



INVESTOR  
PRESENTATION

NYSE: CIO

# Forward-Looking Statements

*This presentation contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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. (“CIO” or the “Company”) and its current beliefs as to the outcome and timing of future events. There can be no assurance that actual forward-looking statements, include projected capital resources, projected profitability and portfolio performance, estimates or developments affecting the Company will be those anticipated by the Company. Examples of forward-looking statements include those pertaining to market rental rates, national or local economic growth, estimated replacement costs of our properties, 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 cap rates. Forward-looking statements presented in this presentation are based on management’s beliefs and assumptions made by, and information currently available to, management.*

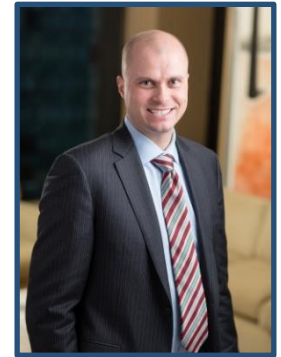
*Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “believe,” “could,” “project,” “predict,” “hypothetical,” “continue,” “future” or other similar words or expressions. All forward-looking statements included in this presentation are based upon information available to the Company on the date hereof and the Company is under no duty to update any of the forward-looking statements after the date of this presentation to conform these statements to actual results. The forward-looking statements involve a number of significant risks and uncertainties. Factors that could have a material adverse effect on the Company’s operations and future prospects are set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Quarterly Report for on Form 10-Q for the three months ended June 30, 2015, including the sections entitled “Risk Factors” contained therein. The factors set forth in the Risk Factors section and otherwise described in the Company’s filings with SEC could cause the Company’s actual results to differ significantly from those contained in any forward-looking statement contained in this presentation. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors. Unless otherwise stated, historical financial information and per share and other data is as of June 30, 2015.*

*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 statement speaks 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.*

# Experienced Management Team

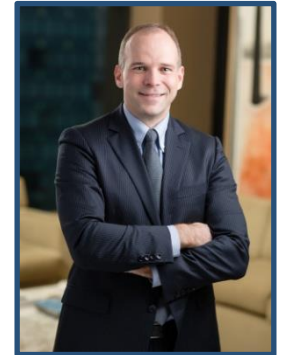
**James Farrar**  
*Chief Executive  
Officer & Director*

- ❑ Over 15 years of real estate, private equity and corporate finance industry experience.
- ❑ Acquired over \$1.0 billion of real estate since 2011
- ❑ Prior experience with a family office focused on real estate and hospitality and the private equity group of the TD Bank



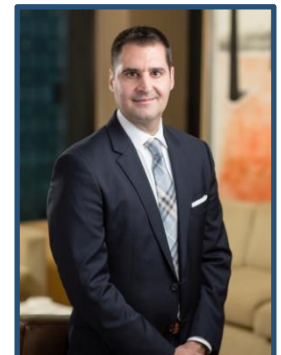
**Greg Tylee**  
*Chief Operating  
Officer & President*

- ❑ Over 15 years of diverse real estate experience that includes acquisitions of income-producing properties as well as high-rise development
- ❑ Involved in real estate transactions including development and management with a combined enterprise value of over \$2.0 billion
- ❑ Former President of Bosa Properties Inc., a prominent real estate development company with over 400 employees



**Anthony Maretic**  
*Chief Financial  
Officer, Secretary &  
Treasurer*

- ❑ Over 15 years of experience in senior financial and operational roles, of which 10 years were spent within the real estate industry
- ❑ Former Chief Operating Officer and Chief Financial Officer of Earls Restaurants Ltd., a multinational hospitality company
- ❑ Previously the Chief Financial Officer of a \$230 million U.S. based senior living real estate company
- ❑ Held a variety of financial management positions with Bentall Capital LP



