COLUMBIA PROPERTY TRUST, INC.
Form 10-K
February 11, 2016
Table of Contents
Index to Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(mark one)

x Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2015

OR

o Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number 001-36113

COLUMBIA PROPERTY TRUST, INC.
(Exact name of registrant as specified in its charter)

Maryland	20-0068852
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Glenlake Parkway, Suite 1200
Atlanta, Georgia 30328
(Address of principal executive offices) (Zip Code)
(404) 465-2200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.
Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes o No x

As of June 30, 2015, the aggregate market value of the common stock of Columbia Property Trust, Inc. held by non-affiliates was $2,717,276,000 based on the closing price as reported by the New York Stock Exchange.

As of January 31, 2016, 123,475,470 shares of common stock were outstanding.

Registrant incorporates by reference portions of the Columbia Property Trust, Inc. Definitive Proxy Statement for the 2016 Annual Meeting of Stockholders (Items 10, 11, 12, 13, and 14 of Part III) to be filed prior to April 30, 2016.

Table of Contents
Index to Financial Statements

FORM 10-K
COLUMBIA PROPERTY TRUST, INC.
TABLE OF CONTENTS

		Page No.
PART I.		
Item 1.	Business	Page 4
Item 1A.	Risk Factors	Page 6
Item 1B.	Unresolved Staff Comments	Page 15
Item 2.	Properties	Page 15
Item 3.	Legal Proceedings	Page 17
Item 4.	Mine Safety Disclosures	Page 17
PART II.		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	Page 18
Item 6.	Selected Financial Data	Page 21
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	Page 22
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	Page 38
Item 8.	Financial Statements and Supplementary Data	Page 39
Item 9.	Changes and Disagreements with Accountants on Accounting and Financial Disclosure	Page 39
Item 9A.	Controls and Procedures	Page 39
Item 9B.	Other Information	Page 42
PART III.		
Item 10.	Directors, Executive Officers, and Corporate Governance	Page 43
Item 11.	Executive Compensation	Page 43
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	Page 43
Item 13.	Certain Relationships and Related Transactions, and Director Independence	Page 43

Item 14.	Principal Accountant Fees and Services	Page 43
PART IV.		
Item 15.	Exhibits and Financial Statement Schedules	Page 44
Signatures		Page 45

Table of Contents
Index to Financial Statements

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 10-K of Columbia Property Trust, Inc. and its subsidiaries ("Columbia Property Trust," "we," "our," or "us"), other than historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts. Such statements include, in particular, statements about our plans, strategies, and prospects and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the U.S. Securities and Exchange Commission ("SEC"). We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. See Item 1A herein for a discussion of some of the risks and uncertainties, although not all risks and uncertainties that could cause actual results to differ materially from those presented in our forward-looking statements may be included therein.

Table of Contents
Index to Financial Statements

PART I

ITEM 1. BUSINESS

General

Columbia Property Trust, Inc. ("Columbia Property Trust") (NYSE: CXP) is a Maryland corporation that operates as a real estate investment trust ("REIT") for federal income tax purposes and owns and operates commercial real estate properties. Columbia Property Trust was incorporated in 2003, commenced operations in 2004, and conducts business primarily through Columbia Property Trust Operating Partnership, L.P. ("Columbia Property Trust OP"), a Delaware limited partnership. Columbia Property Trust is the general partner and sole owner of Columbia Property Trust OP and possesses full legal control and authority over its operations. Columbia Property Trust OP acquires, develops, owns, leases, and operates real properties directly, through wholly owned subsidiaries, or through joint ventures. References to Columbia Property Trust, "we," "us," or "our" herein shall include Columbia Property Trust and all subsidiaries of Columbia Property Trust, direct and indirect, and any unconsolidated joint ventures.

Columbia Property Trust typically invests in high-quality, income-generating office properties. As of December 31, 2015, Columbia Property Trust owned 27 office properties and one hotel, which contain approximately 14.0 million square feet of commercial space, located in 12 states and the District of Columbia. All of the office properties are wholly owned except for one property, which is owned through an unconsolidated joint venture, as described in Note 4, Unconsolidated Joint Venture. As of December 31, 2015, the office properties were approximately 93.2% leased.

Real Estate Investment Objectives

Columbia Property Trust seeks to invest in and manage a commercial real estate portfolio that provides the size, quality, and market specialization needed to deliver both income and long-term growth, as measured in the total return to our shareholders. Our value creation and growth strategies are founded in the following:

Targeted Market Strategy

Our portfolio consists of a combination of multi- and single-tenant office properties located in Central Business District ("CBD") and suburban areas. We focus our acquisition efforts in select primary markets with strong fundamentals and liquidity, including CBD and urban in-fill locations. We believe that the major U.S. office markets provide a greater propensity for producing increasing net income and property values over time. We maintain a long-term goal of increasing our market concentrations in order to leverage our scale, efficiency, and market knowledge.

New Investment Targets

We look to acquire strategic and premier office assets with quality tenants in our target markets, with an emphasis on value-added opportunities. We pursue high-quality assets that are competitive within the top tier of their markets or can be repositioned as such. Our asset selection criteria include the property's location attributes, physical quality, tenant/lease characteristics, competitive positioning, and pricing level in comparison to long-term, normalized value or replacement cost.

Strong and Flexible Balance Sheet

We are committed to maintaining an investment-grade balance sheet with a strong liquidity profile and proven access to capital. Our leverage level and other credit metrics provide the financial flexibility to pursue new acquisitions and other growth opportunities that will further our long-term performance objectives.

Capital Recycling

We consistently evaluate our existing portfolio to identify assets in which the value has been optimized and/or those that are considered nonstrategic, based on their market location or investment characteristics. The goal of our disposition efforts is to harvest capital from these mature and nonstrategic assets, and redeploy it into properties in our target markets to maximize growth in net operating income and long-term value.

Proactive Asset Management

We believe our team is well equipped to deliver operating results in all facets of the management process. Our leasing efforts are founded in understanding the varied and complex needs of tenants in the marketplace today. We pursue meeting those needs through new and renewal leases, as well as lease restructures that further our long-term goals. We are committed to prudent capital investment in our assets to ensure their competitive positioning and status, and

rigorously pursue efficient operations and cost containment at the property level.

Table of Contents
Index to Financial Statements

Transaction Activity

In connection with furthering our real estate investment objectives, we have executed the following real estate transactions in 2015 and 2014:

Acquisitions

Property	Location	Rentable Square Footage	Acquisition Date	Purchase Price
2015				
229 West 43rd Street Building	New York, NY	481,000	August 4, 2015	$516,000
116 Huntington Avenue Building	Boston, MA	271,000	January 8, 2015	$152,000
315 Park Avenue South Building	New York, NY	327,000	January 7, 2015	$372,000
1881 Campus Commons Building	Reston, VA	244,000	January 7, 2015	$64,000
2014				
650 California Street Building	San Francisco, CA	477,000	September 9, 2014	$310,200
221 Main Street Building	San Francisco, CA	375,000	April 22, 2014	$228,800

Dispositions

Property	Location	Rentable Square Footage	Disposition Date	Purchase Price
2015				
1881 Campus Commons Building	Reston, VA	244,000	December 10, 2015	$65,000
11 Property Sale:		2,856,000	July 1, 2015	$433,250
170 Park Avenue Building	Northern NJ	145,000		
180 Park Avenue Building	Northern NJ	224,000		
1580 West Nursery Road Buildings	Baltimore, MD	315,000		
Acxiom Buildings	Chicago, IL	322,000		
Highland Landmark III Building	Chicago, IL	273,000		
The Corridors III Building	Chicago, IL	222,000		
215 Diehl Road Building	Chicago, IL	162,000		
544 Lakeview Building	Chicago, IL	139,000		
Bannockburn Lake III Building	Chicago, IL	106,000		
Robbins Road Buildings	Boston, MA	458,000		
550 King Street Buildings	Boston, MA	490,000		
2014				
Lenox Park Property	Atlanta, GA	1,040,000	October 3, 2014	$290,000
9 Technology Drive Building	Westborough, MA	251,000	August 22, 2014	$47,000
7031 Columbia Gateway Drive Building	Columbia, MD	248,000	July 1, 2014	$59,500
200 South Orange Building	Orlando, FL	128,000	June 30, 2014	$18,800
160 Park Avenue Building	Florham Park, NJ	240,000	June 4, 2014	$10,200

Joint Venture

Property Contributed to Joint Venture	Location	% Sold / Retained	Rentable Square Footage	Closing Date	Contributed Value
2015					
Market Square Buildings	Washington, D.C.	49%/51%	687,000	October 28, 2015	$595,000

Table of Contents
Index to Financial Statements

Employees

As of December 31, 2015, we employed 99 people.

Competition

Leasing real estate is highly competitive in the current market; as a result, we experience competition for high-quality tenants from owners and managers of competing projects. Therefore, we may experience delays in re-leasing vacant space, or we may have to provide rent concessions, incur charges for tenant improvements, or offer other inducements to enable us to timely lease vacant space, all of which may have an adverse impact on our results of operations. In addition, we are in competition with other potential buyers for the acquisition of the same properties, which may result in an increase in the amount we must pay to purchase a property. Further, at the time we elect to dispose of our properties, we will also be in competition with sellers of similar properties to locate suitable purchasers.

Concentration of Credit Risk

We are dependent upon the ability of our current tenants to pay their contractual rent amounts as they become due. The inability of a tenant to pay future rental amounts would have a negative impact on our results of operations. We are not aware of any reason why our current tenants will not be able to pay their contractual rental amounts as they become due in all material respects. Situations preventing our tenants from paying contractual rents could result in a material adverse impact on our results of operations. Based on our 2015 annualized lease revenue, no single tenant accounts for more than 10% of our portfolio.

Website Address

Access to copies of each of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and other documents filed with, or furnished to, the SEC, including amendments to such filings, may be obtained free of charge from our website, http://www.columbiapropertytrust.com, or through a link to the http://www.sec.gov website. The information contained on our website is not incorporated by reference herein. These filings are available promptly after we file them with, or furnish them to, the SEC.

ITEM 1A. RISK FACTORS

Below are some of the risks and uncertainties that could cause our actual results to differ materially from those presented in our forward-looking statements. The risks and uncertainties described below are not the only ones we face but do represent those risks and uncertainties that we believe are material to our business, operating results, prospects, and financial condition. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business.

Risks Related to Our Business and Properties

If we are unable to find suitable investments or pay too much for properties, we may not be able to achieve our investment objectives, and the returns on our investments will be lower than they otherwise would be.

We are competing for real estate investments with other REITs; real estate limited partnerships, pension funds and their advisors; bank and insurance company investment accounts; individuals; and other entities. The market for high-quality commercial real estate assets is highly competitive given how infrequently those assets become available for purchase. As a result, many real estate investors, including us, have built up their cash positions and face aggressive competition to purchase quality office real estate assets. A significant number of entities and resources competing for high-quality office properties support relatively high acquisition prices for such properties, which may reduce the number of acquisition opportunities available to, or affordable for, us and could put pressure on our profitability and our ability to pay distributions to stockholders. We cannot be sure that we will be successful in obtaining suitable investments on financially attractive terms or that, if we make investments, our objectives will be achieved.

Economic conditions may cause the creditworthiness of our tenants to deteriorate and occupancy and market rental rates to decline.

Although U.S. macroeconomic conditions have been relatively stable during 2015, several economic factors have adversely affected the financial condition and liquidity of many businesses, as well as the demand for office space generally. Should economic conditions worsen, our tenants' ability to honor their contractual obligations may suffer. Further, it may become increasingly difficult to maintain our occupancy rate and achieve future rental rates

comparable to the rental rates of our currently in-place leases as we seek to re-lease space and/or renew existing leases.

Our office properties were approximately 93.2% leased at December 31, 2015, and provisions for uncollectible tenant receivables, net of recoveries, were less than 0.1% of total revenues for the year then ended. As a percentage of 2015 annualized lease revenue,

Table of Contents
Index to Financial Statements

approximately 13% of leases expire in 2016, 10% of leases expire in 2017, and 8% of leases expire in 2018 (see Item 2, Properties). No assurances can be given that economic conditions will not have a material adverse effect on our ability to re-lease space at favorable rates or on our ability to maintain our current occupancy rate and our low provisions for uncollectible tenant receivables.

Changes in general economic conditions and regulatory matters germane to the real estate industry may cause our operating results to suffer and the value of our real estate properties to decline.

Our operating results are subject to risks generally incident to the ownership of real estate, including:

- changes in general or local economic conditions;
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds, which may render the sale of a property difficult or unattractive;
- changes in tax, real estate, environmental, and zoning laws; and
- periods of high interest rates and tight money supply.

In addition, market and economic conditions in the metropolitan areas in which we derive a substantial portion of our revenue such as San Francisco, California; New York City, New York; Houston, Texas; the greater Washington, D.C. area; and Atlanta, Georgia, may have a greater impact on our overall occupancy levels and rental rates and therefore our profitability. Furthermore, our business strategy involves continued focus on select core markets, which will increase the impact of the local economic conditions in such markets on our results of operations in future periods. These and other reasons may prevent us from being profitable or from realizing growth or maintaining the value of our real estate properties.

We depend on tenants for our revenue, and lease defaults or terminations could negatively affect our financial condition and results of operations and limit our ability to make distributions to our stockholders.

The success of our investments materially depends on the financial stability of our tenants. A default or termination by a significant tenant on its lease payments to us would cause us to lose the revenue associated with such lease and require us to find an alternative source of revenue to meet mortgage payments and prevent a foreclosure if the property is subject to a mortgage. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a tenant defaults on or terminates a significant lease, we may be unable to lease the property for the rent previously received or sell the property without incurring a loss. In addition, significant expenditures for our properties, such as mortgage payments, real estate taxes, and insurance and maintenance costs are generally fixed and do not decrease when revenues at the related property decreases. Therefore, these events could have a material adverse effect on our results of operations or cause us to reduce the amount of distributions to stockholders.

Future acquisitions may fail to perform in accordance with our expectations, may require renovation costs exceeding our estimates or expose us to unknown liabilities, and may be located in new markets where we may face risks associated with investing in an unfamiliar market.

In the normal course of business, we typically evaluate potential acquisitions, enter into nonbinding letters of intent, and may, at any time, enter into contracts to acquire additional properties. Acquired properties may fail to perform in accordance with our expectations due to lease-up risk, renovation cost risks, and other factors. In addition, the renovation and improvement costs we incur in bringing an acquired property up to market standards may exceed our estimates. We may not have the financial resources to make suitable acquisitions or renovations on favorable terms or at all. The properties we acquire may be subject to liabilities for which we have no recourse, or only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it, which could adversely affect our results of operations and cash flow. Unknown liabilities with respect to acquired properties might include:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors, or other persons against the former owners of the properties;
- liabilities incurred in the ordinary course of business; and

- claims for indemnification by general partners, directors, officers, and others indemnified by the former owners of the properties.

Furthermore, we may acquire properties located in markets in which we do not have an established presence. We may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area, and unfamiliarity with local government and permitting procedures. As a result, the operating performance of properties acquired in new markets may be less than we anticipate, and we may have difficulty integrating such properties into our existing portfolio. In addition, the time and resources that may be required to obtain market knowledge and/or integrate such properties into our

Table of Contents
Index to Financial Statements

existing portfolio could divert our management's attention from our existing business or other attractive opportunities in our established markets.

Our inability to sell a property when we plan to do so could limit our operational and financial flexibility, including our ability to pay cash distributions to our stockholders.

Purchasers may not be willing to pay acceptable prices for properties that we wish to sell. General economic conditions, availability of financing, interest rates, and other factors, including supply and demand, all of which are beyond our control, affect the real estate market. Therefore, we may be unable to sell a property for the price, on the terms, or within the time frame that we want. That inability could reduce our cash flow and cause our results of operations to suffer, limiting our ability to make distributions to our stockholders. Furthermore, our properties' market values depend principally upon the value of the properties' leases. A property may incur vacancies either by the default of tenants under their leases or the expiration of tenant leases. If vacancies occur and continue for a prolonged period of time, it may become difficult to locate suitable buyers for any such property, and property resale values may suffer, which could result in lower returns for our stockholders.

Uninsured losses relating to real property or excessively expensive premiums for insurance coverage could reduce our net income, or materially and adversely affect our business or financial condition.

We may incur losses from time to time that are uninsurable or not economically feasible to insure, or may be insured subject to limitations, such as large deductibles or co-payments. Some of these losses could be catastrophic in nature, such as losses due to earthquakes, acts of terrorism, fire, floods, tornadoes, hurricanes, pollution, wars, or environmental matters. For example, we have properties located in San Francisco, California, an area especially susceptible to earthquakes, and collectively, these properties represent approximately 22% of our 2015 Annualized Lease Revenue, as described in Item 2, Properties. Because these properties are located in close proximity to one another, an earthquake in the San Francisco area could materially damage, destroy, or impair the use by tenants of all of these properties. Furthermore, insurance risks associated with potential terrorist acts could sharply increase the premiums we pay for coverage against property and casualty claims. Additionally, mortgage lenders in some cases insist that commercial property owners purchase coverage against terrorism as a condition of providing mortgage loans. Such insurance policies may not be available at a reasonable cost, if at all, which could inhibit our ability to finance or refinance our properties. In such instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. In addition, we may not have adequate coverage for losses. If any of our properties incur a loss that is not fully insured, the value of that asset will be reduced by such uninsured loss. Furthermore, other than any working capital reserves or other reserves that we may establish, or our existing line of credit, we do not have sources of funding specifically designated for repairs or reconstruction of any our properties. To the extent we incur significant uninsured losses, or are required to pay unexpectedly large amounts for insurance, our results of operations or financial condition could be adversely effected.

For example, we plan to undertake a project to make significant repairs to our property located in suburban Pittsburgh, Pennsylvania. The project relates to the initial construction of the property and involves repairing the outer building walls. Repairs are expected to commence in 2016, to take two to three years to complete, and to cost between $30 million to $35 million. While we continue to evaluate insurance coverage and other potential sources of recovery for the repairs, no assurances can be made that any amounts will be recovered.

If we are unable to fund the future capital needs of our properties, cash distributions to our stockholders and the value of our investments could decline.

When tenants do not renew their leases or otherwise vacate their space, we often need to expend substantial funds for tenant improvements to the vacated space in order to attract replacement tenants. In addition, although we expect that our leases with tenants will require tenants to pay routine property maintenance costs, we will likely be responsible for any major structural repairs, such as repairs to the foundation, exterior walls, and rooftops.

If we need significant capital in the future to improve or maintain our properties or for any other reason, we will have to obtain financing from sources such as cash flow from operations, borrowings, property sales, or future equity offerings. These sources of funding may not be available on attractive terms or at all. If we cannot procure the necessary funding for capital improvements, our investments may generate lower cash flows or decline in value, or

both, which would limit our ability to make distributions to our stockholders.

We have incurred and are likely to continue to incur mortgage and other indebtedness, which may increase our business risks.

As of January 31, 2016, our total indebtedness was approximately $1.8 billion, which includes a $150.0 million term loan, $599.0 million of bonds, and $318.6 million of mortgage loans, all with fixed interest rates, or with interest rates that are effectively fixed when considered in connection with an interest rate swap agreement; and a $300.0 million term loan, a $119.0 million balance

Table of Contents
Index to Financial Statements

on a bridge loan, and $307.0 million outstanding on our variable-rate line of credit. We are likely to incur additional indebtedness to acquire properties, to fund property improvements and other capital expenditures, to pay our distributions, and for other purposes.

Significant borrowings by us increase the risks of an investment in us. If there is a shortfall between the cash flow from properties and the cash flow needed to service our indebtedness, then the amount available for distributions to stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default. For tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but we would not receive any cash proceeds. We may give full or partial guarantees to lenders of mortgage debt on behalf of the entities that own our properties. When we give a guaranty on behalf of an entity that owns one of our properties, we are responsible to the lender for satisfaction of the debt if it is not paid by such entity.

If any mortgages or other indebtedness contain cross-collateralization or cross-default provisions, a default on a single loan could affect multiple properties. Our unsecured credit facility (the "Revolving Credit Facility"), our two unsecured term loan facilities with an aggregate value of $450 million, and our bridge loan (the "$300 Million Bridge Loan"), each includes a cross-default provision that provides that a payment default under any recourse obligation of $50 million or more by us, Columbia Property Trust OP, or any of our subsidiaries, constitutes a default under the line of credit and term loan facilities. If any of our properties are foreclosed due to a default, our ability to pay cash distributions to our stockholders will be limited.

Increases in interest rates could increase the amount of our debt payments and make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income, and the amount of cash distributions we can make.

We expect to incur additional indebtedness in the future, which may include mortgages, unsecured bonds, term loans, or borrowings under a credit facility. Increases in interest rates will increase interest costs on our variable-interest debt instruments, which would reduce our cash flows and our ability to pay distributions. If mortgage debt is unavailable at reasonable interest rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we run the risk of being unable to refinance the properties when the loans become due, or of being unable to refinance on favorable terms. In addition, if we need to repay existing debt during periods of higher interest rates, we may need to sell one or more of our investments in order to repay the debt, which sale at that time might not permit realization of the maximum return on such investments. If any of these events occur, our cash flow would be reduced. This, in turn, would reduce cash available for distribution to our stockholders and may hinder our ability to raise capital in the future through additional borrowings or debt or equity offerings. For additional information, please refer to Item 7A, Quantitative and Qualitative Disclosures About Market Risk, for additional information regarding interest rate risk.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our stockholders.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage the property or discontinue insurance coverage. These or other limitations may limit our flexibility and our ability to execute on our operating plans.

