

# DALLAS, TEXAS ACQUISITION

SEPTEMBER 2015

Dallas, TX



## FORWARD LOOKING STATEMENTS

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# ACQUISITION SUMMARY

## 190 OFFICE CENTER I & II

› 190 Office Center I & II is a 97% leased Class “A” office property totaling 302,829 net rentable square feet, with a market leading 5.8 per 1,000 parking ratio

› Located in the Richardson/Plano submarket, one of Dallas’ most established suburban office markets

› One of the highest quality office buildings in the submarket, with a history of institutional ownership

› Diverse mix of credit tenants including: UnitedHealthcare Services, Inc., Parsons Services Corp, Intersil Corporation (NASDAQ: ISIL), and Airbus DS Communications, Inc.

### Key Metrics

Purchase price **\$54.35 M / \$179 PSF**

Property size **302,829 SF**

Year built / renovated **2001 / 2008**

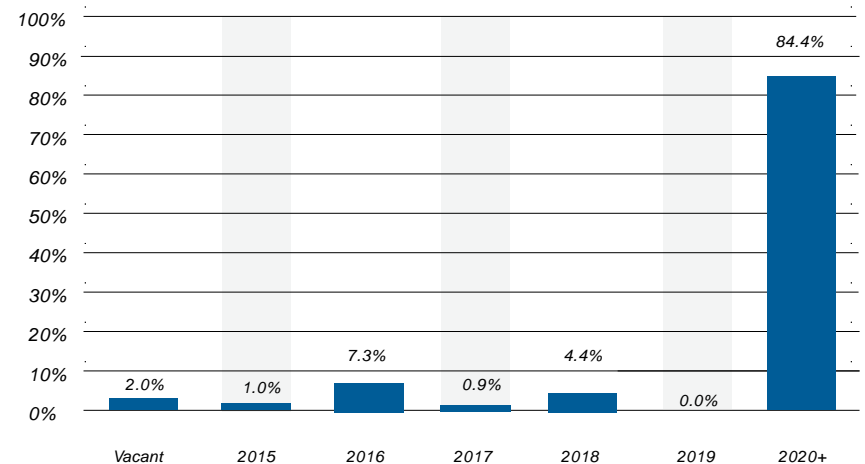
Occupancy at close **98%**

Year 1 cash NOI cap rate **~7.5%**

Estimated replacement cost **~\$210+ PSF**



### SUMMARY OF EXPIRING SQUARE FOOTAGE (% OF TOTAL SF<sup>1</sup>)



1- At August 31, 2015



# ACQUISITION CHARACTERISTICS

## Well Located Real Estate:

- › Located in the Richardson/Plano submarket within close proximity to the University of Texas at Dallas and new developments including the Heritage Creekside, a 156 acre high-end mixed-use residential, retail and commercial development
- › Frontage on President George Bush Highway (SH 190), one of the main East-West thoroughfares in Dallas providing convenient access to both the I-75 and the Dallas North Tollway
- › The Richardson/Plano submarket combines to create one of Dallas's largest employment centers with a combined workforce of approximately 250,000 workers