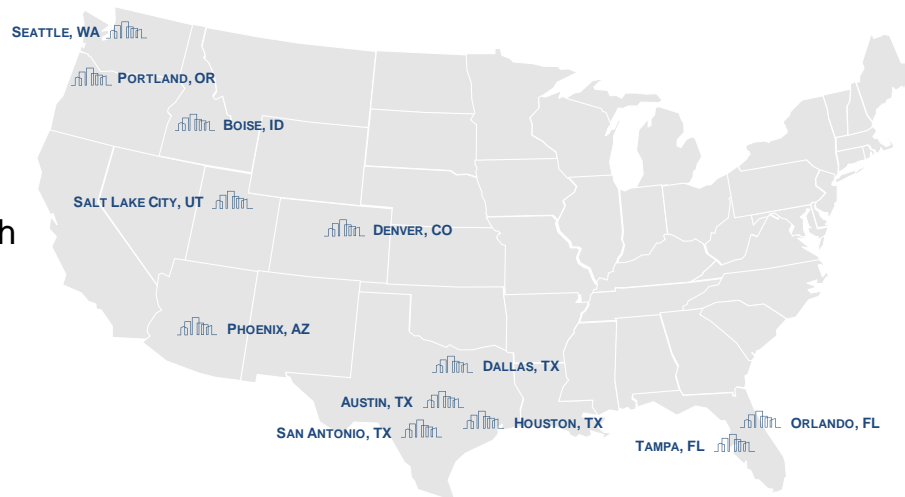
# City Office REIT Overview

**City Office REIT owns quality office properties in high growth markets primarily in the Southern and Western United States**

- Focus on creating stockholder value through a targeted acquisition strategy and internal cash flow growth
- CIO owns 2.7 million square feet of office properties
  - Located in vibrant, growing market with strong leasing fundamentals
  - High percentage occupied by quality credit tenants
  - Substantial capital improvements completed
- Experienced Management Team
  - Management and Board of Directors own ~13.6% of CIO at June 30, 2015
- Focused Acquisition Strategy Concentrated on Thriving Markets with Leading Economic Fundamentals
  - Well located Class A & B office properties in both CBD and key amenity-rich, transit-oriented suburban locations
  - Acquisition prices generally between \$20mm to \$50mm
  - Typical target acquisition cap rates expected between 7.0% and 9.0%