A downgrade in the credit rating of our debt could materially adversely affect our business and financial condition.

Our senior unsecured debt is rated investment grade by Standard & Poor's Corporation and Moody's Investors Service. In determining our credit ratings, the rating agencies consider a number of both quantitative and qualitative factors, including earnings, fixed charges, cash flows, total debt outstanding, total secured debt, off balance sheet obligations, total capitalization, and various ratios calculated from these factors. The rating agencies also consider predictability of cash flows, business strategy, property development risks, industry conditions, and contingencies. Therefore, any

deterioration in our operating performance could cause our investment-grade rating to come under pressure. Our corporate credit rating at Standard & Poor's Ratings Service is currently BBB with a stable outlook, and our corporate credit rating at Moody's Investor Service is currently Baa2 with a stable outlook. There can be no assurance that our credit ratings will not be lowered or withdrawn in their entirety. A negative change in our ratings outlook or any downgrade in our current investment-grade credit ratings by rating agencies could adversely affect our cost and access to sources of liquidity and capital. Additionally, a downgrade could, among other things, increase the costs of borrowing under our credit facility and term loan, adversely impact our ability to obtain unsecured debt or refinance our unsecured debt on competitive terms in the future, or require us to take certain actions to support our obligations, any of which would adversely affect our business and financial condition.

Table of Contents
Index to Financial Statements

A breach of our privacy or information security systems could materially adversely affect our business and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber attacks. As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced. Risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to our relationships with our tenants, potential errors from misstated financial reports, missed reporting deadlines, and private data exposure, among others. Any or all of the preceding risks could have a material adverse effect on our results of operations, financial condition, and cash flows. Although we make efforts to maintain the security and integrity of these types of information technology networks and related systems, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. As cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and to investigate and remediate any information security vulnerabilities.

We are and may continue to be subject to litigation, which could have a material adverse effect on our financial condition.

We currently are, and are likely to continue to be, subject to a variety of claims arising in the ordinary course of business, including contract claims and claims alleging violations of federal and state law regarding workplace and employment matters, discrimination, and similar matters. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Although we defend ourselves against any such claims, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, would adversely impact our earnings and cash flows, thereby impacting our ability to service debt and make distributions to our stockholders.

Costs of complying with governmental laws and regulations may reduce our net income and the cash available for distributions to our stockholders.

All real property and the operations conducted on real property are subject to federal, state, and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose joint and several liability on tenants, owners, or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may hinder our ability to sell, rent, or pledge such property as collateral for future borrowings.

Compliance with new laws or regulations, or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances, or regulations may impose material environmental liability. Additionally, our tenants' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks or activities of unrelated third parties may affect our properties.

Furthermore, there are various local, state, and federal regulatory requirements, such as fire, health, life-safety, and similar regulations, and the Americans with Disabilities Act, with which we may be required to comply, and which may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines, or damages we must pay will reduce our ability to make distributions.

Discovery of previously undetected environmentally hazardous conditions may decrease our revenues and limit our ability to make distributions.

Under various federal, state, and local environmental laws, ordinances, and regulations, a current or previous real property owner or operator may be liable for the cost to remove or remediate hazardous or toxic substances on, under, or in such property. These costs could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these

restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants that may be impacted by such laws. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could have an adverse impact on our business and results of operations.

Property ownership through joint ventures may limit our ability to act exclusively in our interest.

We recently entered into a joint venture arrangement for one of our properties and in the future may acquire properties in or contribute properties to joint ventures with other persons or entities when we believe circumstances warrant the use of such

Table of Contents
Index to Financial Statements

structures. We could become engaged in a dispute with one or more of our joint venture partners, which might affect our ability to operate a jointly-owned property. Moreover, joint venture partners may have business, economic, or other objectives that are inconsistent with our objectives, including objectives that relate to the appropriate timing and terms of any sale or refinancing of a property. In some instances, joint venture partners may have competing interests in our markets that could create conflicts of interest. Also, our joint venture partners might refuse to make capital contributions when due and we may be responsible to our partners for indemnifiable losses. We and our partners may each have the right to trigger a buy-sell arrangement, which could cause us to sell our interest, or acquire our partners' interest, at a time when we otherwise would not have initiated such a transaction and may result in the valuation of our interest in the joint venture (if we are the seller) or of the other partner's interest in the joint venture (if we are the buyer) at levels which may not be representative of the valuation that would result from an arm's length marketing process. We are also subject to risk in cases where an institutional owner is our joint venture partner, including (i) a deadlock if we and our joint venture partner are unable to agree upon certain major and other decisions, (ii) the limitation of our ability to liquidate our position in the joint venture without the consent of the other joint venture partner, and (iii) the requirement to provide guarantees in favor of lenders with respect to the indebtedness of the joint venture.

If we sell properties and provide financing to purchasers, defaults by the purchasers would decrease our cash flows and limit our ability to make distributions.

In some instances we may sell our properties by providing financing to purchasers. When we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our liquidity and results of operations. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our stockholders, or the reinvestment of proceeds in other assets, will be delayed until the promissory notes or other property we may accept upon a sale are actually paid, sold, refinanced, or otherwise disposed.

We are dependent on our executive officers and employees.

We rely on a small number of persons, particularly E. Nelson Mills and James A. Fleming, to carry out our business and investment strategies. Any of our senior management, including Messrs. Mills and Fleming, may cease to provide services to us at any time. The loss of the services of any of our key management personnel or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results. As we expand, we will continue to try to attract and retain qualified additional senior management and other employees, but may not be able to do so on acceptable terms.

Our operating results may suffer because of potential development and construction risks and delays and resultant increased costs.

We may acquire and develop properties, including unimproved real estate, upon which we will construct improvements. We will be subject to uncertainties associated with rezoning for development and our ability to obtain required permits and authorizations; environmental concerns of governmental entities and/or community groups; and our builders' ability to build in conformity with plans, specifications, budgeted costs, and timetables. If a builder fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance. A builder's performance may also be affected or delayed by conditions beyond the builder's control, and we may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. Delays in completing construction could also give tenants the right to terminate preconstruction leases. These and other factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. We must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a purchase price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer.

If our disclosure controls or internal control over financial reporting are not effective, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common stock.

Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"), requires that we evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year, and to include a management report assessing the effectiveness of our internal control over financial reporting. Deficiencies, including any material weakness, in our internal control over financial reporting that may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in the trading price of our common stock, or otherwise materially adversely affect our business, reputation, results of operations, financial condition, or liquidity.

Risks Related to Ownership of Our Common Stock

Table of Contents
Index to Financial Statements

We may be unable to pay or maintain cash distributions or increase distributions over time, which could reduce the funds we have available for investment and the return to our investors.

There are many factors that can affect the availability and timing of distributions to stockholders. We expect to continue to fund distributions principally from cash flow from operations; however, from time to time, we may elect to fund a portion of our distributions from borrowings. If we fund distributions from financings, we will have fewer funds available for the investment in, and acquisition of, properties; thus, the overall return to our investors may be reduced. Further, to the extent distributions exceed cash flow from operations, a stockholder's basis in our stock will be reduced and, to the extent distributions exceed a stockholder's basis, the stockholder may recognize capital gain. We can give no assurance that we will be able to pay or maintain cash distributions or increase distributions over time.

Our stock price may be volatile or may decline regardless of our operating performance, and you may not be able to sell your shares at a desirable price.

The market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including those described under this section and the following:

- changes in capital market conditions that could affect valuations of real estate companies in general or other adverse economic conditions;
- our failure to meet any earnings estimates or expectations;
- future sales of our common stock by our officers, directors, and significant stockholders;
- global economic, legal, and regulatory factors unrelated to our performance;
- investors' perceptions of our prospects;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, or capital commitments; and
- investor perceptions of the investment opportunity associated with our common stock relative to other investment alternatives.

In addition, the stock markets, and in particular The New York Stock Exchange, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many real estate companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business. Furthermore, we currently have limited research coverage by securities and industry analysts. If additional securities or industry analysts do not commence coverage of our company, the long-term trading price for our common stock could be negatively impacted. If one or more of present or future analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price and trading volume to decline.

Our common stock has experienced and may continue to experience low trading volumes, which may make it more difficult for you to sell your shares at any given time at prevailing prices.

The daily trading volumes for our common stock are, and may continue to be, relatively small compared to many other publicly traded securities. For example, since our listing, our average daily trading volume per month has been as low as 441,000 shares. If our stock continues to experience low trading volumes, it may be difficult for individuals to sell their shares when they want and at a price that is desirable to them. Furthermore, low trading volumes for our common stock may cause the price of our stock to be highly volatile.

Our charter limits the number of shares a person may own, which may discourage a takeover that could otherwise result in a premium price to our stockholders.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of directors, no person may own more than 9.8% of our outstanding common stock. This restriction may have the effect of delaying, deferring, or preventing a change in control, including an extraordinary transaction (such as a merger, tender offer, or sale of all or substantially all of our assets) that might provide a premium price for holders of our common stock.

Table of Contents
Index to Financial Statements

Our organizational documents contain provisions that may discourage a takeover of us and could depress the price of our shares of common stock.

Our organizational documents contain provisions that may discourage a takeover of us and could depress the price of our common stock. Our organizational documents contain provisions that may have an anti-takeover effect, inhibit a change of our management, or inhibit in certain circumstances, tender offers for our common stock or proxy contests to change our board. These provisions include: ownership limits and restrictions on transferability that are intended to enable us to continue to qualify as a REIT; broad discretion of our board to take action, without stockholder approval, to issue new classes of securities that may discourage a third party from acquiring us; the ability, through board action or bylaw amendment to opt-in to certain provisions of Maryland law that may impede efforts to effect a change in control of us; advance notice requirements for stockholder proposals and stockholder nominations of directors; and the absence of cumulative voting rights.

In addition, our board of directors may classify or reclassify any unissued preferred stock and establish the preferences; conversion; or other rights, voting powers, restrictions, or limitations as to distributions, qualifications, and terms or conditions of redemption of any such stock. Thus, our board of directors could authorize the issuance of preferred stock with terms and conditions that could have priority as to distributions and amounts payable upon liquidation over the rights of the holders of our common stock. Such preferred stock could also have the effect of delaying, deferring, or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer, or sale of all or substantially all of our assets) that might provide a premium price to holders of our common stock.

Maryland General Corporation Law provides certain protections relating to deterring or defending hostile takeovers, which may discourage others from trying to acquire control of us and may prevent our stockholders from receiving a premium price for their stock in connection with a business combination.

Under Maryland law, "business combinations" between a Maryland corporation and certain interested stockholders or affiliates of interested stockholders are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. Also under Maryland law, control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquirer, an officer of the corporation, or an employee of the corporation who is also a director of the corporation are excluded from the vote on whether to accord voting rights to the control shares. These provisions may therefore discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Similarly, provisions of Title 3, Subtitle 8 of the Maryland General Corporation Law, commonly referred to as the "Maryland Unsolicited Takeover Act," could provide similar anti-takeover protection.

Our board of directors has determined to opt out of these provisions of Maryland law; in the case of the business combination provisions of Maryland law, by resolution of our board of directors; in the case of the control share provisions of Maryland law, pursuant to a provision in our bylaws; and in the case of certain provisions of the Maryland Unsolicited Takeover Act, pursuant to Articles Supplementary. Only upon the approval of our stockholders, our board of directors may repeal the foregoing opt-outs from the anti-takeover provisions of Maryland General Corporation Law.

Federal Income Tax Risks

Failure to qualify as a REIT would reduce our net income and cash available for distributions.

Our qualification as a REIT depends upon our ability to meet requirements regarding our organization and ownership, distributions of our income, the nature and diversification of our income and assets, and other tests imposed by the Internal Revenue Code (the "Code"). If we fail to qualify as a REIT for any taxable year, we will be subject to federal and state income tax on our taxable income at corporate rates and/or penalties. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends-paid

deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status, which would reduce the return to our stockholders.

We may purchase properties and lease them back to the sellers of such properties. While we will use our best efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for federal income tax purposes, we can give no assurance that the Internal Revenue Service will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a

Table of Contents
Index to Financial Statements

financing transaction or loan for federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction was so recharacterized, we might fail to satisfy the REIT qualification asset tests or income tests and, consequently, lose our REIT status. Alternatively, the amount of our REIT taxable income could be recalculated, which might also cause us to fail to meet the distribution requirement for a taxable year.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to other tax liabilities that reduce our cash flow and our ability to make distributions to our stockholders.

Even if we remain qualified as a REIT for federal income tax purposes, we may be subject to some federal, state, and local taxes on our income or property. For example:

- In order to qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income to our stockholders (which is determined without regard to the dividends-paid deduction or net capital gain). To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal and state corporate income tax on the undistributed income.
- We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gains net income, and 100% of our undistributed income from prior years.
- If we have net income from the sale of foreclosure property that we hold primarily for sale to customers in the ordinary course of business or other nonqualifying income from foreclosure property, we must pay a tax on that income at the highest corporate income tax rate.
- If we sell a property, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% "prohibited transaction" tax.
- We may perform additional, noncustomary services for tenants of our buildings through our taxable REIT subsidiary, including real estate or non-real-estate-related services; however, any earnings related to such services are subject to federal and state income taxes.

To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions to make distributions to our stockholders, which could increase our operating costs and decrease the value of an investment in us.

To qualify as a REIT, we must distribute to our stockholders each year 90% of our REIT taxable income (which is determined without regard to the dividends-paid deduction or net capital gains). At times, we may not have sufficient funds to satisfy these distribution requirements and may need to borrow funds to maintain our REIT status and avoid the payment of income and excise taxes. These borrowing needs could result from (i) differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, (ii) the effect of nondeductible capital expenditures, (iii) the creation of reserves, or (iv) required debt or amortization payments. We may need to borrow funds at times when market conditions are unfavorable. Such borrowings could increase our costs and reduce the value of our common stock.

To maintain our REIT status, we may be forced to forego otherwise attractive opportunities, which could delay or hinder our ability to meet our investment objectives and lower the return to our stockholders.

To qualify as a REIT, we must satisfy tests on an ongoing basis concerning, among other things, the sources of our income, the nature of our assets, and the amounts we distribute to our stockholders. We may be required to make distributions to stockholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for distribution. Compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

Because of the ownership structure of our hotel property, we face potential adverse effects from changes to the applicable tax laws.

We own one hotel property. However, under the Code, REITs are not allowed to operate hotels directly or indirectly. Accordingly, we lease our hotel property to our taxable REIT subsidiary, or TRS. As lessor, we are entitled to a percentage of the gross receipts from the operation of the hotel property. Marriott Hotel Services, Inc. manages the hotel under the Marriott® name pursuant to a management contract with the TRS as lessee. While the TRS structure

allows the economic benefits of ownership to flow to us, the TRS is subject to tax on its income from the operations of the hotel at the federal and state levels. In addition, the TRS is subject to detailed tax regulations that affect how it may be capitalized and operated. If the tax laws applicable to our TRS are changed, we may be forced to modify the structure for owning our hotel property or selling our hotel property, which may adversely affect our cash flows. In addition, the Internal Revenue Service, the U. S. Department of the Treasury, and Congress frequently review federal income tax legislation, and we cannot predict whether, when, or to what extent new federal tax laws, regulations, interpretations, or rulings will be adopted. Any of such actions may prospectively or retroactively modify the tax treatment of the TRS and, therefore, may adversely affect our after-tax returns from our hotel property.

Table of Contents
Index to Financial Statements

Legislative or regulatory action could adversely affect investors.

In recent years, numerous legislative, judicial, and administrative changes have been made in the provisions of federal and state income tax laws applicable to investments similar to an investment in shares of Columbia Property Trust. Additional changes to tax laws are likely to continue to occur in the future, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in shares or on the market value or the resale potential of our properties. You are urged to consult with your own tax advisor with respect to the impact of recent legislation on your ownership of shares and the status of legislative, regulatory, or administrative developments and proposals, and their potential effect on ownership of shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Overview

As of December 31, 2015, we owned interests in 27 office properties and one hotel located in 12 states and the District of Columbia. All of the properties are wholly owned except for one, which is owned through an unconsolidated joint venture. As of December 31, 2015, our office properties were approximately 93.2% leased.

Property Statistics

The tables below include statistics for properties that we own directly and our pro-rata share (51%) of the Market Square Buildings, which are owned through an unconsolidated joint venture. Annualized Lease Revenue is (i) annualized rental payments (defined as base rent plus operating expense reimbursements, excluding rental abatements) for executed and commenced leases, as well as leases executed but not yet commenced for vacant space, and (ii) annualized parking revenues, payable either under the terms of an executed lease or vendor contract. Annualized Lease Revenue excludes rental payments for executed leases that have not yet commenced for space covered by an existing lease.

The following table shows lease expirations of our office properties as of December 31, 2015, during each of the next 10 years and thereafter. This table assumes no exercise of renewal options or termination rights.

Year of Lease Expiration	2015 Annualized Lease Revenue (in thousands)	Rentable Square Feet (in thousands)	Percentage of 2015 Annualized Lease Revenue	
Vacant	$—	908	—	%
2016	64,150	1,321	13	%
2017	48,386	1,188	10	%
2018	37,191	786	8	%
2019	16,671	300	3	%
2020	32,934	844	7	%
2021	58,135	1,763	12	%
2022	32,671	786	7	%
2023	26,291	673	5	%
2024	11,868	225	2	%
2025	35,725	1,160	7	%
Thereafter	123,014	3,406	26	%
	$487,036	13,360	100	%

Table of Contents
Index to Financial Statements

The following table shows the geographic locations of our office properties as of December 31, 2015.

Location	2015 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2015 Annualized Lease Revenue	
San Francisco	$105,012	1,901	22	%
New York	82,822	1,114	17	%
Houston	45,163	1,062	9	%
Washington, D.C.	37,020	548	8	%
Atlanta	36,286	1,562	7	%
Cleveland	35,386	1,101	7	%
Baltimore	25,835	643	5	%
Northern New Jersey	24,030	617	5	%
Other[1]	95,482	3,904	20	%
	$487,036	12,452	100	%

[1] No more than 4% is attributable to any individual geographic location.

The following table shows the industry breakdown of our office tenants as of December 31, 2015.

Industry	2015 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2015 Annualized Lease Revenue	
Legal Services	$79,100	1,490	16	%
Business Services	69,870	1,199	14	%
Depository Institutions	60,967	1,673	13	%
Security & Commodity Brokers	48,952	954	10	%
Electric, Gas, & Sanitary Services	39,953	1,690	8	%
Communication	30,509	1,124	6	%
Engineering & Management Services	28,689	897	6	%
Industrial Machinery & Equipment	13,823	533	3	%
Miscellaneous Retail	13,338	587	3	%
Nondepository Institutions	13,328	366	3	%
Other[1]	88,507	1,939	18	%
	$487,036	12,452	100	%

[1] No more than 3% is attributable to any individual industry.

Table of Contents
Index to Financial Statements

The following table shows the major tenants of our office properties as of December 31, 2015.

Tenant	2015 Annualized Lease Revenue (in thousands)	Percentage of 2015 Annualized Lease Revenue	
Wells Fargo	$28,538	6	%
Jones Day	28,124	6	%
AT&T	22,003	5	%
PSEG Services	21,849	4	%
Credit Suisse	19,675	4	%
Pershing	18,278	4	%
Westinghouse	15,565	3	%
T. Rowe Price	15,411	3	%
Yahoo!	13,616	3	%
Keybank	13,248	3	%
Foster Wheeler	12,850	3	%
Other[1]	277,879	56	%
	$487,036	100	%

[1] No more than 3% is attributable to any individual tenant.

The following table shows certain information related to significant properties as of December 31, 2015.

Property & Location	Number of Buildings	Leased Square Feet (in thousands)	Total Real Estate, Net (in thousands)	% of Total Assets	2015 Annualized Lease Revenue (in thousands)	Average Annualized Lease Revenue per Square Foot	% Leased	
229 West 43rd Street, New York	1	470	$493,664	12.1 %	$32,385	$68.9	97.7	%

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business. We are not currently involved in any legal proceedings of which the outcome is reasonably likely to have a material adverse effect on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents
Index to Financial Statements

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock was listed on the New York Stock Exchange (the "NYSE") on October 10, 2013, under the symbol "CXP." Prior to October 10, 2013, none of our common stock was listed on a national securities exchange and there was no established public trading market for such shares. As of January 31, 2016, we had approximately 123.5 million shares of common stock outstanding held by a total of 80,031 stockholders of record.

