

CORPORATE PARKWAY SALE DISPOSITION SUMMARY

JUNE 2016



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 and capitalization rates. 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 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 or sell properties as and when anticipated; the outcome of claims and litigation involving or affecting the Company; the ability to satisfy conditions necessary to close pending transactions; 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, 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 HISTORY

- › Corporate Parkway is a Class “A” office property totaling 178,330 square feet located in Allentown, PA.
- › Corporate Parkway was acquired by City Office’s predecessor in May 2013 and contributed to City Office at the IPO in April 2014.
- › Located within the Stabler Corporate Center, the premier office park in the region, with excellent visibility and highway accessibility.
- › 100% leased to Dun & Bradstreet, Inc., a subsidiary of Dun & Bradstreet Corporation (“D&B”), and the largest D&B office globally.
- › At the time of acquisition, the D&B lease expired in November 2016.

Key Metrics – At Acquisition (by City Office Predecessor)

Purchase Price **\$28.4 M / \$159 PSF**

Property size **178,330 SF**

Year built / renovated **2006**

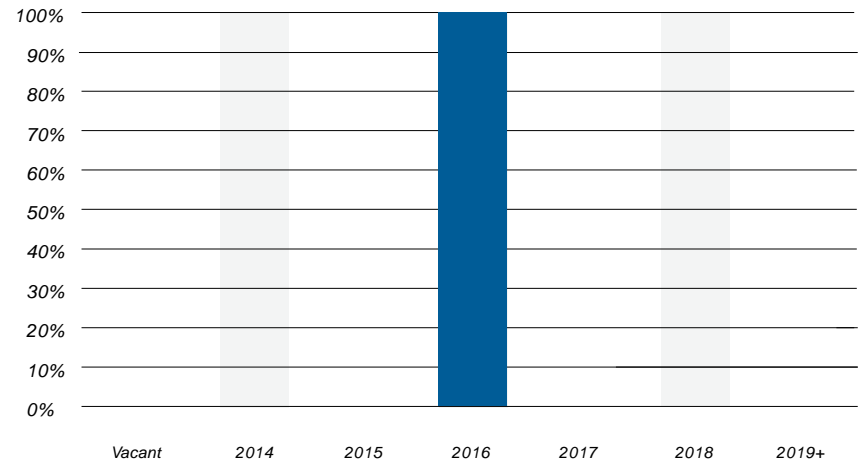
Remaining lease term **3.5 years**

Year 1 cash NOI cap rate **~10.5%**

Acquisition Date **May 17, 2013**



SUMMARY OF EXPIRING SQUARE FOOTAGE (% OF TOTAL SF¹)



1- At time of original acquisition (May 2013).

CIO VALUE CREATION

- › With only 3.5 years remaining on the lease at above market rates, investor demand was limited in 2013 and the property was acquired by the City Office Predecessor for \$28.4 million, or \$159 per square foot, representing an approximate 10.5% NOI cap rate at the time of acquisition.
- › Management focused on unlocking value at the property by extending the lease term and enhancing the lessees' credit profile. Ultimately a 10 year early lease extension was completed and the investment grade parent was secured as tenant.
- › This positioned Corporate Parkway favorably by having a 10+ year lease term with an investment grade company as lessee.
- › City Office sold the property in June 2016 for \$44.9 million, representing a 6.6% capitalization rate and \$252 per square foot. The transaction generated a 51.0% IRR and a 2.2x equity multiple¹.
- › With the sale of this non-strategic asset, the Company has been able to align its portfolio entirely within its target markets.



Key Metrics – At Sale

Sale price **\$44.9MM / \$252 PSF**

Sale date **June 15, 2016**

Remaining lease term **10.4 years**

Tenant **D&B Corporation**

Year 1 cash NOI cap rate **~6.6%**

Sale IRR & equity mult.¹ **51.0% / 2.2x**

1- IRR & equity multiple based on the \$29.0MM allocated acquisition price at the IPO date.



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