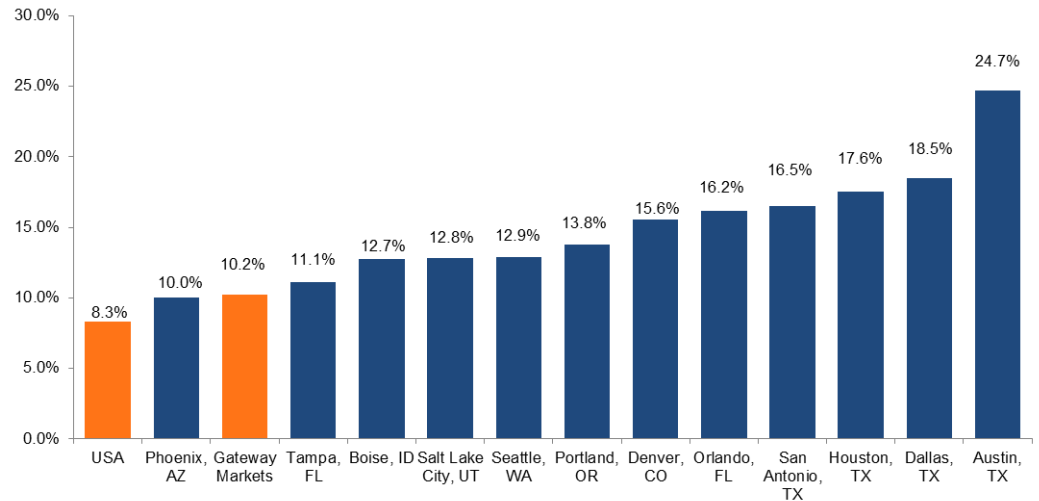
## PRIMARY TARGET MARKETS



# Robust Target Markets

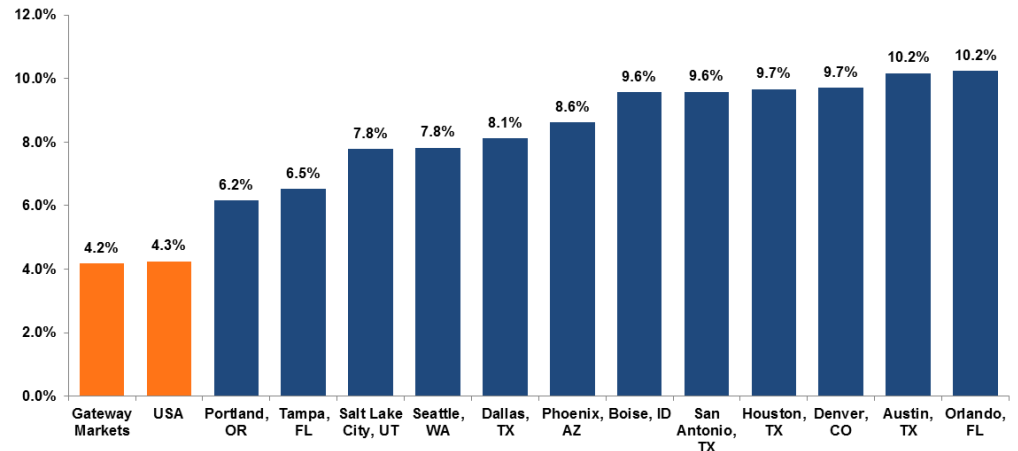
- Focused on markets with desirable attributes for office real estate:
  - Strong economic fundamentals and demographics
  - Growing population
  - Diverse employment base with national and international employers
  - Educated workforce
  - Low-cost center for businesses to operate
  - State capital or university concentration
  - Demonstrated recovery in local real estate conditions

## % JOB GROWTH FROM JUNE 2009 TO JUNE 2015



Source: U.S. Bureau of Labor Statistics as of August 20, 2015.

## % PROJECTED POPULATION GROWTH FROM 2014 TO 2020



Source: SNL Financial LLC

# Delivering Strong Results

## Recent Performance (Q2 2015)

- Executed approximately 380,000 SF of new and renewal leases during the quarter, including leases which will commence subsequent to quarter end
- In-place and committed occupancy increased from 94.5% in Q1 2015 to 95.2%
- Decreased rollover in 2015 and 2016 from 25.2% to 11.1%<sup>(1)</sup>
- Achieved Core Funds From Operations ("Core FFO")<sup>(2)</sup> of \$4.2 million, or \$0.27 per fully diluted share
- Renewed the Dun & Bradstreet Corporation lease at the Corporate Parkway property for 178,330 SF

## Strengthened Balance Sheet With Increased Financing Flexibility

- Increased revolver availability to \$75 million<sup>(3)</sup> with KeyBank National Association, BMO Harris Bank, N.A. and the Royal Bank of Canada

## Maintain outsized dividend yield

- Annualized dividend of \$0.94 per share or a ~7.6% yield<sup>(4)</sup>

## Continue to Source Strong Acquisitions in Leading Markets

- Currently reviewing over \$450 million in target markets
- Property under contract in Dallas for 307,400 SF and \$54.4 million

### ACQUISITIONS POST-IPO (INCLUDING PROPERTIES UNDER CONTRACT)

Property	Location	Close date	% Ownership	Cost (000's) <sup>(5)</sup>	Total SF of NRA
Plaza 25	Denver, CO	6/4/2014	100%	\$25,100	196,803
Lake Vista Pointe	Dallas, TX	7/18/2014	100%	28,400	163,336
Florida Research Park	Orlando, FL	11/18/2014	100%	26,500	124,500
Logan Tower	Denver, CO	2/4/2015	100%	10,500	69,968
Superior Pointe	Denver, CO	6/17/2015	100%	25,800	149,006
DTC Crossroads	Denver, CO	6/30/2015	100%	35,000	191,402
Granite 190	Dallas, TX	Pending	100%	54,400	307,400
<b>Total</b>				<b>\$205,700</b>	<b>1,202,415</b>

(1) Based on net rentable area as of June 30, 2015, assuming the Dun and Bradstreet and St. Luke's leases were in-place at that time

(2) Reconciliation of Core FFO to GAAP net income has been posted to the Company's website at [www.cityofficereit.com](http://www.cityofficereit.com)

(3) The Amended Facility increased our borrowing capacity from \$30 million to \$75 million. The facility also has an accordion feature that would allow it to be increased to a total of \$150 million

(4) Based on a closing stock price of \$12.40 on June 30, 2015.