The closing high and low prices for our stock and dividends declared during 2015 and 2014 were as follows:

	High	Low	Dividends
2015 Quarters:			
First	$27.67	$24.08	$0.30
Second	$27.45	$24.55	$0.30
Third	$25.30	$21.16	$0.30
Fourth	$25.97	$23.21	$0.30
2014 Quarters:			
First	$27.73	$23.12	$0.30
Second	$29.13	$26.01	$0.30
Third	$26.09	$23.85	$0.30
Fourth	$25.79	$23.80	$0.30

Distributions

We intend to make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of our taxable income. One of our primary goals is to pay regular quarterly distributions to our stockholders. The amount of distributions paid and the taxable portion thereof in prior periods are not necessarily indicative of amounts anticipated in future periods.

The amount of distributions to common stockholders is determined by our board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, reduced by capital requirements necessary to maintain our existing portfolio. In determining the amount of distributions to common stockholders, we also consider our future capital needs and future sources of liquidity, as well as the annual distribution requirements necessary to maintain our status as a REIT under the Code. Investments in new property acquisitions and first-generation capital improvements, as well as equity repurchases, are generally funded with recycled capital proceeds from property sales, debt, or cash on hand.

Table of Contents
Index to Financial Statements

Performance Graph

The following graph compares the cumulative total return of our common stock with the S&P 500, Morgan Stanley REIT Index, and the FTSE NAREIT US Real Estate Index for the period beginning on October 10, 2013 (the date of our initial listing on the NYSE) through December 31, 2015. The graph assumes a $100 investment in each of the indices on October 10, 2013, and the reinvestment of all dividends.

Index	October 10, 2013	December 31, 2013	December 31, 2014	December 31, 2015
Columbia Property Trust	$100.00	$112.10	$119.00	$115.70
S&P 500 Index	$100.00	$109.70	$124.70	$126.40
Morgan Stanley REIT Index	$100.00	$97.70	$127.38	$130.60
FTSE NAREIT US Real Estate Index	$100.00	$97.68	$127.40	$131.30

Table of Contents
Index to Financial Statements

Share Repurchases

On September 4, 2015, our board of directors approved a stock repurchase program, which authorizes us to buy up to $200 million of our common stock over a two-year period, ending on September 4, 2017 (the "Stock Repurchase Program"). During the quarter ended December 31, 2015, we purchased and retired the following shares in accordance with the Stock Repurchase Program:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Approximate Dollar Value Available for Future Purchase[2]
October 2015	—	$—	—	$—
November 2015	—	$—	—	$—
December 2015[1]	151,727	$23.228	151,727	$183,683,000

(1) All activity for December 2015 relates to the Stock Repurchase Program, as described above.

(2) Amounts available for future purchase relate only to our Stock Repurchase Program and represent the remainder of the $200 million authorized by our board of directors for share repurchases.

Unregistered Issuance of Securities

During the years 2013, 2014, and 2015, we did not issue any securities that were not registered under the Securities Act of 1933.

Securities Authorized for Issuance under Equity Compensation Plans

We have reserved 2,000,000 shares of common stock for issuance under our long term incentive plan (the "LTIP") and 25,000 shares of common stock under the a director stock option plan (the "Independent Director Stock Option Plan"). See Note 8, Stockholders' Equity, to the accompanying consolidated financial statements, for more information about these plans. The LTIP was approved by our stockholders in 2013, and the Independent Director Stock Option Plan was approved by our stockholders in 2003, before we commenced our initial public offering. The following table provides summary information about securities issuable under our equity compensation plans as of December 31, 2015:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Common stock issued under the LTIP	Number of securities remaining available for future issuance under equity compensation plans[1]
Equity compensation plans approved by security holders	1,875	$48.00	307,595	1,710,030
Equity compensation plans not approved by security holders	—	—	—	—
Total	1,875	$48.00	307,595	1,710,030

(1) Includes 1,692,405 shares reserved for issuance under the LTIP and 17,625 shares reserved for issuance under the Independent Director Stock Option Plan.

Table of Contents
Index to Financial Statements

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data for 2015, 2014, 2013, 2012, and 2011 should be read in conjunction with the accompanying consolidated financial statements and related notes in Item 8, Financial Statements and Supplementary Data, hereof (amounts in thousands, except per-share data).

	As of December 31,				
	2015	2014	2013	2012	2011
Total assets[1]	$4,678,118	$4,734,240	$4,587,301	$5,724,652	$5,773,090
Total stockholders' equity	$2,614,194	$2,733,478	$2,787,823	$3,163,980	$3,346,655
Outstanding debt	$1,735,063	$1,680,066	$1,489,179	$1,650,296	$1,469,486
Outstanding long-term debt	$1,577,063	$1,469,245	$1,477,563	$1,621,541	$1,433,295
Obligations under capital leases	$120,000	$120,000	$120,000	$586,000	$646,000

	Years Ended December 31,				
	2015	2014	2013	2012	2011
Total revenues[2]	$566,065	$540,797	$526,578	$494,271	$492,887
Loss from unconsolidated joint venture	$(1,142)	$—	$—	$—	$—
Net income	$44,619	$92,635	$15,720	$48,039	$56,642
Net cash provided by operating activities	$223,080	$236,906	$218,329	$252,839	$279,158
Net cash provided by (used in) investing activities	$(576,699)	$(23,788)	$495,389	$31,047	$(666,090)
Net cash provided by (used in) financing activities	$236,474	$(163,183)	$(667,417)	$(269,729)	$387,610
Distributions paid	$112,570	$149,962	$191,473	$256,020	$270,720
Net proceeds raised through issuance of our common stock[3]	$—	$—	$46,402	$118,388	$130,289
Net debt proceeds (repayments)[3]	$29,488	$(11,739)	$(160,940)	$(28,191)	$375,222
Acquisitions, earnest money paid, and investments in real estate[3]	$(1,145,402)	$(416,991)	$(44,856)	$(233,798)	$(638,783)
Per weighted-average common share data:					
Net income – basic[4]	$0.36	$0.74	$0.12	$0.35	$0.42
Net income – diluted[4]	$0.36	$0.74	$0.12	$0.35	$0.42
Distributions declared[4]	$1.20	$1.20	$1.44	$1.88	$2.00
Weighted-average common shares outstanding – basic[4]	124,757	124,860	134,085	136,672	135,680
Weighted-average common shares outstanding – diluted[4]	124,847	124,918	134,085	136,672	135,680

(1) The amounts for 2014 through 2011 have been adjusted to conform with current period presentation by reclassifying debt issuance costs on the accompanying consolidated balance sheets, other than those related to our revolving credit facility, from a deferred financing costs asset to an offset to line of credit, term loans, and notes payable liability and bonds payable.

(2) The amounts for 2012 and 2011 have been adjusted to conform with current-period presentation, including classifying revenues generated by sold properties as discontinued operations (see Note 13, Discontinued Operations, to the accompanying consolidated financial statements).

(3) Activity is presented on a cash basis. Please refer to our accompanying consolidated statements of cash flows.

(4) Where applicable, share and per-share amounts have been retroactively adjusted to reflect the impact of the August 14, 2013, four-for-one reverse stock split for all periods presented (See Note 8, Stockholders' Equity, to the accompanying consolidated financial statements).

Table of Contents
Index to Financial Statements

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Selected Financial Data in Item 6, Selected Financial Data, above and our accompanying consolidated financial statements and notes thereto. See also Cautionary Note Regarding Forward-Looking Statements preceding Part I.

Overview

Executive Summary

We continue to focus on generating long-term shareholder returns through growth in net asset value with an emphasis on high-barrier to entry markets. Capital recycling initiatives are enabling us to improve our concentration in key markets and central business districts, as well as to reduce our exposure to single-tenant assets. During 2015, we invested $1.0 billion in New York and Boston acquisitions, and sold a total of 12 properties situated in outlying markets for $0.5 billion. In September, we announced a plan to further reduce our exposure to non-target markets by selling three additional assets totaling 2.9 million square feet in Cleveland, Baltimore, and Newark. We will continue to seek opportunities to increase our portfolio allocation to central business district properties, multi-tenant buildings, and primary, high barrier markets and, at the same time, optimize the allocation between our traditional, stabilized core investments, and growth-oriented, value-add investments. While transitioning the portfolio to more growth-oriented, value-add properties is likely to cause some dilution in earnings for a period of time, we believe that it will improve the opportunity for growth over the longer term.

We are continuing to actively manage our debt capital, with a particular focus on our allocation to unsecured borrowings. During 2015, we refinanced approximately $1.0 billion of unsecured debt and repaid $332.5 million of mortgage loans. As a result, during the second half of the year, we extended our weighted average debt maturity from 4.1 years to 4.8 years; decreased our weighted-average cost of borrowing from 3.75% per annum to 3.45% per annum; and increased our unencumbered pool of assets as a percentage of gross real estate assets from 72.7% to 81.2%. Further, in September of 2015, we launched a stock repurchase program, which authorizes us to purchase up to $200.0 million of our common stock through September of 2017. We believe a stock repurchase program will enable us to benefit from market downturns, which may cause our stock to be undervalued from time to time. As of December 31, 2015, we had purchased $16.3 million of common stock at an average price of $22.62 per share.

Table of Contents
Index to Financial Statements

Key Performance Indicators

Our operating results depend primarily upon the level of income generated by the leases at our properties. Occupancy and rental rates are critical drivers of our lease income. Historically, we have maintained portfolio occupancy above 90% and within a fairly narrow range. During 2014 and 2015, our average portfolio percentage leased ranged from 92.1% to 93.5%. The following table sets forth details related to recent leasing activities, which drive changes in our rental revenues.

	Years Ended December 31,			
	2015		2014	
Total number of leases	75		61	
Weighted-average lease term (months)	163		143	
Square feet of leasing - renewal	757,283	(1)	740,583	
Square feet of leasing - new	486,572	(2)	359,239	
Total square feet of leasing	1,243,855		1,099,822	
Rent leasing spread - renewal[3]	13.3	%	3.9	%
Rent leasing spread - new[4]	49.9	%	37.0	%
Rent leasing spread - all leases[3][4]	27.4	%	7.3	%
Tenant improvements, per square foot - renewal	$27.91		$55.81	
Tenant improvements, per square foot - new	$76.20		$50.01	
Tenant improvements, per square foot - all leases	$49.70		$54.18	
Leasing commissions, per square foot - renewal	$12.46		$23.74	
Leasing commissions, per square foot - new	$40.06		$21.93	
Leasing commissions, per square foot - all leases	$24.91		$23.23	

(1) Includes our pro-rata share (51%) of total leased at Market Square (6,000 square feet of renewal leasing) from October 28, 2015 through December 31, 2015.

(2) Includes our pro-rata share (51%) of total leased at Market Square (22,000 square feet of new leasing) from October 28, 2015 through December 31, 2015.

(3) Rent leasing spreads for renewal leases are calculated based on the change in base rental income measured on a straight-line basis.

(4) Rent leasing spreads for new leases are calculated only for properties that have been vacant less than one year, and are measured on a straight-line basis.

In 2015, rent leasing spreads were positive primarily due to a lease with Docusign, Inc. at 221 Main Street and a lease with Equinox at 315 Park Avenue South, partially offset by the impact of a lease with CH2M at South Jamaica Street. In February 2015, we executed an expansion and extension with Docusign, Inc., the anchor tenant at our 221 Main Street Building in San Francisco, which will triple Docusign Inc.'s presence at the property and extend the term of their lease through March 2024. In December 2015, we executed a new lease with Equinox for 45,000 square feet at 315 Park Avenue South through December 2035. In October 2015, we executed an extension and contraction with CH2M, the sole tenant at our South Jamaica Street Property in Denver, Colorado, which will reduce CH2M's occupancy to three of the four buildings at the property and extend the term of their lease through September 2032. Over the next twelve months, approximately 1,321,000 square feet of our leases (approximately 13% of our office portfolio based on annualized lease revenue) are scheduled to expire. Approximately 393,000 of this total relates to one tenant at our 800 North Fredrick Building, which is currently being marketed for sale. The remainder of the near-term expirations primarily relate to our properties in San Francisco, New York, and Washington, D.C. Overall, we expect to replace these leases with rates above those currently in place at the properties.

Liquidity and Capital Resources

Overview

Cash flows generated from the operation of our properties are primarily used to fund recurring expenditures and stockholder dividends. Our board of directors elected to maintain the quarterly stockholder distribution rate of $0.30 per share for the fourth quarter of 2015. The amount of distributions to common stockholders is determined by our

board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, reduced by capital requirements necessary to maintain our existing portfolio. In determining the amount of distributions to common stockholders, we also consider our future capital needs and future sources of liquidity, as well as the annual distribution requirements necessary to maintain our status as a REIT under the Code. Investments in new property

Table of Contents
Index to Financial Statements

acquisitions and first-generation capital improvements are generally funded with capital proceeds from property sales, debt, or cash on hand.

During 2015, we generated net cash flows from operating activities of $223.1 million, which consists primarily of receipts from tenants for rent and reimbursements, reduced by payments for operating costs, administrative expenses, and interest expense. During the same period, we paid total distributions to stockholders of $112.6 million.

During 2015, we acquired four properties for an aggregate gross purchase price of $1,104.0 million with a combination of cash and unsecured borrowings, which included bonds payable, bridge loans, and draws on our Revolving Credit Facility, as described below. We also sold 12 properties for a total of $498.3 million, and sold a portion of our Market Square Buildings to a joint venture (the "Market Square Joint Venture") for $120 million in net proceeds. We used the sale proceeds to repay two mortgage notes and to reduce the outstanding balance of our Revolving Credit Facility and $300 Million Bridge Loan, as described below. Additionally, in September, we launched a stock repurchase program which allows the company to repurchase up to $200.0 million of its common stock over the next two years. During 2015, we repurchased $16.3 million of our common stock using borrowings under our Revolving Credit Facility.

Over the short-term, we expect our primary sources of capital to be operating cash flows, select property dispositions, and future debt financings. We expect that our principal demands for funds will be operating expenses, distributions to stockholders, capital improvements to our existing assets, stock repurchases, property acquisitions, and interest and principal payments on current and maturing debt. We believe that we have adequate liquidity and capital resources to meet our current obligations as they come due. As of January 31, 2016, we had access to $193 million of the borrowing capacity under the Revolving Credit Facility. We expect to repay the $119.0 million balance remaining on the $300 Million Bridge Loan, which matures in August of 2016, with proceeds from properties currently being marketed for sale.

$300 Million Bridge Loan

Our $300 Million Bridge Loan matures on August 4, 2016, after the exercise of a six-month extension option in December 2015, and may be prepaid at any time without premium or penalty. As of December 31, 2015, the outstanding balance on the $300 Million Bridge Loan is $119.0 million. At our option, borrowings under the $300 Million Bridge Loan bear interest at either (i) an alternate base rate, plus an applicable margin based on five stated pricing levels ranging from 0.00% to 0.75% or (ii) the London Interbank Offered Rate ("LIBOR"), plus an applicable margin based on five stated pricing levels ranging from 0.90% to 1.75%, in each case based on our credit rating.

Long-term Liquidity and Capital Resources

Over the long term, we expect that our primary sources of capital will include operating cash flows, select property dispositions, and proceeds from secured or unsecured borrowings. We expect that our primary uses of capital will continue to include stockholder distributions; acquisitions; capital expenditures, such as building improvements, tenant improvements, and leasing costs; and repaying or refinancing debt.

Consistent with our financing objectives and operational strategy, we continue to maintain debt levels historically less than 40% of the cost of our assets. This conservative leverage goal could reduce the amount of current income we can generate for our stockholders, but it also reduces their risk of loss. We believe that preserving investor capital while generating stable current income is in the best interest of our stockholders. Our debt-to-real-estate-asset ratio is calculated using the outstanding debt balance and real estate at cost. As of December 31, 2015, our debt-to-real-estate-asset ratio, including our pro-rata share (51%) of the Market Square Joint Venture, was approximately 35.6%.

Table of Contents
Index to Financial Statements

Contractual Commitments and Contingencies

As of December 31, 2015, our contractual obligations will become payable in the following periods (in thousands):

Contractual Obligations	Total	2016	2017-2018	2019-2020	Thereafter
Debt obligations[1]	$1,900,813	$163,460	$403,587	$668,016	$665,750
Interest obligations on debt[1][2]	344,286	68,335	111,374	73,477	91,100
Capital lease obligations[3]	120,000	—	—	—	120,000
Operating lease obligations	213,518	2,557	5,433	5,462	200,066
Total	$2,578,617	$234,352	$520,394	$746,955	$1,076,916

(1) Reflects debt and interest obligations on debt, including our pro-rata share (51%) of the Market Square Buildings note payable. We guarantee $25.0 million of the Market Square Buildings note payable (see Footnote 7, Commitments & Contingencies, to the accompanying financial statements).

(2) Interest obligations on variable-rate debt are measured at the rate at which they are effectively fixed with interest rate swap agreements (where applicable), a portion of which is reflected as loss on interest rate swaps in our consolidated statements of operations of the accompanying consolidated financial statements. Interest obligations on all other debt instruments are measured at the contractual rate. See Item 7A, Quantitative and Qualitative Disclosure About Market Risk, for more information regarding our interest rate swaps.

(3) Amounts include principal obligations only. We made interest payments on these obligations of $7.2 million during 2015, all of which was funded with interest income earned on the corresponding investments in development authority bonds.

Revolving Credit Facility

Our Revolving Credit Facility has a capacity of $500.0 million and matures in July 2019, with two, six-month extension options. As of December 31, 2015, we had an outstanding balance of $247.0 million on the Revolving Credit Facility. Amounts outstanding under the Revolving Credit Facility bear interest at LIBOR, plus an applicable margin ranging from 0.875% to 1.55% for LIBOR borrowings, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.55% for base rate borrowings, based on our applicable credit rating. The per annum facility fee on the aggregate revolving commitment (used or unused) ranges from 0.125% to 0.30%, also based on our applicable credit rating. Additionally, we have the ability to increase the capacity of the Revolving Credit Facility, along with the $300 Million Term Loan, which provides for four accordion options for an aggregate amount of up to $400 million, subject to certain limitations.

The Revolving Credit Facility contains the following restrictive covenants:

- limits the ratio of secured debt to total asset value, as defined therein, to 40% or less;
- requires the fixed charge coverage ratio, as defined therein, to be at least 1.50:1.00;
- limits the ratio of debt to total asset value, as defined therein, to 60% or less;
- requires the ratio of unencumbered adjusted net operating income, as defined therein, to unsecured interest expense, as defined therein, to be at least 1.75:1.00;
- requires the ratio of unencumbered asset value, as defined therein, to total unsecured debt, as defined therein, to be at least 1.66:1.00; and
- requires maintenance of certain minimum tangible net worth balances.

As of December 31, 2015, we believe we were in compliance with the restrictive covenants on our outstanding debt obligations.

Term Loans

We have a $300.0 million unsecured, single-draw term loan, which matures in July 2020 (the "$300 Million Term Loan"), and, along with the Revolving Credit Facility, provides for four accordion options for an aggregate amount of up to $400 million, subject to certain conditions. The $300 Million Term Loan bears interest, at our option, at either (i) LIBOR plus an applicable margin ranging from 0.90% to 1.75% for LIBOR loans, or (ii) an alternate base rate, plus an applicable margin ranging from 0.00% to 0.75% for base rate loans, based on our applicable credit rating.

Table of Contents
Index to Financial Statements

We have a $150.0 million unsecured, single-draw term loan, which matures in July 2022 (the "$150 Million Term Loan"). The $150 Million Term Loan bears interest, at our option, at either (i) LIBOR plus an applicable margin ranging from 1.40% to 2.35% for LIBOR loans, or (ii) base rate, plus an applicable margin ranging from 0.40% to 1.35% for base rate loans. The interest rate on the $150 Million Term Loan is effectively fixed with an interest rate swap agreement. Based on the terms of the interest rate swap and our current credit rating, the interest rate on the $150 Million Term Loan is effectively fixed at 3.52%.

Bonds Payable

In March 2015, we issued $350.0 million of ten-year, unsecured 4.150% senior notes at 99.859% of their face value under our Universal Shelf Registration Statement (the "2025 Bonds Payable"). We received proceeds from the 2025 Bonds Payable, net of fees, of $347.2 million, a portion of which was used to repay a bridge loan, which was originated in January. The 2025 Bonds Payable require semi-annual interest payments in April and October based on a contractual annual interest rate of 4.150%. The principal amount of the 2025 Bonds Payable is due and payable on the maturity date, April 1, 2025.

Also, in 2011, we issued $250.0 million of seven-year, unsecured 5.875% senior notes at 99.295% of their face value (the "2018 Bonds Payable"). We received proceeds from the 2018 Bonds Payable, net of fees, of $246.7 million. The 2018 Bonds Payable require semi-annual interest payments in April and October based on a contractual annual interest rate of 5.875%, which is subject to adjustment in certain circumstances. The principal amount of the 2018 Bonds Payable is due and payable on the maturity date, April 1, 2018.

The restrictive covenants on the 2025 Bonds Payable and the 2018 Bonds Payable as defined pursuant to an indenture include:

- a limitation on the ratio of debt to total assets, as defined, to 60%;
- limits to our ability to incur debt if the consolidated income available for debt service to annual debt service charge, as defined, for four previous consecutive fiscal quarters is less than 1.5:1 on a pro forma basis;
- limits to our ability to incur liens if, on an aggregate basis for us, the secured debt amount would exceed 40% of the value of the total assets; and
- a requirement that the ratio of unencumbered asset value, as defined, to total unsecured debt be at least 150% at all times.

