and its current beliefs as to the outcome and timing of future events. There can be no assurance that actual future developments affecting the Company will be those anticipated by the Company. Examples of forward-looking statements include projected capital resources, projected profitability and portfolio performance, estimates of market rental rates, projected capital improvements, expected sources of financing, expectations as to the timing of closing of acquisitions, dispositions, or other transactions, the expected operating performance of anticipated near-term acquisitions and descriptions relating to these expectations, including without limitation, the anticipated net operating income yield, expected capitalization rates and our expectations regarding any property's replacement cost. Forward-looking statements presented in this presentation are based on management's beliefs and assumptions made by, and information currently available to, management.

When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve risks and uncertainties (some of which are beyond the Company's control) and are subject to change based upon various factors, including but not limited to the following risks and uncertainties: changes in the real estate industry and in performance of the financial markets; competition in the leasing market; the Company's ability to forecast accurately the barriers to entry and competition in the markets in which it operates; the demand for and market acceptance of our properties for rental purposes; the amount and growth of our expenses; tenant financial difficulties and general economic conditions, including interest rates, as well as economic conditions in our geographic markets; defaults or non-renewal of leases; risks associated with joint venture partners; the risks associated with the ownership and development of real property, including risks related to natural disasters; risks associated with property acquisitions, the failure to acquire properties as and when anticipated; the outcome of claims and litigation involving or affecting the Company; our failure to maintain our status as real estate investment trust, or REIT; and other risks and uncertainties detailed in the Company's news releases and filings with the Securities and Exchange Commission, including but not limited to the Company's reports on Form 10-K, Form 10-Q and Form 8-K in the Company's SEC filings.

Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's business, financial condition, liquidity, cash flows and results could differ materially from those expressed in any forward-looking statement. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Any forward-looking statements speak only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. Use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends.

ACQUISITION SUMMARY

7601 TECH

- ❖ 7601 Tech is a 191,368 SF six-story office building located in Denver, Colorado
- ❖ 95% leased at close, anchored by an investment grade corporate tenant and large public company
- ❖ Class A building built in 1997 with high-end finishes, large flexible floorplates and unobstructed views
- ❖ Located directly adjacent to existing CIO property and will be integrated to create a 380,000 SF campus with shared amenities and leasing flexibility



Key Metrics

Purchase price **\$48.75 M / \$255 PSF**

Property size **191,368 SF**

Year built **1997**

Leased at close **95% ⁽¹⁾**

Expected Year 1 cash NOI cap rate **~7.1%**

Estimated replacement cost **~\$350 PSF**

(1) 80% occupied at close; 95% leased represents the expansion of a tenant that has signed a lease agreement and will occupy the expansion space once the buildout has been completed

ACQUISITION CHARACTERISTICS

Well-Located Real Estate:

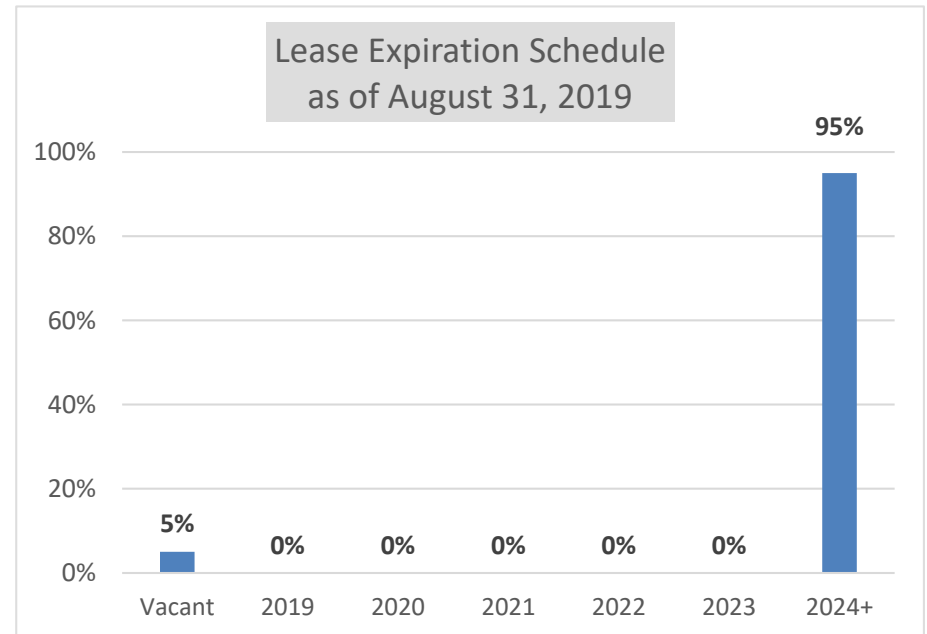
- Located within the Denver Tech Center ("DTC") submarket of Denver's Southeast region, the largest employment center outside of the CBD
- Immediate access to major freeways I-25 and I-225 and within walking distance of Belleview light rail station
- Directly adjacent to CIO's existing property "7595 Tech," providing a strategic opportunity for leasing flexibility and to connect both assets with campus amenities and improvements
- Abundance of executive housing, significant commercial and hotel developments and dozens of recreational amenities have provided strong growth within the region over the last decade