(5) Excluding closing costs and working capital adjustments

# Acquisition Highlight: Granite 190

## CLASS A OFFICE BUILDING IN DALLAS, TX

**Contracted Purchase Price:** \$54.4M / \$177 PSF

**Closing Date:** September 2015 (expected)

**Property Size:** 307,400 SF

**Expected Year 1 Cash NOI Yield:** ~7.5%

**Occupancy:** 97% leased

**Financing:** Expected 10 year fixed rate mortgage

## ACQUISITION CHARACTERISTICS

- ❑ Two building property constructed in 2001 and 2008
- ❑ Well located in the growing Richardson/Plano submarket of Dallas with frontage on the President George Bush Turnpike
- ❑ Quality amenities including nine foot clear ceiling heights, excellent window lines, and one of the highest parking ratios in the submarket
- ❑ 50,000 square foot floor plates that are well suited to the market's corporate tenant base
- ❑ Well maintained property

## PROPERTY PHOTOS



# Portfolio Overview

## □ High Quality Properties Positioned for Stable Income and Capital Appreciation

- Current portfolio in-place and committed occupancy of 95.2%
- Benefit from low in-place rental rates with weighted average gross rental rate per square foot of \$20.55 <sup>(1)</sup>

## OUR CURRENT PORTFOLIO – JUNE 30, 2015





Metropolitan Area	Property	Year Built / Last Major Renovation	Economic Interest	NRA (000s SF)	In Place & Committed Occupancy	Annualized Gross Rent per SF	Annualized Base Rent <sup>(1)</sup>	Largest Tenant by NRA
Denver, CO	Cherry Creek	1962 -1980 / 2012	100.0%	356	100.0%	\$16.86	\$5,996,453	State of Colorado Department of Health
	Plaza 25	1981 / 2006	100.0%	197	92.4%	\$20.21	\$3,673,551	Recondo Technology, Inc.
	DTC Crossroads	1999 / 2015	100.0%	191	89.8%	\$24.01	\$4,109,809	Probuild Holdings, Inc.
	Superior Pointe	2000	100.0%	149	89.8%	\$25.53	\$1,943,718	Key Equipment Finance, Inc.
	Logan Tower	1983 / 2014	100.0%	70	95.1%	\$18.36	\$1,221,871	State of Colorado Governor's Energy
Boise, ID	Washington Group Plaza	1970 - 1982 / 2012	100.0%	558	91.6%	\$17.10	\$8,516,444	AECOM Technology Corporation
Portland, OR	AmberGlen	1984 / 2002	76.0%	353	96.7%	\$18.21	\$5,404,842	Planar Systems, Inc.
Orlando, FL	Central Fairwinds	1982 / 2012	90.0%	167	87.5%	\$25.70	\$3,297,512	Fairwinds Credit Union
	Florida Research Park	1999	100.0%	125	100.0%	\$27.50	\$2,427,750	Kaplan, Inc.
Tampa, FL	City Center	1984 / 2012	95.0%	241	100.0%	\$23.15	\$5,543,447	Kobie Marketing, Inc.
Allentown, PA	Corporate Parkway	2006	100.0%	178	100.0%	\$24.66	\$3,148,476	The Dun & Bradstreet Corporation
Dallas, TX	Lake Vista Pointe	2007	100.0%	163	100.0%	\$20.00	\$2,205,036	Ally Financial Inc.
<b>Total / Weighted Average - June 30, 2015</b>				<b>2,747</b>	<b>95.2%</b>	<b>\$20.55</b>	<b>\$47,488,908</b>	



# Tenant Profile

- High quality in-place tenants; approximately 46% of CIO's base rental revenue is derived from tenants that are government agencies, investment grade companies or their subsidiaries
- Stable, long-term and established tenants