As of December 31, 2015, we believe we were in compliance with the restrictive covenants on the 2025 Bonds Payable and the 2018 Bonds Payable.

Debt Repayments, Maturities, and Interest Payments

On January 6, 2015, we entered into a $300.0 million, six-month, unsecured loan to finance a portion of the real estate assets purchased in January 2015. On March 12, 2015, we fully repaid the loan with proceeds from the 2025 Bonds Payable, at which time we recognized a loss on early extinguishment of debt of $0.5 million as a result of writing off the unamortized deferred financing costs. The loan was set to mature on July 6, 2015.

On June 1, 2015, we repaid the mortgage note for the 333 Market Street Building for $206.5 million and the related interest rate swap agreement expired. The maturity date for the 333 Market Street Building mortgage note was July 1, 2015.

On July 1, 2015, in connection with the 11 Property Sale, as described in Note 3, Real Estate and Other Transactions, to the accompanying financial statements, we repaid the mortgage note for the 215 Diehl Road Building, one of the properties included in the 11 Property Sale, for $21.0 million. As a result, we recognized a loss on early extinguishment of debt of $2.1 million, primarily as a result of a prepayment premium. The maturity date for the 215 Diehl Road Building mortgage note was July 1, 2017.

On July 13, 2015, we repaid the $105.0 million mortgage note on the 100 East Pratt Street Building at par. The maturity date for the 100 East Pratt Street Building mortgage note was June 11, 2017.

On October 8, 2014, we repaid the mortgage note for the 544 Lakeview Building for $9.1 million, resulting in a loss on early extinguishment of debt of $23,000. The original maturity date for the 544 Lakeview Building mortgage note was December 1, 2014.

During 2015 and 2014, we made interest payments of approximately $54.0 million and $56.1 million, respectively, related to our line of credit and notes payable. Interest payments on the 2025 Bonds Payable began in October 2015. Interest payments of $22.7 million were made on the 2025 Bonds Payable and the 2018 Bonds Payable during 2015, and interest payments of $14.7 million were made on the 2018 Bonds Payable during 2014.

Table of Contents
Index to Financial Statements

Universal Shelf Registration Statement

We have on file a universal shelf registration statement on Form S-3 (No. 333-198764) with the Securities and Exchange Commission (the "Universal Shelf Registration Statement"), which was effective upon filing in September 2014. The Universal Shelf Registration Statement provides us with flexibility to offer, from time to time and in one or more offerings, debt securities, common stock, preferred stock, depositary shares, warrants, or any combination thereof. The terms of any such future offerings would be established at the time of an offering.

Results of Operations

Overview

As of December 31, 2015, we owned 27 office properties, which were approximately 93.2% leased, including our share of the Market Square Joint Venture, and one hotel. All of our properties are wholly owned except the Market Square Buildings, which are owned through an unconsolidated joint venture. Our operating results are impacted by recent acquisition and disposition activity, as set forth in the Transaction Activity section of Item 1, Business, and the partial disposition of the Market Square Buildings in October 2015. In the near term, we expect real estate operating income to fluctuate primarily based on acquisitions, dispositions, and leasing activity.

Comparison of the year ended December 31, 2015 versus the year ended December 31, 2014

Continuing Operations

Rental income was $436.0 million for 2015, which represents an increase from $414.5 million for 2014. The increase includes $74.3 million of additional rental income from properties acquired in 2014 and 2015, partially offset by a reduction of $51.1 million due to selling properties during the same periods, and transferring the Market Square Buildings to a joint venture on October 28, 2015. Rental income related to our joint venture interest in the Market Square Buildings (51%) is included in loss from unconsolidated joint venture on the accompanying consolidated statement of operations. We expect future rental income to fluctuate primarily based on leasing, acquisition, and disposition activity.

Tenant reimbursements were relatively stable at $99.7 million and $95.4 million for 2015 and 2014, respectively.

Property operating costs were $188.1 million for 2015, which represents an increase as compared with $163.7 million for 2014, primarily due to an increase of $32.2 million from properties acquired during 2014 and 2015, partially offset by a decrease of $14.0 million due to selling properties during the same periods, and transferring the Market Square Buildings to a joint venture on October 28, 2015. Tenant reimbursements and property operating costs related to our joint venture interest in the Market Square Buildings (51%) are included in loss from unconsolidated joint venture on the accompanying consolidated statement of operations. Tenant reimbursements did not increase at the same pace as property operating costs primarily due to a lease contraction at one of our properties, and a prior year property tax refund received in the current year. Tenant reimbursements and property operating costs are expected to fluctuate with acquisitions, dispositions and leasing activity.

Hotel income, net of hotel operating costs, was $4.7 million for 2015, which represents an increase as compared with $4.1 million for 2014, due to additional group bookings and meetings at the hotel. Hotel income and hotel operating costs are primarily driven by the local economic conditions and, as a result, are expected to fluctuate in the future primarily based on changes in the supply of, and demand for, hotel and banquet space in Cleveland, Ohio, similar to that offered by the Key Center Marriott hotel.

Other property income was $6.1 million for 2015, which represents a decrease as compared with $8.0 million for 2014, primarily due to fluctuations in lease termination activity. Future other property income is expected to fluctuate primarily as a result of lease restructuring and termination activities.

Asset and property management fees were $1.8 million for 2015, which represents a decrease as compared with $2.3 million for 2014, primarily as a result of bringing asset and property management services in house during 2015 for properties in San Francisco ($1.1 million reduction), partially offset by incurring additional property management and asset management fees for properties acquired in 2015 ($0.7 million increase). Future asset and property management fees are expected to fluctuate with future acquisition, disposition, and joint venture activity.

Depreciation was $131.5 million for 2015, which represents an increase as compared with $117.8 million for 2014, primarily due to the $25.8 million impact of recent acquisitions, partially offset by the $15.4 million impact of recent

dispositions and transferring the Market Square Buildings to a joint venture on October 28, 2015. Depreciation related to our joint venture interest in the Market Square Buildings (51%) is included in loss from unconsolidated joint venture on the accompanying consolidated statement of operations. Excluding the impact of changes in our portfolio, depreciation is expected to increase in future periods due to ongoing capital improvements at our existing properties.

Table of Contents
Index to Financial Statements

Amortization was $87.1 million for 2015, which represents an increase as compared with $78.8 million for 2014, primarily due to the $25.5 million impact of recent acquisitions, partially offset by the $13.8 million impact of properties sold and transferring the Market Square Buildings to a joint venture on October 28, 2015, and the $2.4 million impact of prior-period write offs at our existing properties. Amortization related to our joint venture interest in the Market Square Buildings (51%) is included in loss from unconsolidated joint venture on the accompanying consolidated statement of operations.We expect future amortization to fluctuate primarily as a result of future leasing activity, acquisitions, and dispositions.

In 2014, we recognized the following impairment losses in connection with changing our investment strategy and disposition expectations for the following assets: $13.6 million on the 160 Park Avenue Building in Florham Park, New Jersey, in the first quarter of 2014 (sold in June 2014); $1.4 million on the 200 South Orange Building in Orlando, Florida, in the second quarter of 2014 (sold in June 2014); and $10.1 million on the Bannockburn Lake III Building in Bannockburn, Illinois, in the fourth quarter of 2014 (sold in July 2015). In 2015, we did not recognize any impairment losses. We have recently begun to market for sale several properties, which are located in Baltimore, Cleveland and Newark. Future impairment losses will depend primarily on the disposition strategies evaluated and, ultimately, pursued for these assets, and our holding period intentions for our other assets.

General and administrative expenses were $29.7 million for 2015, which represents a decrease from $31.3 million for 2014. The decrease is primarily due to the full period impact of savings related to changing transfer agents in the third quarter of 2014 ($1.5 million). In addition, reductions related to non-recurring professional fees incurred in 2014 ($2.6 million) are largely offset by costs incurred in 2015 to develop our regional investment platform ($1.5 million) and for vesting under our stock-based incentive compensation plan ($1.0 million). We expect general and administrative expenses to fluctuate somewhat in the near-term as we continue to develop our regionalized investment and asset management platform.

We incurred acquisition expenses of $3.7 million for 2015, in connection with acquiring three properties in January 2015 and the 229 West 43rd Street Building, in New York, in August 2015. We incurred acquisition expenses of $14.1 million for 2014, in connection with acquiring the 221 Main Street Building and the 650 California Street Building in San Francisco, in 2014. See Note 3, Real Estate and Other Transactions, to the accompanying financial statements for additional details. We expect future acquisition expenses to fluctuate with acquisition activity.

Interest expense was $85.3 million for 2015, which represents an increase as compared with $75.7 million for 2014, primarily due to $11.6 million of additional interest incurred on the 2025 Bonds Payable issued in March 2015 and $4.1 million related to the full year impact of the notes payable assumed with the properties acquired in 2014, partially offset by a $5.6 million reduction related to the mortgages settled during 2015. See Note 5, Line of Credit, Term Loans, and Notes Payable, to the accompanying financial statements for additional details. Interest expense is expected to remain at similar levels in the near-term until we execute our near-term plans to sell properties and repay short-term debt.

Interest and other income was stable at $7.3 million for 2015 and 2014. Interest income is expected to remain at comparable levels in future periods, as the majority of this income is earned on investments in development authority bonds with a remaining term of approximately six years as of December 31, 2015. Interest income earned on investments in development authority bonds is entirely offset by interest expense incurred on the corresponding capital leases.

We recognized a loss on interest rate swaps that do not qualify for hedge accounting treatment of approximately $1.1 million for 2015, as compared with $0.4 million for 2014. The $1.1 million loss in 2015 is primarily due to the settlement of the swap related to the $450 Million Term Loan, which was replaced with other unsecured borrowings in July 2015. We anticipate that future gains and losses on interest rate swaps that do not qualify for hedge accounting treatment will fluctuate, primarily due to changes in the estimated fair value of our interest rate swaps relative to then-current market conditions. Market value adjustments to swaps that qualify for hedge accounting treatment are recorded directly to equity and therefore do not impact net income.

We recognized a loss on early extinguishment of debt of $3.1 million in 2015, primarily due to prepayment fees incurred to settle the 215 Diehl Building mortgage note in connection with selling the property as part of the 11

Property Sale, and writing off deferred financing costs in association with repaying a bridge loan in March 2015, 4.3 months prior to its original maturity date. We recognized a loss of $23,000 in 2014 related to the early repayment of the $9.1 million mortgage note for the 544 Lakeview Building. This note was originally due on December 1, 2014, and fully repaid on October 8, 2014. We expect future gains or losses on early extinguishments of debt to fluctuate with financing activities.

We recognized a loss from unconsolidated joint venture of $1.1 million for 2015, as income from operations at the Market Square Buildings is offset by interest expense related to the $325 million mortgage note on the property. Future income or loss from unconsolidated joint venture will fluctuate with operating activity at the Market Square Buildings.

We recognized gains on sales of real estate assets of $23.9 million in 2015. In July 2015, we sold 11 Properties for $433.3 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $20.2 million; in October 2015, we sold a 49% interest in the Market Square Buildings for a gross sales price of $120.0 million, resulting in a gain on sale of real estate assets of $3.1

Table of Contents
Index to Financial Statements

million; and in December 2015, we sold the 1881 Campus Commons Building for $65.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $0.5 million. We recognized a gain on sale of real estate assets of $75.3 million in 2014. In July 2014, we sold the 7031 Columbia Gateway Drive Building in Columbia, Maryland, for $59.5 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $7.7 million; in August 2014, we sold the 9 Technology Drive Building in Westborough, Massachusetts, for $47.0 million, exclusive of purchase price adjustments and transaction costs, yielding a gain on sale of real estate assets of $11.1 million; and in October 2014, we sold the Lenox Park Property in Atlanta, Georgia, for $290.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of approximately $56.5 million. We expect future gains on sales of real estate assets will fluctuate with disposition activity.

Discontinued Operations

Loss from discontinued operations was $2.0 million for 2014. Effective April 1, 2014, we adopted Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components on an Entity ("ASU 2014-08"), which requires only dispositions representing a strategic shift in our operations to be reclassified to discontinued operations. Therefore, the operating results of properties disposed subsequent to our adoption date have not been reclassified to discontinued operations. As further explained in Note 13, Discontinued Operations, to the accompanying consolidated financial statements, prior to our adoption of ASU 2014-08, properties meeting certain criteria for disposal were classified as "discontinued operations" in the accompanying consolidated statements of operations.

Net Income

Net income was $44.6 million, or $0.36 per basic and diluted share, for 2015, which represents a decrease from $92.6 million, or $0.74 per share, for 2014, primarily due to recognizing a $56.5 million gain on the sale of the Lenox Park Property in October 2014. This decrease is partially offset by $15.6 million of additional real estate operating income from the $0.5 billion of net real estate acquisitions made in 2015 and leasing activity, reduced by $9.6 million of additional interest expense to fund such acquisitions. We expect future earnings to fluctuate as a result of leasing activity at our existing properties and acquisition and disposition activity.

Comparison of the year ended December 31, 2014 versus the year ended December 31, 2013

Rental income was $414.5 million for 2014, which represents an increase from $406.9 million for 2013, due to the $19.3 million impact of the acquisition of the 221 Main Street Building and the 650 California Street Building in April 2014 and September 2014, respectively, partially offset by the $13.6 million impact of 2014 dispositions.

Tenant reimbursements and property operating costs were $95.4 million and $163.7 million, respectively, for 2014, which represents a slight increase as compared with $90.9 million and $154.6 million, respectively, for 2013, as the $7.4 million impact of recently acquired properties and the $3.3 million impact of increased property taxes resulting from annual assessments were partially offset by the $2.6 million impact of the disposition of properties in late 2013 and 2014.

Hotel income, net of hotel operating costs, was $4.1 million for 2014, which represents a decrease as compared with $5.4 million for 2013, primarily due to unfavorable weather in Cleveland, Ohio, and renovations at the Key Center Marriott, which resulted in lower occupancy during the first quarter of 2014.

Other property income was $8.0 million for 2014, which represents an increase from $5.0 million for 2013, primarily due to fees earned in connection with a lease termination at one of the Market Square Buildings and the 222 East 41st Street Building in 2014.

Asset and property management fees were $2.3 million for 2014, which represents a decrease from $6.4 million for 2013, due to the termination of the Advisory Agreement effective February 28, 2013. See Note 11, Related-Party Transactions and Agreements, to the accompanying consolidated financial statements, for additional information.

Depreciation was $117.8 million for 2014, which represents an increase from $108.1 million for 2013, due to the $9.4 million impact of 2014 and 2013 acquisitions, partially offset by the $3.4 million impact of 2014 and 2013 dispositions, and the $3.0 million impact of the completion of capital improvements at certain of our existing properties.

Amortization was stable at $78.8 million and $78.7 million for 2014 and 2013, respectively, as the impact of 2014 acquisitions was offset by the impact of 2013 and 2014 dispositions.

In 2014, we recognized the following impairment losses in connection with changing our investment strategy and disposition expectations for the following assets: $13.6 million on the 160 Park Avenue Building in Florham Park, New Jersey, in the first quarter of 2014 (sold in June 2014); $1.4 million on the 200 South Orange Building in Orlando, Florida, in the second quarter of 2014 (sold in June 2014); and $10.1 million on the Bannockburn Lake III Building in Bannockburn, Illinois, in the fourth quarter of 2014 (sold in July 2015).

Table of Contents
Index to Financial Statements

General and administrative expenses were $31.3 million for 2014, which represents a decrease as compared with $61.9 million for 2013, primarily due to the impact of transitioning to a self-managed structure and the expiration of contracts related thereto. See Note 11, Related-Party Transactions and Agreements, to the accompanying financial statements for details.

We incurred $4.1 million in listing costs during 2013 in connection with listing our shares on the New York Stock Exchange on October 10, 2013, and no listing costs in 2014.

We incurred total acquisition expenses of $14.1 million for 2014 in connection with acquiring two properties in San Francisco, California, and no acquisition expenses in 2013. See Note 3, Real Estate and Other Transactions, to the accompanying financial statements for additional details.

Interest expense was $75.7 million for 2014, which represents a decrease as compared with $101.9 million for 2013, primarily due to settling $466.0 million of our $586.0 million total capital lease obligations, and the related and offsetting development authority bond investments, in December 2013.

Interest and other income was $7.3 million for 2014, which represents a decrease from $34.0 million for 2014, due to the December 2013 settlement of $466.0 million of the $586.0 million total development authority bonds, and the related and offsetting obligations under capital leases. Interest income earned on investments in development authority bonds is entirely offset by interest expense incurred on the corresponding capital leases.

We recognized a loss on interest rate swaps that do not qualify for hedge accounting treatment of approximately $0.4 million for 2014, as compared with $0.3 million for 2013.

We recognized a loss on early extinguishment of debt of $23,000 in 2014, related to the early repayment of the $9.1 million mortgage note for the 544 Lakeview Building. This note was originally due on December 1, 2014, and fully repaid on October 8, 2014.

We recognized gains on sales of real estate assets of $75.3 million in 2014. In July 2014, we sold the 7031 Columbia Gateway Drive Building in Columbia, Maryland, for $59.5 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $7.7 million; in August 2014, we sold the 9 Technology Drive Building in Westborough, Massachusetts, for $47.0 million, exclusive of purchase price adjustments and transaction costs, yielding a gain on sale of real estate assets of $11.1 million; and in October 2014, we sold the Lenox Park Property in Atlanta, Georgia, for $290.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of approximately $56.5 million.

Discontinued Operations

Loss from discontinued operations was $2.0 million for 2014, as compared with $10.1 million for 2013. The decrease in loss from discontinued operations is due to our adoption of ASU 2014-08, which requires only dispositions that represent a strategic shift in our operations be reclassified to discontinued operations. Therefore, the operating results of properties disposed of subsequent to April 1, 2014, were not reclassified to discontinued operations. As further explained in Note 13, Discontinued Operations, to the accompanying consolidated financial statements, prior to our adoption of ASU 2014-08, properties meeting certain criteria for disposal were classified as "discontinued operations" in the accompanying consolidated statements of operations for all periods presented.

Net Income

Net income attributable to Columbia Property Trust was $92.6 million, or $0.74 per share, for 2014, which represents an increase from $15.7 million, or $0.12 per share, for 2013, primarily due to gains recognized on 2014 property sales.

Table of Contents
Index to Financial Statements

Supplemental Performance Measures

In addition to net income, we measure the performance of the company using certain non-GAAP supplemental performance measures, including: (i) Funds From Operations ("FFO"), (ii) Net Operating Income ("NOI"), and (iii) Same Store Net Operating Income ("Same Store NOI"). These non-GAAP metrics are commonly used by industry analysts and investors as supplemental operation performance measures of REITs and are viewed by management to be useful indicators of operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies using historical cost accounting alone to be insufficient. Management believes that the use of FFO, NOI, and Same Store NOI, combined with net income, improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful.

Net income is the most comparable GAAP measure to FFO, NOI, and Same Store NOI. Each of these supplemental performance measures exclude expenses that materially impact our overall results of operations and, therefore, should not be considered as a substitute for net income, income from continuing operations before income taxes, or any other measures derived in accordance with GAAP. Furthermore, these metrics may not be comparable to other similarly titled measures used by other companies.

Funds From Operations

FFO is a non-GAAP measure used by many investors and analysts who follow the real estate industry to measure the performance of an equity REIT. We consider FFO a useful measure of our performance because it principally adjusts for the effects of GAAP depreciation and amortization of real estate assets, which assumes that the value of real estate diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that FFO provides a meaningful supplemental measure of our performance. We believe that the use of FFO, combined with the required GAAP presentations, is beneficial in improving our investors' understanding of our operating results and allowing for comparisons among other companies who define FFO as we do.

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), represents net income (computed in accordance with GAAP), excluding gains (losses) on sales of real estate and impairments of real estate assets, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures, for both continuing and discontinued operations. We compute FFO in accordance with NAREIT's definition, which may differ from the methodology for calculating FFO, or similarly titled measures, used by other companies, and this may not be comparable to those presentations.

FFO does not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations, or other commitments and uncertainties, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions. Our presentation of FFO should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of financial performance.

Reconciliations of net income to FFO (in thousands):

	Years Ended December 31,		
	2015	2014	2013
Reconciliation of Net Income to Funds From Operations:			
Net income	$44,619	$92,635	$15,720
Adjustments:			
Depreciation of real estate assets	131,490	117,766	119,835
Amortization of lease-related costs	87,128	78,843	86,300
Depreciation and amortization included in loss from unconsolidated joint venture[1]	1,606	—	—
Impairment loss on real estate assets	—	25,130	29,737
Gain on sale of real estate assets – continuing operations	(23,860)	(75,275)	—
Gain (loss) on sale of real estate assets – discontinued operations	—	1,627	(11,225)

Total Funds From Operations adjustments	196,364	148,091	224,647
Funds From Operations	$240,983	$240,726	$240,367

(1) Reflects our pro-rata share (51%) of depreciation and amortization for the Market Square Joint Venture, which was created on October 28, 2015.

