



Figure 71: CIO 3Q16 results preview

CIO	3Q15	2Q16	3Q16			2016			
	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons
Earnings									
FFO/sh	\$0.17	\$0.19		\$0.22				\$0.54	
Core FFO/sh	\$0.33	\$0.22		\$0.26	\$0.26	\$1.06 - \$1.10		\$1.01	\$1.07
Operating Metrics									
SS NOI growth, y/y	N/A	-9.3%							
Occupancy (commenced)	94.9%	88.2%		92.6%				90.3%	
q/q ch	90bp	90bp		439bp					
y/y ch	320bp	-580bp		-231bp					
Occupancy (signed and commenced)	95.4%	92.8%							
q/q ch	20bp	-40bp							
y/y ch	230bp	-240bp							
Total leasing volume (ksf)	61	7							

Note: consensus estimates are based on Thomson compiled data as of 10/14/16

- Update on acquisition pipeline following preferred equity capital raise, and timing of other expected acquisitions
- Update on investor demand in CIO's target markets
- Market conditions in secondary markets, with JLL noting favorable fundamentals
- Update on Fairwinds Credit Union's decision to move, which is expected by YE2016. If they do not vacate, their lease renews for a 9 year term
- We are updating our model to reflect the recently announced preferred equity capital raise, and using proceeds to assume \$250MM of acquisitions at a 7% cap rate. Our 2016 core FFO/sh estimate move to \$1.01 from \$1.08, NAREIT FFO moves to 54c from 63c, and FAD moves to 58c from 65c. In 2017, core FFO/sh moves to \$1.35 from \$1.27, NAREIT FFO moves to \$1.23 from \$1.19, and FAD moves to \$1.15 from \$1.08. Please see Figure 98 for a summary of our estimate revisions
- We are increasing our target price to \$15.50 from \$15 as we model in increased acquisitions. Please see Figure 97 for details on our target price

Source: Deutsche Bank, company data, Thomson