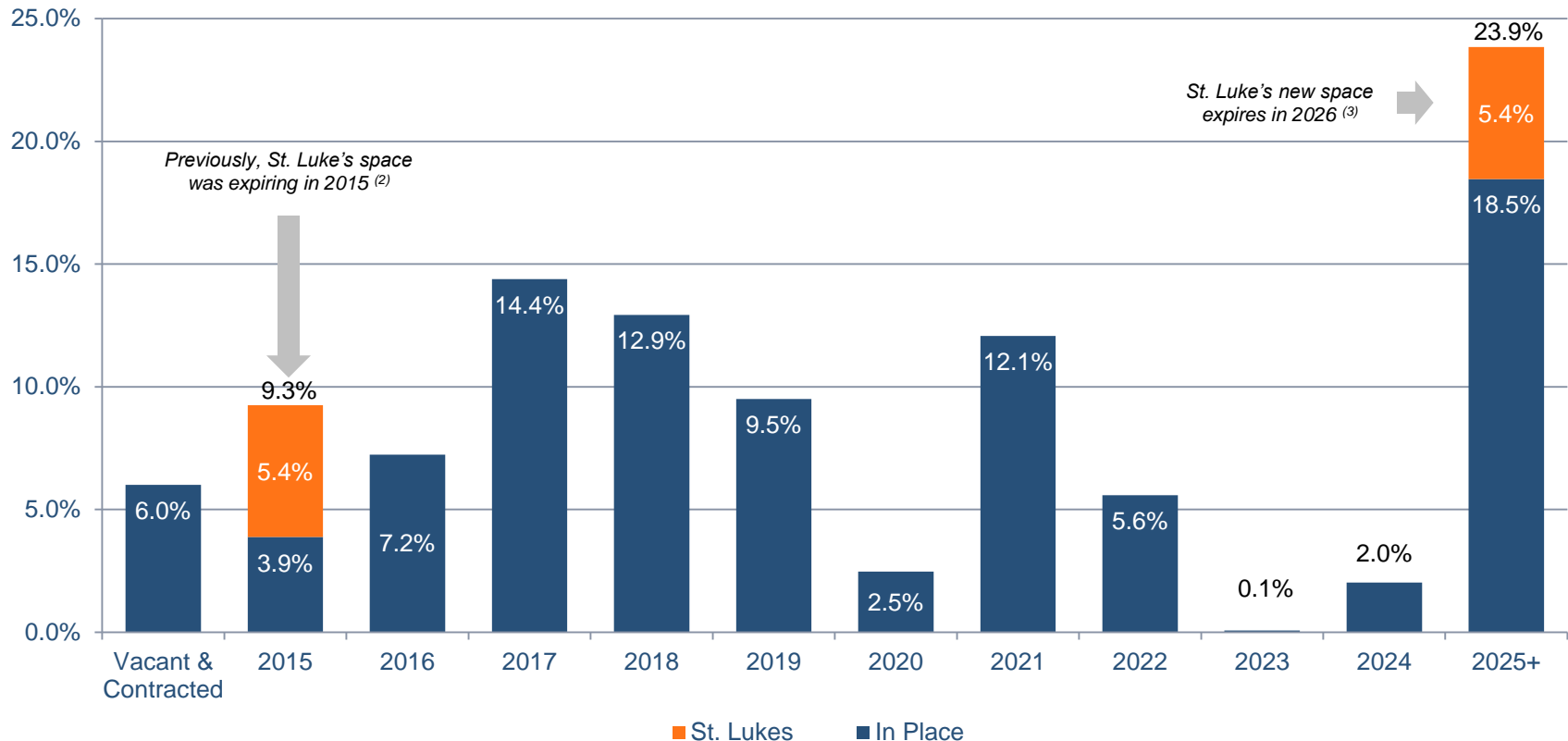
## TOP TEN TENANTS OF OUR PROPERTIES – JUNE 30, 2015