Table of Contents
Index to Financial Statements

Net Operating Income

As set forth below, NOI is calculated by deducting property operating costs from rental and other property revenues for continuing operations. As a performance metric consisting of only revenues and expenses directly related to ongoing real estate rental operations, which have been or will be settled in cash, NOI is narrower in scope than FFO. NOI, as we calculate it, may not be directly comparable to similarly titled, but differently calculated, measures for other REITs. We believe that NOI is another useful supplemental performance measure, as it is an input in many REIT valuation models and it provides a means by which to evaluate the performance of the properties.

The major factors influencing our NOI are property acquisitions and dispositions, occupancy levels, rental rate increases or decreases, and the recoverability of operating expenses.

Same Store Net Operating Income

We also evaluate the performance of our properties, on a "same store" basis, using a metric referred to as Same Store NOI. We view Same Store NOI as a useful supplemental performance measure because it improves comparability between periods by eliminating the effects of changes in the composition of our portfolio.

Same Store NOI is computed in a consistent manner as NOI on an individual property basis. For the periods presented, our same store portfolio includes all properties that have been owned and operated from January 1, 2014 through December 31, 2015, including the operating revenues and expenses related to our current share of the Market Square Buildings (51%). On October 28, 2015, we sold a 49% interest in the Market Square Buildings by transferring the property to a joint venture. NOI and Same Store NOI are calculated as follows for 2015 and 2014 (in thousands):

	Years Ended December 31,	
	2015	2014
Revenues:		
Rental income	$309,755	$312,763
Tenant reimbursements	76,319	75,744
Hotel income	24,309	22,885
Other property income	1,686	1,431
Total revenues	412,069	412,823
Operating expenses:		
Property operating costs	(133,939)	(129,891)
Hotel operating costs	(19,615)	(18,792)
Total operating expenses	(153,554)	(148,683)
Same Store NOI	258,515	264,140
NOI from acquisitions[1]	62,461	12,239
NOI from dispositions[2]	33,358	74,035
Net operating income total	$354,334	$350,414

(1) Reflects activity for the following properties acquired since January 1, 2014, for all periods presented: 229 West 43rd Street, 315 Park Avenue South, 116 Huntington Avenue, 650 California Street, and 221 Main Street.

(2) Reflects activity for the following properties sold since January 1, 2014, for all periods presented: 1881 Campus Commons, 49% of the Market Square Buildings, 170 Park Avenue, 180 Park Avenue, 1580 West Nursery Road, Acxiom, Highland Landmark III, The Corridors III, 215 Diehl Road, 544 Lakeview, Bannockburn Lake III, 550 King Street, Robbins Road, Lenox Park Buildings, 9 Technology Drive, 7031 Columbia Gateway Drive, 200 South Orange, and 160 Park Avenue.

Table of Contents
Index to Financial Statements

A reconciliation of Net Income to NOI and Same Store NOI is presented below (in thousands):

	Years Ended December 31,	
	2015	2014
Net income	$44,619	$92,635
Net interest expense	86,738	75,681
Interest income from development authority bonds	(7,200)	(7,200)
Income tax expense	378	662
Depreciation	132,625	117,766
Amortization	87,599	78,843
Real estate acquisition costs	3,675	14,142
Gain on sale of real estate assets	(23,860)	(75,275)
Impairment loss	—	25,130
Loss on disposition of discontinued operations	—	1,627
Loss on early extinguishment of debt	3,149	23
General and administrative	29,738	31,275
Interest rate swap valuation adjustment	(2,634)	(4,946)
Interest expense associated with interest rate swaps	2,642	5,317
Settlement of interest rate swap	1,102	—
Lease termination income[1]	(4,237)	(6,291)
Operating loss from discontinued operations	—	1,025
Less: Net Operating Income	$354,334	$350,414
NOI from Acquisitions[2]	(62,461)	(12,239)
NOI from Dispositions[3]	(33,358)	(74,035)
Same Store NOI	$258,515	$264,140

(1) Lease termination income includes adjustments for straight-line rent related to lease terminations.

(2) Reflects activity for the following properties acquired since January 1, 2014, for all periods presented: 229 West 43rd Street, 315 Park Avenue South, 116 Huntington Avenue, 650 California Street, and 221 Main Street.

(3) Reflects activity for the following properties sold since January 1, 2014, for all periods presented: 1881 Campus Commons, 49% of the Market Square Buildings, 170 Park Avenue, 180 Park Avenue, 1580 West Nursery Road, Acxiom, Highland Landmark III, The Corridors III, 215 Diehl Road, 544 Lakeview, Bannockburn Lake III, 550 King Street, Robbins Road, Lenox Park Buildings, 9 Technology Drive, 7031 Columbia Gateway Drive, 200 South Orange, and 160 Park Avenue.

Table of Contents
Index to Financial Statements

Portfolio Information

As of December 31, 2015, we owned 27 office properties and one hotel. These properties contain approximately 14.0 million square feet of commercial space located in 12 states and the District of Columbia. All of our office properties are wholly owned except for one, which is owned through an unconsolidated joint venture. As of December 31, 2015, including our 51% interest in the Market Square Joint Venture, the office properties were approximately 93.2% leased. Annualized Lease Revenue is defined in Item 2, Properties.

As of December 31, 2015, our five highest geographic concentrations were as follows:

Location	2015 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2015 Annualized Lease Revenue	
San Francisco	$105,012	1,901	22	%
New York	82,822	1,114	17	%
Houston	45,163	1,062	9	%
Washington, D.C.	37,020	548	8	%
Atlanta	36,286	1,562	7	%
	$306,303	6,187	63	%

As of December 31, 2015, our five highest tenant industry concentrations were as follows:

Industry	2015 Annualized Lease Revenue (in thousands)	Leased Square Feet (in thousands)	Percentage of 2015 Annualized Lease Revenue	
Legal Services	$79,100	1,490	16	%
Business Services	69,870	1,199	14	%
Depository Institutions	60,967	1,673	13	%
Security & Commodity Brokers	48,952	954	10	%
Electric, Gas, & Sanitary Services	39,953	1,690	8	%
	$298,842	7,006	61	%

As of December 31, 2015, our five highest tenant concentrations were as follows:

Tenant	2015 Annualized Lease Revenue (in thousands)	Percentage of 2015 Annualized Lease Revenue	
Wells Fargo	$28,538	6	%
Jones Day	28,124	6	%
AT&T	22,003	5	%
PSEG Services	21,849	4	%
Credit Suisse	19,675	4	%
	$120,189	25	%

For more information on our portfolio, see Item 2, Properties.

Election as a REIT

We have elected to be taxed as a REIT under the Code, and have operated as such beginning with our taxable year ended December 31, 2003. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted taxable income, as defined in the Code, to our stockholders, computed without regard to the dividends-paid deduction and by excluding our net capital gain. As a REIT, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will then be subject to federal income taxes on our taxable income for that year and for the four years following the year during which qualification is lost, unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially affect our net income and net cash available for distribution to our stockholders. However, we believe that we are organized and operate in such a manner as to qualify for treatment as a REIT for federal income tax purposes.

Table of Contents
Index to Financial Statements

Columbia Property Trust TRS, LLC ("Columbia TRS"), Columbia KCP TRS, LLC ("Columbia KCP TRS"), and Columbia Energy TRS, LLC ("Columbia Energy TRS") (collectively, the "TRS Entities") are wholly owned subsidiaries of Columbia Property Trust, are organized as Delaware limited liability companies, and operate, among other things, office properties that we do not intend to hold long term and a full-service hotel. We have elected to treat the TRS Entities as taxable REIT subsidiaries. We may perform certain additional, noncustomary services for tenants of our buildings through the TRS Entities; however, any earnings related to such services are subject to federal and state income taxes. In addition, for us to continue to qualify as a REIT, we must limit our investments in taxable REIT subsidiaries to 25% of the value of our total assets. Deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted rates expected to be in effect when the temporary differences reverse.

No provisions for federal income taxes have been made in our accompanying consolidated financial statements, other than the provisions relating to the TRS Entities, as we made distributions in excess of taxable income for the periods presented. We are subject to certain state and local taxes related to property operations in certain locations, which have been provided for in our accompanying consolidated financial statements.

Inflation

We are exposed to inflation risk, as income from long-term leases is the primary source of our cash flows from operations. There are provisions in the majority of our tenant leases that are intended to protect us from, and mitigate the risk of, the impact of inflation. These provisions include rent steps, reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements on a per-square-foot basis, or in some cases, annual reimbursement of operating expenses above a certain per-square-foot allowance. However, due to the long-term nature of the leases, the leases may not reset frequently enough to fully cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied, thus resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact the comparability of our results of operations to those of companies in similar businesses.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of our assets by class are as follows:

Buildings	40 years
Building and site improvements	5-25 years
Tenant improvements	Shorter of economic life or lease term
Intangible lease assets	Lease term

Evaluating the Recoverability of Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate and related intangible assets of both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of real estate assets and related intangible assets (liabilities) may not be recoverable, we assess the recoverability of these assets by determining whether the respective carrying values will be recovered through the estimated undiscounted future operating cash flows expected from the use of the assets and their eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying values, we adjust the carrying value of the real estate assets and related

intangible assets to the estimated fair values, pursuant to the property, plant, and equipment accounting standard for the impairment or disposal of long-lived assets, and recognize an impairment loss. Estimated fair values are calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices; (Level

Table of Contents
Index to Financial Statements

2) market prices for comparable properties; or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of our assets may be carried at more than an amount that could be realized in a current disposition transaction. We have determined that there is no impairment in the carrying values of our real estate assets and related intangible assets for the year ended December 31, 2015.

Projections of expected future operating cash flows require that we estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the property, and the number of years the property is held for investment, among other factors. The subjectivity of assumptions used in the future cash flow analysis, including discount rates, could result in an incorrect assessment of the property's fair value and could result in the misstatement of the carrying value of our real estate assets and related intangible assets and net income.

In connection with furthering our portfolio repositioning efforts, in the first quarter of 2013, we began to market 18 properties for sale. Pursuant to the accounting policy outlined above, we evaluated the recoverability of the carrying values of each of these properties and determined that the 120 Eagle Rock property in East Hanover, New Jersey, and the 333 & 777 Republic Drive property in Allen Park, Michigan, were no longer recoverable due to shortening the respective expected property holding periods in connection with these repositioning efforts. As a result, we reduced the carrying value of the 120 Eagle Rock property and the 333 & 777 Republic Drive property to reflect their respective fair values estimated, based on projected discounted future cash flows (Level 3) and recorded corresponding property impairment losses of $11.7 million and $5.2 million, respectively, in the first quarter of 2013, which are included in operating income (loss) from discontinued operations in the accompanying statement of operations. In connection with finalizing the terms of the sale agreement for these 18 properties (the "18 Property Sale") in November of 2013, we reduced the aggregate carrying value of the assets therein to fair value, as estimated based on the approximate contract price (Level 1) of $500 million, by recognizing an additional impairment loss of $12.9 million in the third quarter of 2013, which is included in operating income (loss) from discontinued operations in the accompanying statement of operations.

In the first quarter of 2014, we revised our investment strategy for the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, to sell the property to a user in the near-term. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value as of March 31, 2014, pursuant to the accounting policy outlined above. We concluded that the 160 Park Avenue Building was not recoverable and reduced its carrying value to reflect its fair value, estimated based on recently quoted market prices (Level 2), by recording an impairment loss of approximately $13.6 million in the first quarter of 2014. The sale of the160 Park Avenue Building closed on June 4, 2014, for $10.2 million, exclusive of transaction costs.

In the second quarter of 2014, we decided to pursue a near-term sale of the 200 South Orange Building (formerly known as the SunTrust Building) in Orlando, Florida. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value in the second quarter of 2014. In connection with negotiating the terms of the sale, we reduced the carrying value of the 200 South Orange Building to reflect fair value, estimated based on an approximate net contract price of $18.4 million (Level 1), by recording an impairment loss of $1.4 million in the second quarter. The sale of the 200 South Orange Building closed on June 30, 2014, for $18.4 million, net of transaction costs.

In the fourth quarter of 2014, we identified $500 million to $600 million of properties in our portfolio that fell outside of our targeted investment strategy. In connection with initiating the sales process for these assets, we evaluated the recoverability of the carrying values of each of these properties and determined that the carrying value of the Bannockburn Lake III property, a vacant property located in Bannockburn, Illinois, was no longer recoverable due to reducing its expected property holding period to less than one year. As a result, in the fourth quarter of 2014, we reduced the carrying value of the Bannockburn Lake III property to $5.0 million, estimated based on current projected discounted future cash flows (Level 3), by recording an impairment loss of $10.1 million.

The fair value measurements used in this evaluation of nonfinancial assets are considered to be Level 3 valuations within the fair value hierarchy outlined above, as there are significant unobservable inputs. Examples of inputs that

were utilized in the fair value calculations include estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, and potential sales prices. The table below represents the detail of the adjustments recognized, using Level 3 inputs.

Property	Net Book Value	Impairment Loss Recognized	Fair Value
2014			
Bannockburn Lake III	$15,148	$(10,148)	$5,000
2013			
120 Eagle Rock	$23,808	$(11,708)	$12,100
333 & 777 Republic Drive	$13,359	$(5,159)	$8,200

Table of Contents
Index to Financial Statements

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, we allocate the purchase price of properties to tangible assets, consisting of land and building, site improvements, and identified intangible assets and liabilities, including the value of in-place leases, based in each case on our estimate of their fair values.

The fair values of the tangible assets of an acquired property (which includes land and building) are determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land and building based on our determination of the relative fair value of these assets. We determine the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors we consider in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases, including leasing commissions and other related costs. In estimating carrying costs, we include real estate taxes, insurance, and other operating expenses during the expected lease-up periods based on current market demand.

Intangible Assets and Liabilities Arising from In-Place Leases Where We Are the Lessor

As further described below, in-place leases where we are the lessor may have values related to direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease, tenant relationships, and effective contractual rental rates that are above or below market rates:

- Direct costs associated with obtaining a new tenant, including commissions, tenant improvements, and other direct costs, are estimated based on management's consideration of current market costs to execute a similar lease. Such direct costs are included in intangible lease origination costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of opportunity costs associated with lost rentals avoided by acquiring an in-place lease is calculated based on the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. Such opportunity costs are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of tenant relationships is calculated based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. Values associated with tenant relationships are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of effective rental rates of in-place leases that are above or below the market rates of comparable leases is calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be received pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases. This calculation includes significantly below- market renewal options for which exercise of the renewal option appears to be reasonably assured. These intangible assets or liabilities are measured over the actual or assumed (in the case of renewal options) remaining lease terms. The capitalized above-market and below-market lease values are recorded as intangible lease assets or liabilities and amortized as an adjustment to rental income over the remaining terms of the respective leases.

Evaluating the Recoverability of Intangible Assets and Liabilities

The values of intangible lease assets and liabilities are determined based on assumptions made at the time of acquisition and have defined useful lives, which correspond with the lease terms. There may be instances in which intangible lease assets and liabilities become impaired, and we are required to write off the remaining asset or liability immediately or over a shorter period of time. Lease restructurings, including lease terminations and lease extensions, may impact the value and useful life of in-place leases. In-place leases that are terminated, partially terminated, or modified will be evaluated for impairment if the original in-place lease terms have been modified. In the event that the discounted cash flows of the original in-place lease stream do not exceed the discounted modified in-place lease stream, we adjust the carrying value of the intangible lease assets to the discounted cash flows and recognize an impairment loss. For in-place lease extensions that are executed more than one year prior to the original in-place lease expiration date, the useful life of the in-place lease will be extended over the new lease term with the exception of those in-place lease components, such as lease commissions and tenant allowances, which

have been renegotiated for the extended term. Renegotiated in-place lease components, such as lease commissions and tenant allowances, will be amortized over the shorter of the useful life of the asset or the new lease term.

Intangible Assets and Liabilities Arising from In-Place Leases Where We Are the Lessee

In-place ground leases where we are the lessee may have value associated with effective contractual rental rates that are above or below market rates. Such values are calculated based on the present value (using a discount rate that reflects the risks associated

Table of Contents
Index to Financial Statements

with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place lease and (ii) management's estimate of fair market lease rates for the corresponding in-place lease at the time of execution or assumption. This calculation includes significantly below market renewal options for which exercise of the renewal option appears to be reasonably assured. These intangible assets and liabilities are measured over the actual or assumed (in the case of renewal options) remaining lease terms. The capitalized above-market and below-market in-place lease values are recorded as intangible lease liabilities and assets, respectively, and are amortized as an adjustment to property operating cost over the remaining term of the respective leases.

Related-Party Transactions and Agreements

During 2013, we were party to agreements with our former advisor and its affiliates, whereby we incurred and paid fees and reimbursements for certain advisory services and property management services. On February 28, 2013, we terminated the related agreements and acquired Columbia Property Trust Advisory Services and Columbia Property Trust Services, including the employees necessary to perform the corporate and property management functions previously performed by our former advisor and property manager. See Note 11, Related-Party Transactions and Agreements, to our accompanying consolidated financial statements for details of our related-party transactions, agreements, and fees.

Commitments and Contingencies

We are subject to certain commitments and contingencies with regard to certain transactions. Refer to Note 7, Commitments and Contingencies, to the accompanying consolidated financial statements for further explanation. Examples of such commitments and contingencies include:

- structural repairs at one of our properties ranging from $30.0 million to $35.0 million;
- guaranty of debt of an unconsolidated joint venture of $25 million;
- obligations under operating leases;
- obligations under capital leases;
- commitments under existing lease agreements; and
- litigation.

Subsequent Events

We have evaluated subsequent events in connection with the preparation of our consolidated financial statements and notes thereto included in this report on Form 10-K and noted the following items in addition to those disclosed elsewhere in this report:

Dividends

On January 6, 2016, we paid the dividends for the fourth quarter of 2015 for an aggregate amount of $37.4 million to shareholders of record on December 1, 2015.

On February 10, 2016, our board of directors declared dividends for the first quarter of 2016 in the amount of $0.30 per share, payable on March 15, 2016, to stockholders of record on March 1, 2016.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of our debt facilities, we are exposed to interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flow, primarily through a moderate level of overall borrowings. However, we currently have a substantial amount of debt outstanding. The majority of our borrowings are in the form of effectively fixed-rate financings, which helps to insulate our portfolio from interest rate risk. We closely monitor interest rates and will continue to consider the sources and terms of our borrowing facilities to determine whether we have appropriately guarded ourselves against the fluctuation of interest rates in future periods.

Additionally, we have entered into interest rate swaps, and may enter into other interest rate swaps, caps, or other arrangements to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes; however, certain of our derivatives may not qualify for hedge accounting treatment. All of our debt was entered into for other-than-trading purposes. As of December 31, 2015 and 2014, the estimated fair value of our line of credit and notes payable and bonds was $1.7 million, respectively.

Table of Contents
Index to Financial Statements

Our financial instruments, including bonds payable, consist of both fixed- and variable-rate debt. As of December 31, 2015, our debt, including our pro-rata share (51%) of the debt of the Market Square Joint Venture, consisted of the following, in thousands:

	2016	2017	2018	2019	2020	Thereafter	Total
Maturing debt:							
Effectively variable-rate debt	$119,000	$—	$—	$247,000	$300,000	$—	$666,000
Effectively fixed-rate debt	$44,460	$127,728	$275,860	$121,015	$—	$665,750	$1,234,813
Average interest rate:							
Effectively variable-rate debt	1.50 %	— %	— %	1.40 %	1.37 %	— %	1.40 %
Effectively fixed-rate debt	5.70 %	4.60 %	5.85 %	3.60 %	— %	4.24 %	4.62 %

Our variable-rate borrowings consist of the Revolving Credit Facility, the $300 Million Bridge Loan, the $300 Million Term Loan, and the $150 Million Term Loan. However, only the Revolving Credit Facility, the $300 Million Bridge Loan, and the $300 Million Term Loan bear interest at effectively variable rates, as the variable rate on the $150 Million Term Loan has been effectively fixed through the interest rate swap agreement described herein.

As of December 31, 2015, we had $247.0 million of outstanding borrowings under the Revolving Credit Facility; $150.0 million outstanding on the $150 Million Term Loan; $300.0 million outstanding on the $300 Million Term Loan; $119.0 million outstanding under the $300 Million Bridge Loan; $249.4 million in 2018 Bonds Payable outstanding; $349.5 million in 2025 Bonds Payable outstanding; $319.1 million outstanding on fixed-rate, term mortgage loans. The weighted-average interest rate of all of our consolidated debt instruments was 3.35% as of December 31, 2015.

Approximately $1,068.0 million of our consolidated debt outstanding as of December 31, 2015, is subject to fixed rates, either directly or when coupled with an interest rate swap agreement. As of December 31, 2015, these balances incurred interest expense at an average interest rate of 4.56% and have expirations ranging from 2016 through 2025. A change in the market interest rate impacts the net financial instrument position of our fixed-rate debt portfolio; however, it has no impact on interest incurred or cash flows. A one percent change in interest rates would have a $7.0 million annual impact on our interest payments. The amounts outstanding on our variable-rate debt facilities in the future will largely depend upon future acquisition and disposition activity and other financing activities.

Our Market Square Joint Venture holds a $325 million mortgage note, which bears interest at 5.07%. Adjusting for our pro-rata share (51%) of the Market Square Buildings mortgage note, our weighted average interest rate is 4.62%.

