

# PARK TOWER ACQUISITION

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NOVEMBER 2016

Tampa, FL



## FORWARD-LOOKING STATEMENTS

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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, 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

## PARK TOWER

- › Park Tower is a Class “A” office property totaling 472,596 square feet with an attached structured parking garage
- › “Main and Main” location in the center of the Tampa CBD, one of Tampa’s leading submarkets
- › Iconic downtown Tampa skyline property with excellent views of Tampa Bay
- › Diverse mix of quality tenants, including: BB&T Corporation (NYSE: BBT), Level 3 Communications (NYSE: LVLT), Lykes Insurance Inc., United States Department of Justice, and United States Department of Defense



### Key Metrics

Purchase price **\$79.8 M\* / \$169 PSF**

Property size **472,596 SF**

Year built / renovated **1973**

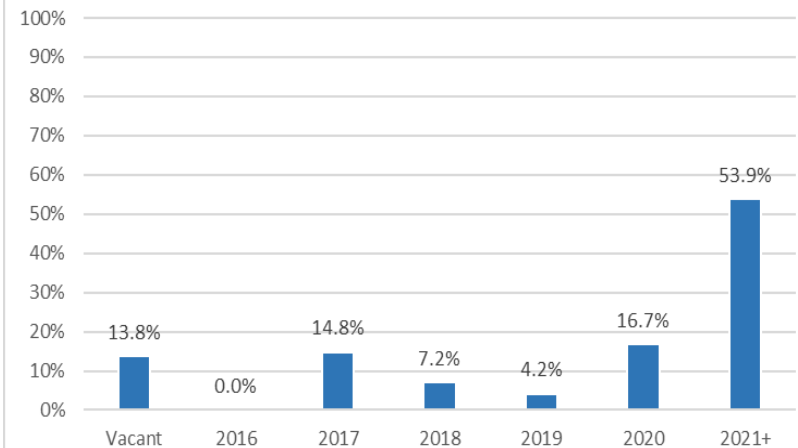
Occupancy at close **86%**

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

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

\*As a condition to closing, \$2.0 million of the purchase price was funded into a third party cash escrow account. This cash will be returned to the Company if certain renewal leasing thresholds are not achieved in the first year of ownership.

### Summary of Expiring Square Footage (% of Total SF) <sup>1</sup>



1- At November 2 2016.

# ACQUISITION CHARACTERISTICS

## Well-Located Real Estate:

- › Located in the Tampa CBD submarket, in proximity to Tampa International Airport, Interstate 275, and Downtown St. Petersburg
- › Excellent Tampa Bay views
- › Located at the center of the Tampa CBD with walkable restaurants and amenities nearby
- › Park Tower serves as the “Telco hotel” for the region

## Attractive Submarket Value Proposition:

- › Tampa CBD submarket commands the highest average rental rates within the market at \$25.83 psf
- › Tampa CBD direct vacancy of 11.5%

## Favorable Acquisition Metrics:

- › 7.1% capitalization rate on Year 1 projected NOI with contractual base rental rate increases
- › 86% occupancy upon acquisition provides upside through lease up of existing vacancy

## Top Tier Asset:

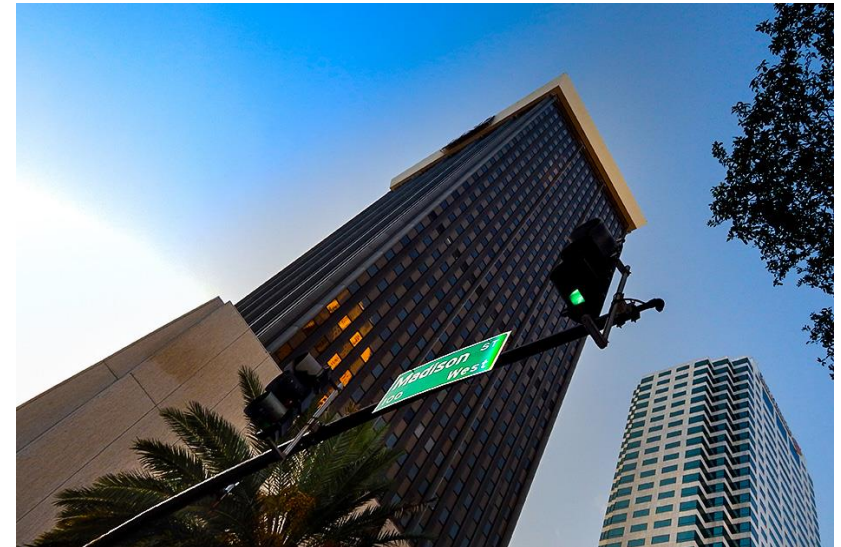
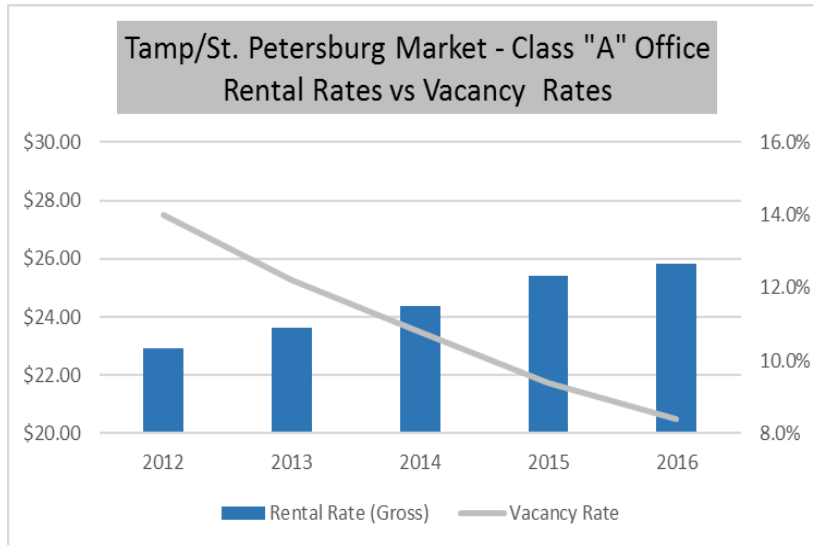
- › Iconic Tampa Bay skyline building with robust onsite amenity base
- › 14,000 SF floor plates are efficient for multi-tenant or single tenant floors
- › 410 parking spaces (0.8/1,000 ratio) located in the connected structured parking garage with another 120 structured spaces in downtown’s POE garage



# MARKET STATISTICS – TAMPA, FL

## Strong Tampa Bay Market Fundamentals:

- The Tampa St. Petersburg MSA has a population of 2.8 million residents, making it the second largest MSA in Florida and the third largest in the southeastern United States
- The Tampa St. Petersburg MSA consistently ranks as one of the lowest-cost places to do business with attractive labor costs, high-quality housing and an educated workforce
- Employment growth leader achieving a 3.1% year-over-year increase in August 2016 per U.S. BLS estimates
- According to Moody's Analytics, Tampa's economy has evolved into one of the most diverse in the United States





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