Tenant / Parent		Credit Rating (S&P / Moody's)	Property	Tenant since	% of Net Rentable Area	% of Annualized Base Rent <sup>(1)</sup>
State of Colorado		AA	Cherry Creek	1993	11.6%	11.8%
The Dun & Bradstreet Corporation		BBB-	Corproate Parkway	2006	6.5%	6.6%
Ally Financial Inc.		B1	Lake Vista Pointe	2008	5.9%	4.6%
AECOM Technology Corporation		BB	Washington Group Plaza	1970	5.2%	5.0%
Kaplan, Inc. <sup>(2)</sup>		BB+	Research Park	2008	4.5%	5.1%
Idaho State Tax Commission		AA+	Washington Group Plaza	1992	4.1%	4.1%
Planar Systems, Inc.		--	Amberglen	2002	4.0%	3.3%
ProBuild Holdings, Inc.		--	DTC Crossroads	2007	3.4%	4.7%
Cascade Microtech, Inc.		--	Amberglen	2012	2.4%	2.3%
Key Equipment Finance, Inc.		A	Superior Pointe	2006	2.0%	1.7%
<b>Total</b>					<b>49.6%</b>	<b>49.3%</b>

# Lease Expirations

- Stable, long-term tenancy profile with well-staggered expirations
- 5.6 year weighted average remaining lease term <sup>(1)</sup>

## LEASE MATURITY SCHEDULE – JUNE 30, 2015



(1) St. Luke's lease extended the weighted average remaining lease term as of June 30, 2015 from 5.0 years to 5.6 years, assuming the lease was in place at that time

(2) Percentage shows expiring square footage of St. Luke's existing lease, as of June 30, 2015

(3) Percentage represents the square footage of the new St. Luke's lease divided by the total square footage of the portfolio, as of June 30, 2015

# Strong Capital Structure

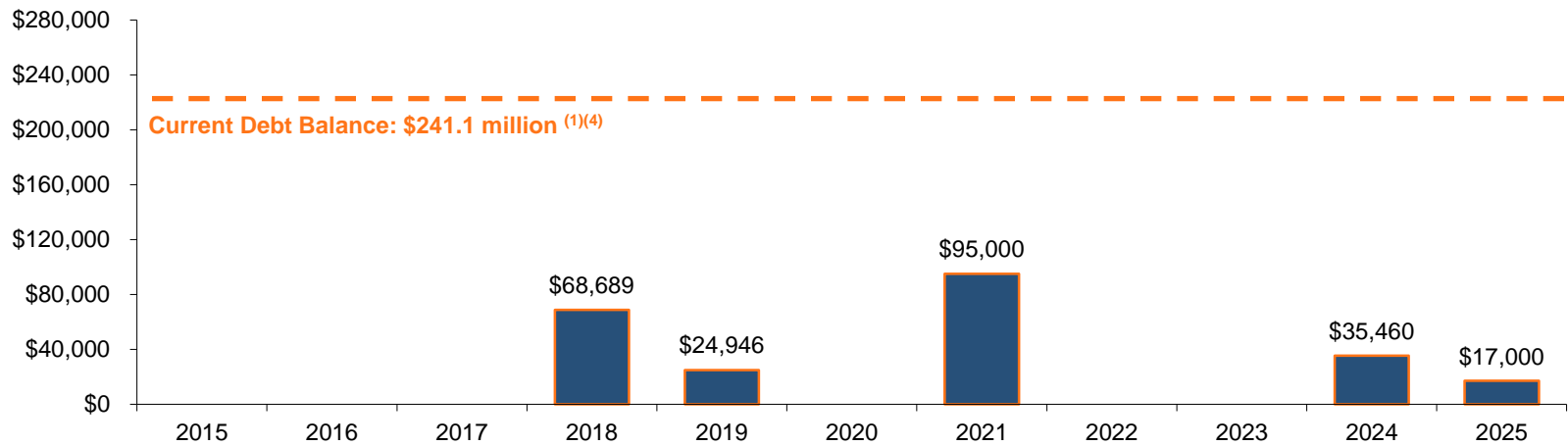
## □ Conservative debt structure at favorable interest rates

- 4.00% weighted average interest rate<sup>(1)</sup>
- 5.6 year average debt maturity<sup>(1)</sup>
- 85.6% fixed rate debt<sup>(1)</sup>

## □ Predictable earnings model supports the current above market dividend of 7.6%<sup>(2)</sup>

- Annualized dividend of \$0.94 per share
- Implied 87.0% payout ratio based on Q2 2015 dividend over Core FFO / share<sup>(3)</sup>

### CURRENT DEBT MATURITY SCHEDULE (1)



Average interest rate:	3.17%	4.38%	4.34%	4.36%	4.10%

(1) As of June 30, 2015

(2) Based on a closing share price of \$12.40 on June 30, 2015.