We do not believe there is any exposure to increases in interest rates related to the capital lease obligations of $120.0 million at December 31, 2015, as the obligations are at fixed interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data filed as part of this report are set forth beginning on page F-1 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no disagreements with our independent registered public accountants during 2015, 2014, or 2013.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure

controls and procedures pursuant to Rule 13a-15(e) under the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods in SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management,

Table of Contents
Index to Financial Statements

including our Principal Executive Officer and our Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Report of Management on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as a process designed by, or under the supervision of, the Principal Executive Officer and Principal Financial Officer and effected by our management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of our assets;
- provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and/or members of the board of directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of human error and the circumvention or overriding of controls, material misstatements may not be prevented or detected on a timely basis. In addition, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes and conditions or that the degree of compliance with policies or procedures may deteriorate. Accordingly, even internal controls determined to be effective can provide only reasonable assurance that the information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized, and represented within the time periods required.

Our management has assessed the effectiveness of our internal control over financial reporting at December 31, 2015. To make this assessment, we used the criteria for effective internal control over financial reporting described in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management believes that our system of internal control over financial reporting met those criteria, and therefore our management has concluded that we maintained effective internal control over financial reporting as of December 31, 2015.

The report of the Company's independent registered public accounting firm on internal control over financial reporting for the Company is included in Part IV, Item 15, of this annual report on Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents
Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Columbia Property Trust, Inc.:

We have audited the internal control over financial reporting of Columbia Property Trust, Inc. and subsidiaries (the "Company") as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2015 of the Company and our report dated February 11, 2016 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia
February 11, 2016

Table of Contents
Index to Financial Statements

ITEM 9B. OTHER INFORMATION

During the fourth quarter of 2015, there was no information that was required to be disclosed in a report on Form 8-K that was not disclosed in a report on Form 8-K.

Table of Contents
Index to Financial Statements

PART III

We will file a definitive Proxy Statement for our 2016 Annual Meeting of Stockholders (the "2016 Proxy Statement") with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2016 Proxy Statement that specifically address the items required to be set forth herein are incorporated by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

We have adopted a Code of Ethics that applies to all of our executive officers and directors, including but not limited to, our principal executive officer and principal financial officer. Our Code of Ethics may be found at http://www.columbiapropertytrust.com. Any amendments to, or waivers of, the Code of Ethics for our principal executive officer, principal financial officer, principal accounting officer, or controller or persons performing similar functions will be disclosed on our website promptly following the date of such amendment or waiver.

The other information required by this Item is incorporated by reference from our 2016 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from our 2016 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required by this Item is incorporated by reference from our 2016 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from our 2016 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference from our 2016 Proxy Statement.

Table of Contents
Index to Financial Statements

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. A list of the financial statements contained herein is set forth on page F-1 hereof.

(a) 2. Schedule III – Real Estate Assets and Accumulated Depreciation

Information with respect to this item begins on page S-1 hereof. Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(a) 3. The Exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto.

(b) See (a) 3 above.

(c) See (a) 2 above.

Table of Contents
Index to Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLUMBIA PROPERTY TRUST, INC.
(Registrant)

Dated: February 11, 2016

By: /s/ JAMES A. FLEMING
JAMES A. FLEMING
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Dated: February 11, 2016

/s/ WENDY W. GILL
WENDY W. GILL
Principal Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity as and on the date indicated.

Signature	Title	Date
/s/ Carmen M. Bowser Carmen M. Bowser	Independent Director	February 11, 2016
/s/ Charles R. Brown Charles R. Brown	Independent Director	February 11, 2016
/s/ Richard W. Carpenter Richard W. Carpenter	Independent Director	February 11, 2016
/s/ John L. Dixon John L. Dixon	Independent Director	February 11, 2016
/s/ David B. Henry David B. Henry	Independent Director	February 11, 2016
/s/ Murray J. McCabe Murray J. McCabe	Independent Director	February 11, 2016
/s/ E. Nelson Mills E. Nelson Mills	President, Chief Executive Officer and Director (Principal Executive Officer)	February 11, 2016
/s/ Michael S. Robb Michael S. Robb	Independent Director	February 11, 2016
/s/ George W. Sands George W. Sands	Independent Director	February 11, 2016
/s/ Thomas G. Wattles Thomas G. Wattles	Independent Director	February 11, 2016

Table of Contents
Index to Financial Statements

EXHIBIT INDEX
TO
2015 FORM 10-K OF
COLUMBIA PROPERTY TRUST, INC.

The following documents are filed as exhibits to this report. Exhibits that are not required for this report are omitted.

Ex.	Description
3.1	Second Amended and Restated Articles of Incorporation as Amended by the First Articles of Amendment (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed with the Commission on March 1, 2013).
3.2	Second Articles of Amendment (incorporated by reference to Exhibit 3.1 to the Company's current Report on Form 8-K filed with the Commission on August 15, 2013).
3.3	Third Articles of Amendment (incorporated by reference to Exhibit 3.2 to the Company's current Report on Form 8-K filed with the Commission on August 15, 2013).
3.4	Fourth Articles of Amendment (incorporated by reference to Exhibit 3.1 to the Company's current Report on Form 8-K filed with the Commission on July 1, 2014).
3.5	Articles Supplementary (incorporated by reference to Exhibit 3.1 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
3.6	Third Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
4.1	Statement regarding restrictions on transferability of shares of common stock (to appear on stock certificate or to be sent upon request and without charge to stockholders issued shares without certificates) (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed with the Commission on March 1, 2013).
4.2	Indenture, dated March 12, 2015 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Commission on March 12, 2015).
4.3	Supplement Indenture, dated March 12, 2015 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the Commission on March 12, 2015).
4.4	Form of 4.150% Senior Notes due 2025 (included in Exhibit 4.3).
10.1	Amended and Restated Term Loan Agreement dated as of August 21, 2013, by and among Columbia Property Trust Operating Partnership, L.P., as Borrower; J.P. Morgan Securities LLC and PNC Capital Markets LLC, as Joint Lead Arrangers and Joint Bookrunners; JPMorgan Chase Bank, N.A., as Administrative Agent; PNC Bank, National Association, as Syndication Agent; and Regions Bank, U.S. Bank National Association, and Union Bank, N.A., as Documentation Agents (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 5, 2013).
10.2	Supplemental Indenture dated as of February 3, 2012, among Wells Operating Partnership II, L.P., the Guarantors Party Hereto, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 4, 2012).
10.3	Columbia Property Trust, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit A to the Company's Proxy Statement for its 2013 Annual Meeting of Stockholders filed with the Commission on April 25, 2013).
10.4	Form of Restricted Stock Award Agreement under the Columbia Property Trust, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Commission on January 24, 2014).
10.5	Executive Employment Agreement by and between Columbia Property Trust, Inc. and E. Nelson Mills (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the

	Commission on September 4, 2013).
10.6	Executive Employment Agreement by and between Columbia Property Trust, Inc. and James A. Fleming (incorporated by reference to Exhibit 10.1 to the Company's current Report on Form 8-K filed with the Commission on September 4, 2013).
10.7	Amended and Restated Credit Agreement dated as of August 21, 2013, by and among Columbia Property Trust Operating Partnership, L.P., as Borrower; J.P. Morgan Securities LLC and PNC Capital Markets LLC, as Joint Lead Arrangers and Joint Bookrunners; JPMorgan Chase Bank, N.A., as Administrative Agent; PNC Bank, National Association, as Syndication Agent and Regions Bank; U.S. Bank National Association; and BMO Capital Market Financing, Inc., as Documentation Agents (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 5, 2013).
10.8	Investor Services Agreement between the Company and Wells Real Estate Funds, Inc. dated February 28, 2013, and effective as of March 1, 2013 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).
10.9	Consulting Services Agreement between the Company and Wells Real Estate Funds, Inc. dated February 28, 2013, and effective as of March 1, 2013 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).
10.10	Assignment and Assumption Agreement between Wells Real Estate Funds, Inc. to Wells Operating Partnership II, L.P., dated as of February 28, 2013 (related to Wells Real Estate Advisory Services II, LLC) (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).
10.11	Assignment and Assumption Agreement between Wells Real Estate Funds, Inc. to Wells Operating Partnership II, L.P. dated as of February 28, 2013 (related to Wells Real Estate Services, LLC) (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed with the Commission on May 8, 2013).
10.12	Term Loan Agreement dated as of January 6, 2015, by and among the Columbia Property Trust Operating Partnership, L.P., J.P. Morgan Securities LLC, as sole lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, Morgan Stanley Bank, N.A., U.S. Bank National Association and Wells Fargo Bank, National Association, as documentation agents, and each of the financial institutions a signatory thereto, as lenders.

Table of Contents
Index to Financial Statements

Ex.	Description
10.13	Amended and Restated Revolving Credit and Term Loan Agreement, dated July 30, 2015, by and among Columbia Property Trust Operating Partnership, L.P., as borrower, J.P. Morgan Securities LLC and PNC Capital Markets LLC, as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent and Regions Bank, U.S. Bank National Association, MUFG Union Bank, N.A. and Wells Fargo Bank, N.A., as documentation agents, and each of the financial institutions a signatory thereto, as lenders (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on October 29, 2015).
10.14	Term Loan Agreement, dated July 30, 2015, by and among Columbia Property Trust Operating Partnership, L.P., as borrower, the financial institutions party thereto, as lenders, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC, Regions Capital Markets and U.S. Bank National Association, as joint lead arrangers and joint bookrunners and Regions Bank and U.S. National Association, as syndication agents, and PNC Bank, National Association, as documentation agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on October 29, 2015).
10.15	Term Loan Agreement, dated August 4, 2015, by and among the Columbia Property Trust Operating Partnership, L.P., as borrower, J.P. Morgan Securities LLC, as joint lead arranger and sole bookrunner, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, Capital One, National Association, and Wells Fargo Bank, N.A. as joint lead arrangers and co-syndication agents, and each of the financial institutions a signatory thereto, as lenders (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on October 29, 2015).
21.1*	Subsidiaries of Columbia Property Trust, Inc.
23.1*	Consent of Deloitte & Touche LLP.
31.1*	Certification of the Principal Executive Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Principal Executive Officer and Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith.

Table of Contents
Index to Financial Statements

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2015 and 2014	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2015, 2014, and 2013	F-4
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2015, 2014, and 2013	F-5
Consolidated Statements of Equity for the Years Ended December 31, 2015, 2014, and 2013	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2015, 2014, and 2013	F-7
Notes to Consolidated Financial Statements	F-8

Table of Contents
Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Columbia Property Trust, Inc.:

We have audited the accompanying consolidated balance sheets of Columbia Property Trust, Inc. and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Columbia Property Trust, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for and disclosure of discontinued operations during the year ended December 31, 2014 due to the adoption of Accounting Standards Update 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Component of an Entity”.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 11, 2016 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
February 11, 2016

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per-share amounts)

	December 31, 2015	2014
Assets:		
Real estate assets, at cost:		
Land	$896,467	$785,101
Buildings and improvements, less accumulated depreciation of $613,639 and $660,098, as of December 31, 2015 and 2014, respectively	2,897,431	3,026,431
Intangible lease assets, less accumulated amortization of $250,085 and $313,822, as of December 31, 2015 and 2014, respectively	259,136	247,068
Construction in progress	31,847	17,962
Total real estate assets	4,084,881	4,076,562
Investment in unconsolidated joint venture	118,695	—
Cash and cash equivalents	32,645	149,790
Tenant receivables, net of allowance for doubtful accounts of $8 and $3, as of December 31, 2015 and 2014, respectively	11,670	6,945
Straight-line rent receivable	109,062	116,489
Prepaid expenses and other assets	35,848	55,931
Intangible lease origination costs, less accumulated amortization of $181,482 and $219,626, as of December 31, 2015 and 2014, respectively	77,190	105,528
Deferred lease costs, less accumulated amortization of $40,817 and $36,589, as of December 31, 2015 and 2014, respectively	88,127	102,995
Investment in development authority bonds	120,000	120,000
Total assets	$4,678,118	$4,734,240
Liabilities:		
Line of credit, term loans, and notes payable, net of deferred financing costs of $4,492 and $3,438, as of December 31, 2015 and 2014, respectively	$1,130,571	$1,427,446
Bonds payable, net of discount of $1,020 and $818 and deferred financing costs of $3,721 and $1,200, as of December 31, 2015 and 2014, respectively	595,259	247,982
Accounts payable, accrued expenses, and accrued capital expenditures	98,759	106,276
Dividends payable	37,354	—
Deferred income	24,814	24,753
Intangible lease liabilities, less accumulated amortization of $81,496 and $84,935, as of December 31, 2015 and 2014, respectively	57,167	74,305
Obligations under capital leases	120,000	120,000
Total liabilities	2,063,924	2,000,762
Commitments and Contingencies (Note 7)	—	—
Equity:		
Common stock, $0.01 par value, 225,000,000 shares authorized, 124,363,073 and 124,973,304 shares issued and outstanding as of December 31, 2015 and 2014, respectively	1,243	1,249
Additional paid-in capital	4,588,303	4,601,808
Cumulative distributions in excess of earnings	(1,972,916)	(1,867,611)
Accumulated other comprehensive loss	(2,436)	(1,968)

Total equity	2,614,194	2,733,478
Total liabilities and equity	$4,678,118	$4,734,240

See accompanying notes.

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per-share amounts)

	Years ended December 31,		
	2015	2014	2013
Revenues:			
Rental income	$436,048	$414,541	$406,907
Tenant reimbursements	99,655	95,375	90,875
Hotel income	24,309	22,885	23,756
Other property income	6,053	7,996	5,040
	566,065	540,797	526,578
Expenses:			
Property operating costs	188,078	163,722	154,559
Hotel operating costs	19,615	18,792	18,340
Asset and property management fees:			
Related-party	—	—	4,693
Other	1,816	2,258	1,671
Depreciation	131,490	117,766	108,105
Amortization	87,128	78,843	78,710
Impairment loss on real estate assets	—	25,130	—
General and administrative	29,683	31,275	61,866
Listing costs	—	—	4,060
Acquisition expenses	3,675	14,142	—
	461,485	451,928	432,004
Real estate operating income	104,580	88,869	94,574
Other income (expense):			
Interest expense	(85,296)	(75,711)	(101,941)
Interest and other income	7,254	7,275	34,029
Loss on interest rate swaps	(1,110)	(371)	(342)
Loss on the early extinguishment of debt	(3,149)	(23)	—
	(82,301)	(68,830)	(68,254)
Income before income tax expenses, unconsolidated joint ventures, and gains on sale of real estate	22,279	20,039	26,320
Income tax expense	(378)	(662)	(500)
Loss from unconsolidated joint venture	(1,142)	—	—
Income before gains of sale of real estate assets	20,759	19,377	25,820
Gains on sale of real estate assets	23,860	75,275	—
Income from continuing operations	44,619	94,652	25,820
Discontinued operations:			
Operating loss from discontinued operations	—	(390)	(21,325)
Gain (loss) on disposition of discontinued operations	—	(1,627)	11,225
Loss from discontinued operations	—	(2,017)	(10,100)
Net income	$44,619	$92,635	$15,720
Per-share information – basic:			
Income from continuing operations	$0.36	$0.76	$0.19
Loss from discontinued operations	$0.00	$(0.02)	$(0.08)
Net income	$0.36	$0.74	$0.12
Weighted-average common shares outstanding – basic	124,757	124,860	134,085

Per-share information – diluted:			
Income from continuing operations	$0.36	$0.76	$0.19
Loss from discontinued operations	$0.00	$(0.02)	$(0.08)
Net income	$0.36	$0.74	$0.12
Weighted-average common shares outstanding – diluted	124,847	124,918	134,085

See accompanying notes.

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years ended December 31,		
	2015	2014	2013
Net income	$44,619	$92,635	$15,720
Market value adjustment to interest rate swap	(1,570)	1,339	1,997
Settlement of interest rate swap	1,102	—	—
Foreign currency translation adjustment	—	—	(83)
Comprehensive income	$44,151	$93,974	$17,634

See accompanying notes.

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except per-share amounts)

	Stockholders' Equity Common Stock						
	Shares[1]	Amount[1]	Additional Paid-In Capital[1]	Cumulative Distributions in Excess of Earnings	Redeemable Common Stock	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2012	136,901	$1,369	$4,901,889	$(1,634,531)	$ (99,526)	$ (5,221)	$3,163,980
Issuance of common stock	1,665	17	46,585	—	—	—	46,602
Stock compensation	—	—	855	—	—	—	855
Redemptions of common stock	(4,373)	(44)	(112,062)	—	—	—	(112,106)
Decrease in redeemable common stock	—	—	—	—	99,526	—	99,526
Tender repurchase of common stock	(9,363)	(94)	(233,968)	—	—	—	(234,062)
Distributions to common stockholders ($1.44 per share)	—	—	—	(191,473)	—	—	(191,473)
Offering Costs	—	—	(3,133)	—	—	—	(3,133)
Net income	—	—	—	15,720	—	—	15,720
Foreign currency translation adjustment	—	—	—	—	—	(83)	(83)
Market value adjustment to interest rate swap	—	—	—	—	—	1,997	1,997
Balance, December 31, 2013	124,830	1,248	4,600,166	(1,810,284)	—	(3,307)	2,787,823
Common stock issued to employees and directors, and amortized (net of amounts withheld for income taxes)	143	1	1,642	—	—	—	1,643
Distributions to common stockholders ($1.20 per share)	—	—	—	(149,962)	—	—	(149,962)
Net income	—	—	—	92,635	—	—	92,635
Market value adjustment to interest rate swap	—	—	—	—	—	1,339	1,339
Balance, December 31, 2014	124,973	1,249	4,601,808	(1,867,611)	—	(1,968)	2,733,478
Redemptions of common stock	(721)	(7)	(16,328)	—	—	—	(16,335)
Common stock issued to employees and directors,	111	1	2,823	—	—	—	2,824

and amortized (net of amounts withheld for income taxes)							
Distributions to common stockholders ($1.20 per share)	—	—	—	(149,924)	—	—	(149,924)
Net income	—	—	—	44,619	—	—	44,619
Market value adjustment to interest rate swap	—	—	—	—	—	(1,570)	(1,570)
Settlement of interest rate swap	—	—	—	—	—	1,102	1,102
Balance, December 31, 2015	124,363	$1,243	$4,588,303	$(1,972,916)	$—	$ (2,436)	$2,614,194

(1) All share amounts and computations using such amounts have been retroactively adjusted to reflect the August 14, 2013, four-for-one reverse stock split (See Note 8, Stockholders' Equity).

See accompanying notes.

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years ended December 31,		
	2015	2014	2013
Cash Flows from Operating Activities:			
Net income	$44,619	$92,635	$15,720
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-line rental income	(16,632)	(9,916)	(22,793)
Depreciation	131,490	117,766	119,835
Amortization	78,000	74,212	84,630
Impairment losses on real estate assets	—	25,130	29,737
Noncash interest expense	4,335	3,055	3,602
Loss on early extinguishment of debt	3,149	23	4,709
Gain on interest rate swaps	(1,532)	(4,945)	(5,530)
Gain on sale of real estate	(23,860)	(73,648)	(11,225)
Loss from unconsolidated joint venture	1,142	—	—
Stock-based compensation expense	3,548	1,975	1,055
Changes in assets and liabilities, net of acquisitions and dispositions:			
Decrease (increase) in tenant receivables, net	(4,414)	(227)	6,249
Decrease (increase) in prepaid expenses and other assets	(2,155)	5,442	(4,097)
Increase in accounts payable and accrued expenses	3,330	2,589	4,207
Decrease in due to affiliates	—	—	(1,801)
Increase (decrease) in deferred income	2,060	2,815	(5,969)
Net cash provided by operating activities	223,080	236,906	218,329
Cash Flows from Investing Activities:			
Net proceeds from the sale of real estate	596,734	418,207	565,945
Real estate acquisitions	(1,062,031)	(335,986)	—
Earnest money paid	—	(27,000)	—
Capital improvements	(83,371)	(54,005)	(44,856)
Deferred lease costs paid	(22,531)	(25,004)	(25,700)
Investment in unconsolidated joint venture	(5,500)	—	—
Net cash provided by (used in) investing activities	(576,699)	(23,788)	495,389
Cash Flows from Financing Activities:			
Financing costs paid	(9,729)	(1,482)	(3,721)
Prepayments to settle debt and interest rate swap	(3,165)	—	(4,709)
Proceeds from lines of credit and notes payable	1,884,000	283,000	301,000
Proceeds from issuance of bonds payable	349,507	—	—
Repayments of lines of credit and notes payable	(1,854,512)	(294,739)	(461,940)
Issuance of common stock	—	—	46,402
Distributions paid to stockholders	(112,570)	(149,962)	(145,071)
Distributions paid to stockholders and reinvested in shares of our common stock	—	—	(46,402)
Redemptions of common stock	(17,057)	—	(115,781)
Tender offer redemptions of common stock	—	—	(234,062)
Tender offer and offering costs paid	—	—	(3,133)
Net cash provided by (used in) financing activities	236,474	(163,183)	(667,417)

Net increase (decrease) in cash and cash equivalents	(117,145)	49,935	46,301
Effect of foreign exchange rate on cash and cash equivalents	—	—	(103)
Cash and cash equivalents, beginning of period	149,790	99,855	53,657
Cash and cash equivalents, end of period	$32,645	$149,790	$99,855

See accompanying notes.