## Strong Tenancy:

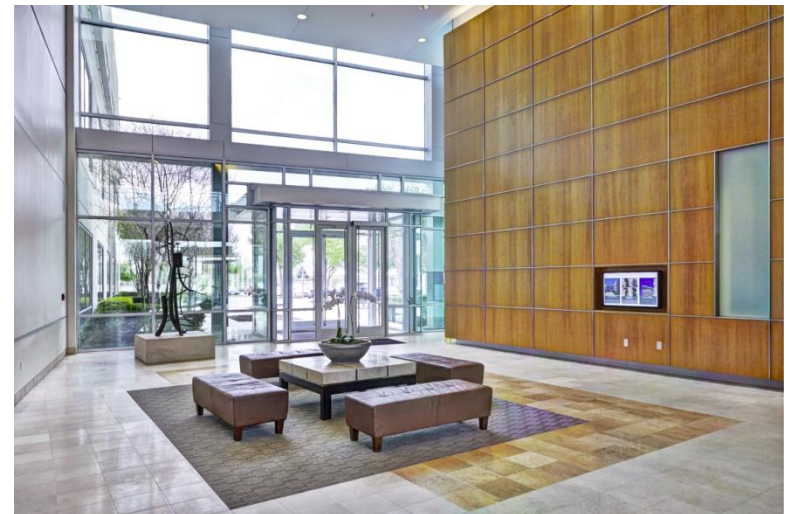
- › 98% leased to a variety of strong credit tenants
- › 6.9 year average remaining lease term at August 31, 2015 with an \$22.38 plus electric weighted average in-place lease rate, approximately 9% below the \$24.50 plus electric current market rate for comparable properties

## Favorable Acquisition Metrics:

- › ~7.5% capitalization rate based on the purchase price inclusive of free rent credits funded by the seller at closing
- › \$179 PSF acquisition price on the net rentable square footage; ~15% below replacement cost

## High Quality Property:

- › Newer vintage buildings with quality finishes and 9 foot ceilings
- › 50,000 SF floor plates are efficient and ideal for large corporate users drawn to the Richardson/Plano submarket

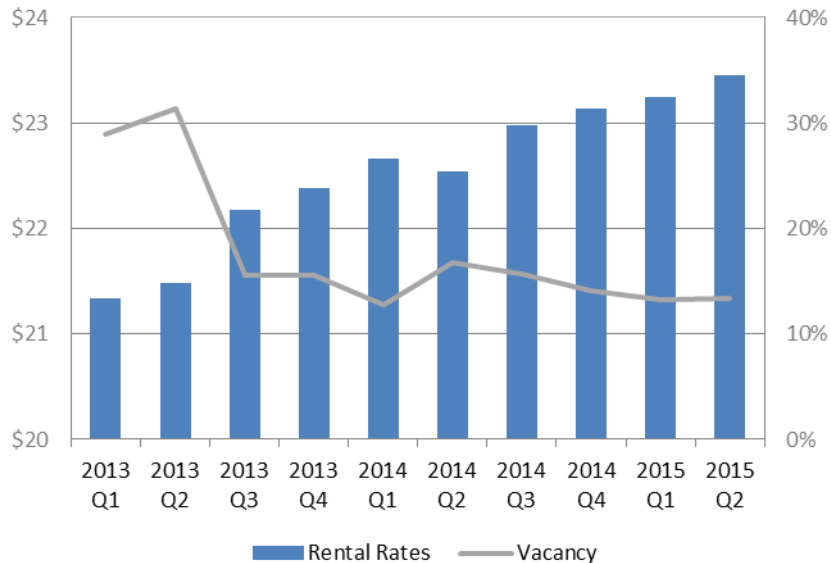


# MARKET STATISTICS – DALLAS, TX

## Strong Dallas Market Fundamentals:

- Dallas is ranked as the 4<sup>th</sup> largest Metro Area by population with 6.7 million people (2015 est.)
- From 2013 to 2018, DFW is projected to add 724,600 residents, the highest forecasted total in the entire U.S. according to Moody's Economy.com (as of December 31, 2014)
- Of the 25 largest metropolitan areas in the United States, Dallas ranks first in employment growth with 3.6% year over year growth
- Dallas unemployment currently stands at 4.1% versus the US unemployment rate of 5.3%

**RICHARDSON/PLANO SUBMARKET – CLASS “A” OFFICE  
VACANCY VS. RENTAL RATE**





**CITY OFFICE REIT, INC.**

E: [investorrelations@cityofficereit.com](mailto:investorrelations@cityofficereit.com) | T: 604 806 3366

Suite 1255  
8150 North Central Expy.  
Dallas, TX 75206

Suite 2600  
1075 West Georgia St.  
Vancouver, BC V6E 3C9