(3) Reconciliation of Core FFO to GAAP net income has been posted to the Company's website at [www.cityofficereit.com](http://www.cityofficereit.com)

(4) \$7.2 million attributable to non-controlling interests.

# Board of Directors

**John McLernon**  
*Chairman*  
*Independent Director*

- ❑ President of McLernon Consultants Ltd. since November 2004
- ❑ From 1977 to 2004, he served as Chairman and CEO of Colliers International, a global real estate services company
- ❑ Over the past 20 years, Mr. McLernon has guided Colliers International through steady business growth, completing approximately 30 M&A transactions and startups globally

**Samuel Belzberg**  
*Interested Director*

- ❑ Current Chairman of Second City Capital Partners and President of Gibralt Capital Corp.
- ❑ Founded First City Financial in the 1970s, which he built into a multi-billion dollar financial services organization
- ❑ Mr. Belzberg has over 48 years in the office real estate industry and he also founded a real estate company which was ultimately sold to the Blackstone Group in the 1990s

**William Flatt**  
*Independent Director*

- ❑ 18 years of experience in all facets of managing, acquiring and financing office buildings
- ❑ Since 2013, Mr. Flatt has been Executive Vice President and Chief Operating Officer of Telos Group, LLC, an office landlord representation and marketing firm in Chicago
- ❑ Formerly CFO and later COO of Parkway Properties, Inc. a NYSE-listed Real Estate Investment Trust which specialized in office properties

**Mark Murski**  
*Independent Director*

- ❑ Managing Partner since 2010 with Brookfield Financial Corp., a global investment bank, and has over 15 years of investment banking and private equity experience
- ❑ Mr. Murski has worked on numerous public and private M&A transactions, involving various real estate clients
- ❑ Formerly with Ernst & Young LLP

**Stephen Shraiberg**  
*Independent Director*

- ❑ President of Urban Property Management, Inc. since 1971, which is engaged in developing and managing all types of real estate
- ❑ Major shareholder of Esprit Homes, Ltd., a prominent Colorado homebuilder since 1989
- ❑ Mr. Shraiberg has been involved in the development of approximately 20,000 apartment units since 1971

# Investment Highlights

## High-Quality Office Platform

- ❑ Well located real estate within each market
- ❑ Diverse and staggered lease expirations with significant capital investments completed
- ❑ High-quality in-place tenants with approximately 46% of base rental revenue derived from tenants that are government agencies, investment grade companies or their subsidiaries

## Attractive Market Characteristics

- ❑ Target markets possess strong economic fundamentals, rapidly growing populations and a diverse employment base
- ❑ Low cost centers for businesses to operate
- ❑ State capital or university concentration

## Clearly-Defined Acquisition Strategy

- ❑ Acquisition strategy generally focused on \$20-\$50 million purchases in high growth markets where management believes there is less competition from institutional investors
- ❑ Proven ability to execute. Completed six quality acquisitions post-IPO at expected cap rates between 7.0% and 9.0%

## Experienced and Committed Management

- ❑ Management has an average of over 17 years of experience with \$3 billion of completed real estate transactions. Management and directors own ~13.6% of CIO at June 30, 2015
- ❑ Property management provided by leading local operating partners

## Strong Balance Sheet with Above Market Dividend

- ❑ Conservative debt structure at favorable interest rates and a 5.6 year average debt maturity
- ❑ 85.6% fixed rate debt with a weighted average interest rate of 4.00%
- ❑ Predictable earnings model supports the current above market dividend of 7.6%<sup>(1)</sup>



**CITY OFFICE REIT, INC.**

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