Table of Contents
Index to Financial Statements

COLUMBIA PROPERTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015, 2014, AND 2013

1. Organization

Columbia Property Trust, Inc. ("Columbia Property Trust") (NYSE: CXP) is a Maryland corporation that operates as a real estate investment trust ("REIT") for federal income tax purposes and owns and operates commercial real estate properties. Columbia Property Trust was incorporated in 2003, commenced operations in 2004, and conducts business primarily through Columbia Property Trust Operating Partnership, L.P. ("Columbia Property Trust OP"), a Delaware limited partnership. Columbia Property Trust is the general partner and sole owner of Columbia Property Trust OP and possesses full legal control and authority over its operations. Columbia Property Trust OP acquires, develops, owns, leases, and operates real properties directly, through wholly owned subsidiaries, or through joint ventures. References to Columbia Property Trust, "we," "us," or "our" herein shall include Columbia Property Trust and all subsidiaries of Columbia Property Trust, direct and indirect, and any unconsolidated joint ventures.

Columbia Property Trust typically invests in high-quality, income-generating office properties. As of December 31, 2015, Columbia Property Trust owned 27 office properties and one hotel, which contain approximately 14.0 million square feet of commercial space, located in 12 states and the District of Columbia. All of the office properties are wholly owned except for one property, which is owned through an unconsolidated joint venture, as described in Note 4, Unconsolidated Joint Venture. As of December 31, 2015, the office properties, including Columbia Property Trust's share of the unconsolidated joint venture, were approximately 93.2% leased.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Columbia Property Trust have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of Columbia Property Trust, Columbia Property Trust OP, and any variable interest entity ("VIE") in which Columbia Property Trust or Columbia Property Trust OP was deemed the primary beneficiary. With respect to entities that are not VIEs, Columbia Property Trust's consolidated financial statements shall also include the accounts of any entity in which Columbia Property Trust, Columbia Property Trust OP, or its subsidiaries own a controlling financial interest and any limited partnership in which Columbia Property Trust, Columbia Property Trust OP, or its subsidiaries own a controlling general partnership interest. In determining whether Columbia Property Trust or Columbia Property Trust OP has a controlling interest, the following factors are considered, among other things: the ownership of voting interests, protective rights, and participatory rights of the investors.

All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Fair Value Measurements

Columbia Property Trust estimates the fair value of its assets and liabilities (where currently required under GAAP) consistent with the provisions of Accounting Standard Codification 820, Fair Value Measurements ("ASC 820"). Under this standard, fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. While various techniques and assumptions can be used to estimate fair value depending on the nature of the asset or liability, the accounting standard for fair value measurements and disclosures provides the following fair value technique parameters and hierarchy, depending upon availability:

Level 1 – Assets or liabilities for which the identical term is traded on an active exchange, such as publicly traded instruments or futures contracts.

Level 2 – Assets and liabilities valued based on observable market data for similar instruments.

Level 3 – Assets or liabilities for which significant valuation assumptions are not readily observable in the market. Such assets or liabilities are valued based on the best available data, some of which may be internally developed. Significant assumptions may include risk premiums that a market participant would consider.

Table of Contents
Index to Financial Statements

Real Estate Assets

Real estate assets are stated at cost, less accumulated depreciation and amortization. Amounts capitalized to real estate assets consist of the cost of acquisition or construction, and any tenant improvements or major improvements and betterments that extend the useful life of the related asset. All repairs and maintenance are expensed as incurred. Additionally, Columbia Property Trust capitalizes interest while the development of a real estate asset is in progress. During the year ended December 31, 2015, $0.6 million of interest was capitalized, and for the year ended December 31, 2014, no interest was capitalized.

Columbia Property Trust is required to make subjective assessments as to the useful lives of its depreciable assets. Columbia Property Trust considers the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income. The estimated useful lives of its assets by class are as follows:

Buildings	40 years
Building and site improvements	5-25 years
Tenant improvements	Shorter of economic life or lease term
Intangible lease assets	Lease term

Evaluating the Recoverability of Real Estate Assets

Columbia Property Trust continually monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate and related intangible assets, of both operating properties and properties under construction, in which Columbia Property Trust has an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of real estate assets and related intangible assets (liabilities) may not be recoverable, Columbia Property Trust assesses the recoverability of these assets by determining whether the respective carrying values will be recovered through the estimated undiscounted future operating cash flows expected from the use of the assets and their eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying values, Columbia Property Trust adjusts the carrying value of the real estate assets and related intangible assets to the estimated fair values, pursuant to the property, plant, and equipment accounting standard for the impairment or disposal of long-lived assets, and recognizes an impairment loss. Estimated fair values are calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices, (Level 2) market prices for comparable properties, or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of Columbia Property Trust's assets may be carried at more than an amount that could be realized in a current disposition transaction. Columbia Property Trust has determined that there is no impairment in the carrying values of our real estate assets and related intangible assets for the year ended December 31, 2015. Projections of expected future operating cash flows require that Columbia Property Trust estimates future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the property, and the number of years the property is held for investment, among other factors. The subjectivity of assumptions used in the future cash flow analysis, including discount rates, could result in an incorrect assessment of the property's fair value and could result in the misstatement of the carrying value of Columbia Property Trust's real estate assets and related intangible assets and net income.

In connection with furthering its portfolio repositioning efforts, in the first quarter of 2013, Columbia Property Trust initiated a process to market 18 properties for sale. Pursuant to the accounting policy outlined above, Columbia Property Trust evaluated the recoverability of the carrying values of each of these properties and determined that the 120 Eagle Rock property in East Hanover, New Jersey, and the 333 & 777 Republic Drive property in Allen Park, Michigan, were no longer recoverable due to shortening the respective expected property holding periods in connection with these repositioning efforts. As a result, Columbia Property Trust reduced the carrying value of the 120 Eagle Rock property and the 333 & 777 Republic Drive property to reflect their respective fair values estimated, based on projected discounted future cash flows (Level 3) and recorded corresponding property impairment losses of $11.7 million and $5.2 million, respectively, in the first quarter of 2013, which are included in operating income (loss) from discontinued operations in the accompanying statement of operations. In connection with finalizing the terms of the sale agreement for these 18 properties (the "18 Property Sale") in November 2013, Columbia Property Trust

reduced the aggregate carrying value of the assets therein to fair value, as estimated based on the approximate contract price (Level 1) of $500 million, by recognizing an additional impairment loss of $12.9 million in the third quarter of 2013, which is included in operating income (loss) from discontinued operations in the accompanying statement of operations.

In the first quarter of 2014, Columbia Property Trust revised its investment strategy for the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, to sell the property to a user in the near-term. As a

Table of Contents
Index to Financial Statements

result, management reduced its intended holding period for the building and reevaluated the property's carrying value as of March 31, 2014, pursuant to the accounting policy outlined above. Columbia Property Trust concluded that the 160 Park Avenue Building was not recoverable and reduced its carrying value to reflect its fair value, estimated based on recently quoted market prices (Level 2), by recording an impairment loss of approximately $13.6 million in the first quarter of 2014. The sale of the160 Park Avenue Building closed on June 4, 2014, for $10.2 million, exclusive of transaction costs.

In the second quarter of 2014, Columbia Property Trust decided to pursue a near-term sale of the 200 South Orange Building (formerly known as the SunTrust Building) in Orlando, Florida. As a result, management reduced its intended holding period for the building and reevaluated the property's carrying value in the second quarter of 2014. In connection with negotiating the terms of the sale, Columbia Property Trust reduced the carrying value of the 200 South Orange Building to reflect fair value, estimated based on an approximate net contract price of $18.4 million (Level 1), by recording an impairment loss of $1.4 million in the second quarter. The sale of the 200 South Orange Building closed on June 30, 2014, for $18.4 million, net of transaction costs.

In the fourth quarter of 2014, Columbia Property Trust identified $500 million to $600 million of properties in its portfolio that fell outside of its targeted investment strategy. In connection with initiating the sales process for these assets, Columbia Property Trust evaluated the recoverability of the carrying values of each of these properties and determined that the carrying value of the Bannockburn Lake III property, a vacant property located in Bannockburn, Illinois, was no longer recoverable due to reducing its expected property holding period to less than one year. As a result, in the fourth quarter of 2014, Columbia Property Trust reduced the carrying value of the Bannockburn Lake III property to $5.0 million, estimated based on current projected discounted future cash flows (Level 3), by recording an impairment loss of $10.1 million.

The fair value measurements used in this evaluation of nonfinancial assets are considered to be Level 3 valuations within the fair value hierarchy outlined above, as there are significant unobservable inputs. Examples of inputs that were utilized in the fair value calculations include estimated holding periods, discount rates, market capitalization rates, expected lease rental rates, and potential sales prices. The table below represents the detail of the adjustments recognized for 2015, 2014, and 2013 (in thousands) using Level 3 inputs.

Property	Net Book Value	Impairment Loss Recognized	Fair Value
2014			
Bannockburn Lake III	$15,148	$(10,148)	$5,000
2013			
120 Eagle Rock	$23,808	$(11,708)	$12,100
333 & 777 Republic Drive	$13,359	$(5,159)	$8,200

Assets Held for Sale

Columbia Property Trust classifies assets as held for sale according to Accounting Standard Codification 360, Accounting for the Impairment or Disposal of Long-Lived Assets ("ASC 360"). According to ASC 360, assets are considered held for sale when the following criteria are met:

- Management, having the authority to approve the action, commits to a plan to sell the property.
- The property is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property.
- An active program to locate a buyer and other actions required to complete the plan to sell the property have been initiated.
- The sale of the property is probable, and transfer of the property is expected to qualify for recognition as a completed sale, within one year.
- The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

At such time that a property is determined to be held for sale, its carrying amount is reduced to the lower of its depreciated book value or its estimated fair value, less costs to sell, and depreciation is no longer recognized. As of December 31, 2015, none of Columbia Property Trust's properties met the criteria to be classified as held for sale in the accompanying consolidated balance sheet.

Table of Contents
Index to Financial Statements

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, Columbia Property Trust allocates the purchase price of properties to tangible assets, consisting of land, building, site improvements, and identified intangible assets and liabilities, including the value of in-place leases, based in each case on Columbia Property Trust's estimate of their fair values in accordance with ASC 820 (see Fair Value Measurements section above for additional details).

The fair values of the tangible assets of an acquired property (which includes land, building, and site improvements) are determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land, building, and site improvements based on management's determination of the relative fair value of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases, including leasing commissions and other related costs. In estimating carrying costs, management includes real estate taxes, insurance, and other operating expenses during the expected lease-up periods based on current market demand.

Intangible Assets and Liabilities Arising from In-Place Leases Where Columbia Property Trust is the Lessor

As further described below, in-place leases with Columbia Property Trust as the lessor may have values related to: direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease, tenant relationships, and effective contractual rental rates that are above or below market rates:

- Direct costs associated with obtaining a new tenant, including commissions, tenant improvements, and other direct costs, are estimated based on management's consideration of current market costs to execute a similar lease. Such direct costs are included in intangible lease origination costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of opportunity costs associated with lost rentals avoided by acquiring an in-place lease is calculated based on contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. Such opportunity costs ("Absorption Period Costs") are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of tenant relationships is calculated based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. Values associated with tenant relationships are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.
- The value of effective rental rates of in-place leases that are above or below the market rates of comparable leases is calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be received pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases. This calculation includes significantly below- market renewal options for which exercise of the renewal option appears to be reasonably assured. These intangible assets or liabilities are measured over the actual or assumed (in the case of renewal options) remaining lease terms. The capitalized above-market and below-market lease values are recorded as intangible lease assets or liabilities and amortized as an adjustment to rental income over the remaining terms of the respective leases.

Table of Contents
Index to Financial Statements

As of December 31, 2015 and 2014, Columbia Property Trust had the following gross intangible in-place lease assets and liabilities (in thousands):

		Intangible Lease Assets		Intangible Lease Origination Costs	Intangible Below-Market In-Place Lease Liabilities
		Above-Market In-Place Lease Assets	Absorption Period Costs		
December 31, 2015	Gross	$50,463	$317,841	$258,672	$138,663
	Accumulated Amortization	(37,971)	(194,446)	(181,482)	(81,496)
	Net	$12,492	$123,395	$77,190	$57,167
December 31, 2014	Gross	$79,805	$370,412	$325,154	$159,240
	Accumulated Amortization	(61,619)	(237,084)	(219,626)	(84,935)
	Net	$18,186	$133,328	$105,528	$74,305

During 2015, 2014, and 2013, Columbia Property Trust recognized the following amortization of intangible lease assets and liabilities (in thousands):

	Intangible Lease Assets		Intangible Lease Origination Costs	Intangible Below-Market In-Place Lease Liabilities
	Above-Market In-Place Lease Assets	Absorption Period Costs		
For the years ended December 31,				
2015	$4,412	$45,972	$28,530	$19,345
2014	$5,368	$36,474	$33,037	$15,507
2013	$6,077	$38,879	$38,978	$14,411

The remaining net intangible assets and liabilities as of December 31, 2015, will be amortized as follows (in thousands):

	Intangible Lease Assets		Intangible Lease Origination Costs	Intangible Below-Market In-Place Lease Liabilities
	Above-Market In-Place Lease Assets	Absorption Period Costs		
For the years ending December 31,				
2016	$2,565	$30,806	$19,070	$14,172
2017	1,383	19,850	13,387	9,218
2018	1,041	15,576	10,564	7,234
2019	1,041	13,706	9,583	6,557
2020	1,039	11,734	8,516	5,363
Thereafter	5,423	31,723	16,070	14,623
	$12,492	$123,395	$77,190	$57,167
Weighted-Average Amortization Period	4 years	4 years	4 years	5 years

Intangible Assets and Liabilities Arising from In-Place Leases Where Columbia Property Trust is the Lessee

In-place ground leases where Columbia Property Trust is the lessee may have value associated with effective contractual rental rates that are above or below market rates at the time of execution or assumption. Such values are calculated based on the present value (using a discount rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place lease and (ii) management's estimate of fair market lease rates for the corresponding in-place lease at the time of execution or assumption. This calculation includes significantly below market renewal options for which exercise of the renewal option appears to be reasonably assured. These intangible assets and liabilities are measured over the actual or assumed (in the case of renewal options) remaining lease terms. The capitalized above-market and below-market in-place lease values are recorded as intangible lease liabilities and assets, respectively, and are amortized as an adjustment to property operating cost over the remaining term of the respective leases. Columbia Property Trust had gross below-market

lease assets of

Table of Contents
Index to Financial Statements

approximately $140.9 million and $110.7 million as of December 31, 2015 and 2014, respectively, net of accumulated amortization of $17.7 million and $15.1 million as of December 31, 2015 and 2014, respectively. Columbia Property Trust recognized amortization expense related to these assets of approximately $2.5 million for 2015 and $2.1 million for 2014 and 2013.

As of December 31, 2015, the remaining net below-market lease asset will be amortized as follows (in thousands):

For the years ending December 31:	
2016	$2,549
2017	2,549
2018	2,549
2019	2,549
2020	2,549
Thereafter	110,504
	$123,249
Weighted-Average Amortization Period	49 years

Cash and Cash Equivalents

Columbia Property Trust considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents may include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value as of December 31, 2015 and 2014.

Tenant Receivables, net

Tenant receivables consist of rental and reimbursement billings due from tenants. Tenant receivables are recorded at the original amount earned, less an allowance for any doubtful accounts, which approximates fair value. Management assesses the realizability of tenant receivables on an ongoing basis and provides for allowances as such balances, or portions thereof, become uncollectible. Columbia Property Trust adjusted the allowance for doubtful accounts by recording a provision for doubtful accounts, net of recoveries, in general and administrative expenses in the accompanying consolidated statements of operations of approximately $26,000 and $518,000 for 2015 and 2014, respectively.

Straight Line Rent Receivable

Straight line rent receivable reflects the amount of cumulative adjustments necessary to present rental income on a straight-line basis. Columbia Property Trust recognizes revenues on a straight-line basis, ratably over the term of each lease; however, leases often provide for payment terms that differ from the revenue recognized. When the amount of cash received is less than the amount of revenue recognized, typically early in the lease, straight line rent receivable is recorded for the difference. The receivable is depleted during periods later in the lease when the amount of cash paid by the tenant is greater than the amount of revenue recognized.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets primarily include earnest money deposits, escrow accounts held by lenders to pay future real estate taxes, insurance and tenant improvements, notes receivable, non-tenant receivables, prepaid taxes, insurance and operating costs, unamortized deferred financing costs related to the line of credit (the "Revolving Credit Facility"), certain corporate assets, hotel inventory, and deferred tax assets. Prepaid expenses and other assets will be expensed as incurred. As of December 31, 2014, prepaid expenses and other assets included $27.0 million of earnest money deposits paid in 2014 for the January 2015 property acquisitions described in Note 3, Real Estate and Other Transactions. These deposits were applied to the purchase prices at closing.

Deferred Financing Costs

Deferred financing costs include costs incurred to secure debt from third-party lenders. Columbia Property Trust has elected to adopt Accounting Standards Update 2015-03, Simplifying the Presentation of Debt Issuance Costs ("ASU 2015-03") and Accounting Standards Update 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements ("ASU 2015-15") effective December 31, 2015. These standards require deferred financing costs, except for costs related to revolving credit facilities, to be presented as a direct reduction to the carrying amount of the related debt for all periods presented. As a result, as of December 31, 2014,

$8.4 million of deferred financing costs have been reclassified as

Table of Contents
Index to Financial Statements

follows: $3.8 million is included in prepaid expenses and other assets; $3.4 million is presented as a reduction to line of credit, term loan, and notes payable; and the remaining $1.2 million is presented as a reduction to bonds payable. Columbia Property Trust recognized amortization of deferred financing costs for the years ended December 31, 2015, 2014, and 2013, of approximately $4.4 million, $3.5 million, and $3.8 million, respectively, which is included in interest expense in the accompanying consolidated statements of operations.

Deferred Lease Costs

Deferred lease costs consist of costs incurred to procure leases, which are capitalized and recognized as amortization expense on a straight-line basis over the terms of the lease. Such costs are capitalized and recognized as operating expenses over the lease term. Columbia Property Trust recognized amortization of deferred lease costs of approximately $12.6 million, $12.2 million, and $13.1 million for 2015, 2014, and 2013, respectively, the majority of which is recorded as amortization expense. Upon receiving notification of a tenant's intention to terminate a lease, unamortized deferred lease costs are amortized over the shortened lease period.

Investments in Development Authority Bonds and Obligations Under Capital Leases

In connection with the acquisition of certain real estate assets, Columbia Property Trust has assumed investments in development authority bonds and corresponding obligations under capital leases of land or buildings. The county development authority issued bonds to developers to finance the initial development of these projects, a portion of which was then leased back to the developer under a capital lease. This structure enabled the developer to receive property tax abatements over the concurrent terms of the development authority bonds and capital leases. The remaining property tax abatement benefits transferred to Columbia Property Trust upon assumption of the bonds and corresponding capital leases at acquisition. The development authority bonds and the obligations under the capital leases are both recorded at their net present values, which Columbia Property Trust believes approximates fair value. The related amounts of interest income and expense are recognized as earned in equal amounts and, accordingly, do not impact net income. In December 2013, upon maturity, Columbia Property Trust settled the $216.0 million and $250.0 million development authority bonds and the corresponding obligations under capital leases related to the Lenox Park Buildings and Lindbergh Center, respectively.

Line of Credit, Term Loans, and Notes Payable

Certain mortgage notes included in line of credit, term loan, and notes payable in the accompanying consolidated balance sheets were assumed upon the acquisition of real properties. When debt is assumed, Columbia Property Trust records the loan at fair value. The fair value adjustment is amortized to interest expense over the term of the loan using the effective interest method.

As described in the Deferred Financing Costs section above, line of credit, term loans, and notes payable are presented on the accompanying consolidated balance sheet net of deferred financing costs related to term loans and notes payable of $4.5 million and $3.4 million as of December 31, 2015 and December 31, 2014, respectively.

Bonds Payable

In March 2015, Columbia Property Trust issued $350.0 million of its ten-year unsecured 4.150% senior notes at 99.859% of their face value (the "2025 Bonds Payable"). In April 2011, Columbia Property Trust issued $250.0 million of its seven-year unsecured 5.875% senior notes at 99.295% of their face value (the "2018 Bonds Payable"). The discount on the 2025 Bonds Payable and the 2018 Bonds Payable is amortized to interest expense over the term of the bonds using the effective-interest method.

As described in the Deferred Financing Costs section above, bonds payable are presented on the accompanying consolidated balance sheet net of deferred financing costs related to bonds payable of $3.7 million and $1.2 million as of December 31, 2015 and December 31, 2014, respectively.