Leased to High Credit, Growing Tenancy:

- Strong recent leasing velocity securing over 100,000 SF of new, long-term tenancy
- 95% leased at close, anchored by a credit tenant and large, expanding public company
- Weighted average lease term remaining of 7.5 years

Attractive Acquisition Characteristics:

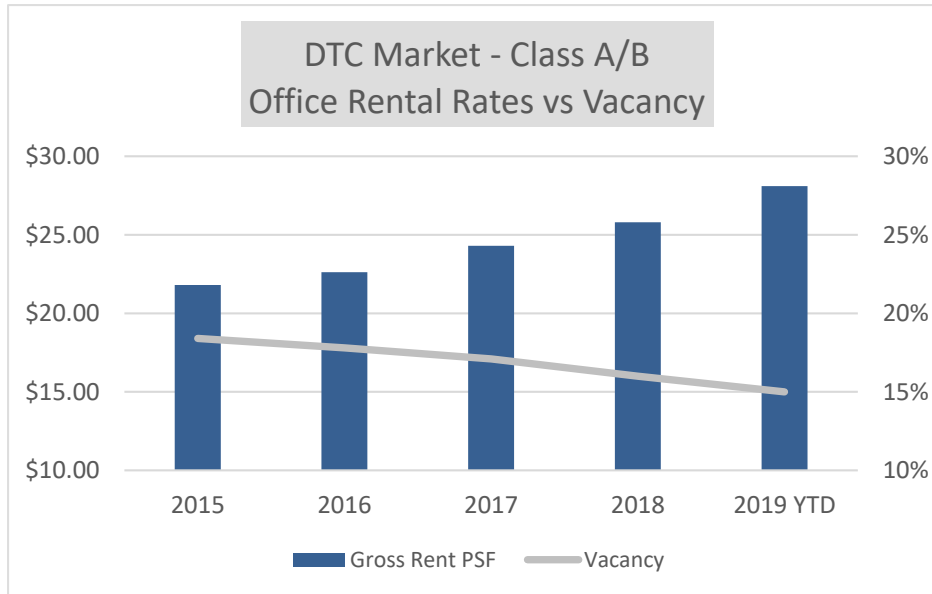
- ~7.1% capitalization rate on Year 1 projected cash NOI
- \$4.3 million invested in capital improvements since 2015
- Two-level lobby, structured parking, fitness center and a café on site
- High-quality, Class A buildouts in tenant spaces



MARKET STATISTICS – Denver, CO

Strong Denver Market Fundamentals:

- Denver ranked as #1 best place to live in the US (US News & World Report, 2018), #2 most educated state in the US (US Census Bureau, 2018) and #4 best place for business and careers (Forbes, 2018)
- Seven Fortune 500 company headquarters are located within Southeast Denver, which has become Denver's most diverse submarket and now accounts for 41% of Denver's total office market inventory
- Ranked third highest in millennial population in the US, with millennials now accounting for 29% of Denver's total population
- 42,000 jobs added in 2018 with an unemployment rate of 2.9%, lower than the US national average of 3.7%



Source: CoStar





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