Table of Contents
Index to Financial Statements

Common Stock Repurchase Program

Columbia Property Trust's board of directors has authorized the repurchase of up to an aggregate of $200 million of its common stock, par value $0.01, through September 4, 2017 (the "Stock Repurchase Program"). Columbia Property Trust expects to acquire shares primarily through open market transactions, subject to market conditions and other factors. As of December 31, 2015, $183.7 million remains available for repurchases under the Stock Repurchase Program. Common stock repurchases are charged against equity as incurred, and the repurchased shares are retired. See Note 8, Stockholders' Equity, for additional details.

Redeemable Common Stock

In preparation for listing, Columbia Property Trust terminated its former share redemption program (the "SRP") effective July 31, 2013. Previously, under the SRP, the decision to honor redemptions, subject to certain plan requirements and limitations, fell outside the control of Columbia Property Trust.

Preferred Stock

Columbia Property Trust is authorized to issue up to 100.0 million shares of one or more classes or series of preferred stock with a par value of $0.01 per share. Columbia Property Trust's board of directors may determine the relative rights, preferences, and privileges of each class or series of preferred stock issued, which may be more beneficial than the rights, preferences, and privileges attributable to Columbia Property Trust's common stock. To date, Columbia Property Trust has not issued any shares of preferred stock.

Common Stock

The par value of Columbia Property Trust's issued and outstanding shares of common stock is classified as common stock, with the remainder allocated to additional paid-in capital.

Distributions

To maintain its status as a REIT, Columbia Property Trust is required by the Internal Revenue Code of 1986, as amended (the "Code"), to make distributions to stockholders each taxable year equal to at least 90% of its REIT taxable income, computed without regard to the dividends-paid deduction and by excluding net capital gains attributable to stockholders ("REIT taxable income"). Distributions to the stockholders are determined by the board of directors of Columbia Property Trust and are dependent upon a number of factors relating to Columbia Property Trust, including funds available for payment of distributions, financial condition, the timing of property acquisitions, capital expenditure requirements, and annual distribution requirements in order to maintain Columbia Property Trust's status as a REIT under the Code.

Interest Rate Swap Agreements

Columbia Property Trust enters into interest rate swap contracts to mitigate its interest rate risk on the related financial instruments. Columbia Property Trust does not enter into derivative or interest rate transactions for speculative purposes; however, certain of its derivatives may not qualify for hedge accounting treatment. Columbia Property Trust records the fair value of its interest rate swaps either as prepaid expenses and other assets or as accounts payable, accrued expenses, and accrued capital expenditures. Changes in the fair value of the effective portion of interest rate swaps that are designated as cash flow hedges are recorded as other comprehensive income, while changes in the fair value of the ineffective portion of a hedge, if any, is recognized currently in earnings. Changes in the fair value of interest rate swaps that do not qualify for hedge accounting treatment are recorded as gain (loss) on interest rate swaps. Amounts received or paid under interest rate swap agreements are recorded as interest expense for contracts that qualify for hedge accounting treatment and as loss on interest rate swaps for contracts that do not qualify for hedge accounting treatment.

Table of Contents
Index to Financial Statements

The following tables provide additional information related to Columbia Property Trust's interest rate swaps as of December 31, 2015 and 2014 (in thousands):

		Estimated Fair Value as of December 31,	
Instrument Type	Balance Sheet Classification	2015	2014
Derivatives designated as hedging instruments:			
Interest rate contracts	Accounts payable	$(2,436)	$(1,968)
Derivatives not designated as hedging instruments:			
Interest rate contracts	Accounts payable	$—	$(2,633)
Fair value of interest rate swaps		$(2,436)	$(4,601)

Columbia Property Trust applied the provisions of ASC 820 in recording its interest rate swaps at fair value. The fair values of the interest rate swaps, classified under Level 2, were determined using a third-party proprietary model that is based on prevailing market data for contracts with matching durations, current and anticipated London Interbank Offered Rate ("LIBOR") information, and reasonable estimates about relevant future market conditions. Columbia Property Trust has determined that the fair value, as determined by the third party, is reasonable.

	Years ended December 31,		
	2015	2014	2013
Market value adjustment to interest rate swaps designated as hedging instruments and included in other comprehensive income	$(1,570)	$1,339	$1,997
Loss on interest rate swap recognized through earnings	$(1,110)	$(371)	$(342)

In July 2015, Columbia Property Trust paid $1.1 million to settle the interest rate swap on the $450 Million Term Loan, which is reflected in earnings. See Note 5, Line of Credit, Term Loans, and Notes Payable, for additional details. During the periods presented, there was no other hedge ineffectiveness required to be recognized into earnings on the interest rate swaps that qualified for hedge accounting treatment.

Revenue Recognition

All leases on real estate assets held by Columbia Property Trust are classified as operating leases, and the related base rental income is generally recognized on a straight-line basis over the terms of the respective leases. Tenant reimbursements are recognized as revenue in the period that the related operating cost is incurred and are billed to tenants pursuant to the terms of the underlying leases. Rental income and tenant reimbursements collected in advance are recorded as deferred income in the accompanying consolidated balance sheets. Lease termination fees are recorded as other property income and recognized on a straight-line basis from when we receive notification of termination through the date the tenant has lost the right to lease the space and Columbia Property Trust has satisfied all obligations under the related lease or lease termination agreement.

In conjunction with certain acquisitions, Columbia Property Trust has entered into master lease agreements with various sellers, whereby the sellers are obligated to pay rent pertaining to certain nonrevenue-producing spaces either at the time of, or subsequent to, the property acquisition. These master leases were established at the time of acquisition to mitigate the potential negative effects of lost rental revenues and expense reimbursement income. Columbia Property Trust records payments received under master lease agreements as a reduction of the basis of the underlying property rather than rental income. There were no proceeds received from master leases during 2015, 2014, or 2013.

Columbia Property Trust owns a full-service hotel through a taxable REIT subsidiary. Revenues derived from the operations of the hotel include, but are not limited to, revenues from rental of rooms, food and beverage sales, telephone usage, and other service revenues. Revenue is recognized when rooms are occupied, when services have been performed, and when products are delivered.

Income Taxes

Columbia Property Trust has elected to be taxed as a REIT under the Code, and has operated as such beginning with its taxable year ended December 31, 2003. To qualify as a REIT, Columbia Property Trust must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its REIT taxable

income, as defined by the Code, to its stockholders. As a REIT, Columbia Property Trust generally is not subject to income tax on income it distributes to stockholders.

Table of Contents
Index to Financial Statements

Columbia Property Trust's stockholder distributions typically exceed its taxable income due to the inclusion of noncash expenses, such as depreciation, in taxable income. As a result, Columbia Property Trust typically does not incur federal income taxes other than as described in the following paragraph. Columbia Property Trust is, however, subject to certain state and local taxes related to the operations of properties in certain locations, which have been provided for in the accompanying consolidated financial statements.

Columbia Property Trust TRS, LLC ("Columbia Property Trust TRS"), Columbia KCP TRS, LLC ("Columbia KCP TRS"), and Columbia Energy TRS, LLC ("Columbia Energy TRS") (collectively, the "TRS Entities") are wholly owned subsidiaries of Columbia Property Trust, are organized as Delaware limited liability companies, and operate, among other things, office properties that Columbia Property Trust does not intend to hold long term and a full-service hotel. Columbia Property Trust has elected to treat the TRS Entities as taxable REIT subsidiaries. Columbia Property Trust may perform certain additional, noncustomary services for tenants of its buildings through the TRS Entities; however, any earnings related to such services are subject to federal and state income taxes. In addition, for Columbia Property Trust to continue to qualify as a REIT, Columbia Property Trust must limit its investments in taxable REIT subsidiaries to 25% of the value of the total assets. The TRS Entities' deferred tax assets and liabilities represent temporary differences between the financial reporting basis and the tax basis of assets and liabilities based on the enacted rates expected to be in effect when the temporary differences reverse. If applicable, Columbia Property Trust records interest and penalties related to uncertain tax positions as general and administrative expense in the accompanying consolidated statements of operations.

Operating Segments

Columbia Property Trust establishes its operating segments at the property level, and none of its operating segments meet the quantitative or qualitative thresholds to be considered an individual reportable segment.

Reclassification

Certain prior period amounts may be reclassified to conform with the current-period financial statement presentation, including deferred financing costs (as described above), discontinued operations (see Note 13, Discontinued Operations), and equity accounts impacted by the Reverse Stock Split (see Note 8, Stockholders' Equity).

Recent Accounting Pronouncements

In September 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2015-16, Simplifying the Accounting for Measurement – Prior Period Adjustments ("ASU 2015-16"), which eliminates the requirement to retrospectively account for adjustments made to provisional amounts recognized in a real estate acquisition at the acquisition date, rather the cumulative impact of any adjustment should be recognized in the reporting period in which the adjustment is identified. ASU 2015-16 is effective for Columbia Property Trust beginning on January 1, 2016. Columbia Property Trust does not expect the adoption of ASU 2015-16 to have a material impact on its financial statements and disclosures.

In April 2015, the FASB issued ASU 2015-03, which requires deferred financing costs to be presented on the balance sheet as a direct deduction of the carrying amount of the related debt. In August 2015, the FASB issued ASU 2015-15, which allows for deferred financing costs associated with line of credit agreements, which may not have an outstanding balance, to continue to be presented as an asset. ASU 2015-03 and ASU 2015-15 will be effective retrospectively for Columbia Property Trust beginning on January 1, 2016, and early adoption is permitted. Columbia Property Trust has elected to early adopt ASU 2015-03 and 2015-15 as of December 31, 2015.

In February 2015, the FASB issued Accounting Standards Update 2015-02, Amendments to the Consolidation Analysis ("ASU 2015-02"), which requires the reevaluation of certain legal entities for consolidation, including limited partnerships, VIEs, and reporting entities that are involved with VIEs. ASU 2015-02 is effective retrospectively for Columbia Property Trust beginning on January 1, 2016, and early adoption is permitted. Columbia Property Trust does not expect the adoption of ASU 2015-02 to have a material impact on its financial statements and disclosures.

In August 2014, the FASB issued Accounting Standards Update 2014-15, Presentation of Financial Statements – Going Concern ("ASU 2014-15"), which provides guidance about the responsibility of management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote

disclosures if necessary. ASU 2014-15 will be effective prospectively for Columbia Property Trust beginning on January 1, 2017, and early adoption is permitted. Columbia Property Trust does not expect the adoption of ASU 2014-15 to have a material impact on its financial statements and disclosures.

In May 2014, the FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which establishes a comprehensive model to account for revenue arising from contracts with customers. ASU 2014-09 applies to

Table of Contents
Index to Financial Statements

all contracts with customers except those that are within the scope of other topics in the FASB's Accounting Standards Codification, including real estate leases. ASU 2014-09 will require companies to perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 will be effective retrospectively for Columbia Property Trust beginning on January 1, 2018, and early adoption is permitted beginning January 1, 2017. We do not believe that ASU 2014-09 will have a material impact on our financial statements and disclosures.

3. Real Estate and Other Transactions

Acquisitions

During 2015 and 2014, Columbia Property Trust acquired the following properties (in thousands). Columbia Property Trust did not acquire any properties during 2013.

	315 Park Avenue South Building	1881 Campus Commons Building	116 Huntington Avenue Building	229 West 43rd Street Building	221 Main Street Building	650 California Street Building
Location	New York, NY	Reston, VA	Boston, MA	New York, NY	San Francisco, CA	San Francisco, CA
Date Acquired	January 7, 2015	January 7, 2015	January 8, 2015	August 4, 2015	April 22, 2014	September 9, 2014
Purchase price:						
Land	$119,633	$7,179	$—	$207,233	$60,509	$75,384
Building and improvements	232,598	49,273	108,383	265,952	161,853	221,135
Intangible lease assets	16,912	4,643	7,907	27,039	12,776	19,306
Intangible below market ground lease assets	—	—	30,244	—	—	—
Intangible lease origination costs	4,148	1,603	2,669	10,059	3,475	4,290
Intangible below market lease liability	(7,487)	(97)	(1,878)	—	(10,323)	(9,908)
Total purchase price	$365,804	$62,601	$147,325	$510,283	$228,290	$310,207

Note 2, Summary of Significant Accounting Policies, provides a discussion of the estimated useful life for each asset class.

Portfolio Acquisition - 315 Park Avenue South Building & 1881 Campus Commons Building

On January 7, 2015, Columbia Property Trust acquired a portfolio of two assets, which included 315 Park Avenue South, a 328,000-square-foot office building in New York, New York (the "315 Park Avenue South Building") and 1881 Campus Commons, a 244,000-square-foot office building in Reston, Virginia (the "1881 Campus Commons Building"). This portfolio was acquired for $436.0 million, exclusive of transaction costs and purchase price adjustments, using proceeds from the issuance of $350.0 million in bonds payable due in 2025, proceeds from the Revolving Credit Facility, and cash on hand.

As of the acquisition date, the 315 Park Avenue South Building was 94.9% leased to nine tenants, including Credit Suisse (74%). For the period from January 7, 2015 to December 31, 2015, Columbia Property Trust recognized revenues of $25.1 million and a net loss of $6.6 million from the 315 Park Avenue South Building. The net loss includes acquisition expenses of $1.2 million.

As of the acquisition date, the 1881 Campus Commons Building was 78.0% leased to 15 tenants, including SOS International (15%) and Siemens (12%). For the period from January 7, 2015 to December 31, 2015, Columbia Property Trust recognized revenues of $5.8 million and a net loss of $1.3 million from the 1881 Campus Commons Building. The net loss includes acquisition expenses of $0.5 million. Columbia Property Trust sold 1881 Campus

Commons on December 10, 2015, as described in the Dispositions section below.

116 Huntington Avenue Building

On January 8, 2015, Columbia Property Trust acquired a 271,000-square-foot office building in Boston, Massachusetts (the "116 Huntington Avenue Building"), for $152.0 million, inclusive of capital credits, using proceeds from the issuance of $350.0 million in bonds payable due in 2025, proceeds from the Revolving Credit Facility, and cash on hand. As of the acquisition date, the 116 Huntington Avenue Building was 78.0% leased to 17 tenants, including American Tower (21%), GE Healthcare (13%), and Brigham and Women's (12%). For the period from January 8, 2015 to December 31, 2015, Columbia Property Trust recognized revenues of $11.3 million and a net loss of $0.7 million from the 116 Huntington Avenue Building. The net loss includes acquisition expenses of $0.3 million.

Table of Contents
Index to Financial Statements

229 West 43rd Street Building

On August 4, 2015, Columbia Property Trust acquired the 481,000-square-foot office portion of the 229 West 43rd Street building, a 16-story, 732,000-square-foot building located in the Times Square sub-market of Manhattan in New York, New York (the "229 West 43rd Street Building"), for $516.0 million, exclusive of transaction costs and purchase price adjustments. This acquisition was funded with the $300 Million Bridge Loan and borrowings on the Revolving Credit Facility, as described in Note 5, Line of Credit, Term Loans, and Notes Payable. As of the acquisition date, the 229 West 43rd Street Building was 98.0% leased to nine tenants, including Yahoo! (40%), Snapchat (13%), Collective, Inc. (12%), and MongoDB (10%). For the period from August 4, 2015 to December 31, 2015, Columbia Property Trust recognized revenues of $15.3 million and net income of $2.2 million from the 229 West 43rd Street Building. The net income includes acquisition expenses of $1.7 million.

221 Main Street Building

On April 22, 2014, Columbia Property Trust acquired the 221 Main Street Building, a 378,000-square-foot office building in San Francisco, California, for $228.8 million, exclusive of closing costs. The acquisition was funded with a $73.0 million assumed mortgage note, $116.0 million of borrowings on the Revolving Credit Facility, and cash on hand. As of the acquisition date, the 221 Main Street Building was 82.8% leased to 40 tenants, including DocuSign, Inc. (16%). Columbia Property Trust recognized revenues of $12.7 million and a net loss of $10.9 million from the 221 Main Street Building acquisition for the period from April 22, 2014 to December 31, 2014. The net loss includes acquisition expenses of $6.1 million.

650 California Street Building

On September 9, 2014, Columbia Property Trust acquired the 650 California Street Building, a 477,000-square-foot office building in San Francisco, California, for $310.2 million, exclusive of transaction costs. The acquisition was funded with a $130.0 million assumed mortgage note, $118.0 million of borrowings on the Revolving Credit Facility, and cash on hand. As of the acquisition date, the 650 California Street Building was 88.1% leased to 18 tenants, including Littler Mendelson (24%), Credit Suisse (13%), and Goodby Silverstein (11%). Columbia Property Trust recognized revenues of $8.0 million and a net loss of $9.7 million from the 650 California Street Building acquisition for the period from September 9, 2014 to December 31, 2014. The net loss includes acquisition expenses of $8.0 million.

Pro Forma Financial Information

The following unaudited pro forma statements of operations presented for 2015, 2014, and 2013, have been prepared for Columbia Property Trust to give effect to the acquisitions of the 315 Park Avenue South Building, the 1881 Campus Commons Building, the 116 Huntington Avenue Building, the 229 West 43rd Street Building, the 221 Main Street Building, and the 650 California Street Building as if the acquisitions occurred on January 1, 2013. The following unaudited pro forma financial results for Columbia Property Trust have been prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had these acquisitions been consummated as of January 1, 2013 (in thousands).

	2015	2014	2013
Revenues	$582,699	$605,494	$604,205
Net income (loss)	$46,363	$66,814	$(58,043)
Net income (loss) per share – basic	$0.37	$0.53	$(0.43)
Net income (loss) per share – diluted	$0.37	$0.53	$(0.43)

Dispositions

As a result of adopting Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components on an Entity ("ASU 2014-08") effective April 1, 2014, for all periods presented in the accompanying consolidated statements of operations, the revenues and expenses associated with the 2015 and 2014 property sales described below are included in continuing operations, while the revenues and expenses associated with sales executed before April 1, 2014, are classified as discontinued operations. During 2015, 2014 and 2013, Columbia Property Trust closed on the following transactions:

Market Square Buildings - Partial Sale

On October 28, 2015, Columbia Property Trust transferred the Market Square Buildings and the related $325.0 million mortgage note to a joint venture (the "Market Square Joint Venture") and sold a 49% interest in the Market Square Joint Venture to Blackstone Property Partners ("Blackstone") for approximately $120.0 million of net proceeds, which were used to repay a portion of the $300 Million Bridge Loan. As a result of this transaction, Columbia Property Trust recognized a gain on real estate assets of $3.1 million and retains a 51% interest in the Market Square Joint Venture. The Market Square Joint Venture owns and operates the

Table of Contents
Index to Financial Statements

Market Square Buildings through a REIT ("Market Square East & West, LLC"). See Note 4, Unconsolidated Joint Venture, for additional information.

11 Property Sale

On July 1, 2015, Columbia Property Trust sold 11 properties to an unaffiliated third party for $433.3 million, exclusive of purchase price adjustments and closing costs (the "11 Property Sale"), which resulted in a gain of $20.2 million. The proceeds for 10 of the properties were available on July 1, 2015, and the remaining proceeds were available on August 3, 2015. For the period from January 1, 2015 through July 1, 2015, the aggregate net income, excluding the gain on sale, for the properties included in the 11 Property Sale was $6.5 million; and for the years ended December 31, 2014 and 2013, the net income for the properties included in the 11 Property Sale was $3.0 million and $15.1 million, respectively. The 11 Property Sale including the following properties:

170 Park Avenue	Bannockburn Lake III	Acxiom
180 Park Avenue	544 Lakeview	215 Diehl Road
Robbins Road	Highland Landmark III	1580 West Nursery
550 King Street	The Corridors III	

1881 Campus Commons

On December 10, 2015, Columbia Property Trust closed on the sale of the 1881 Campus Commons Building in Reston, Virginia for $65.0 million, exclusive of purchase price adjustments and closing costs, yielding a gain of $0.5 million. The proceeds from the sale of the 1881 Campus Commons Building were used to reduce the outstanding balance of the $300 Million Bridge Loan, as described in Note 5, Line of Credit, Term Loans, and Notes Payable.

160 Park Avenue Building

On June 4, 2014, Columbia Property Trust closed on the sale of the 160 Park Avenue Building (formerly known as the 180 Park Avenue, #103 Building) in Florham Park, New Jersey, for $10.2 million, exclusive of transaction costs. Columbia Property Trust recognized an impairment loss of $13.6 million related to this building in the first quarter of 2014, as further described in Note 2, Significant Accounting Policies.

200 South Orange Building

On June 30, 2014, Columbia Property Trust closed on the sale of the 200 South Orange Building in Orlando, Florida, for $18.8 million, exclusive of transaction costs. This transaction resulted in a $1.4 million impairment loss in the second quarter of 2014, as further described in Note 2, Significant Accounting Policies.

7031 Columbia Gateway Drive Building

On July 1, 2014, Columbia Property Trust closed on the sale of the 7031 Columbia Gateway Drive Building in Columbia, Maryland, for $59.5 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $7.7 million.

9 Technology Drive Building

On August 22, 2014, Columbia Property Trust closed on the sale of the 9 Technology Drive Building in Westborough, Massachusetts, for $47.0 million, exclusive of purchase price adjustments and transaction costs, yielding a gain on sale of real estate assets of $11.1 million.

Lenox Park Property

On October 3, 2014, Columbia Property Trust closed on the sale of the Lenox Park Property, containing five buildings, in Atlanta, Georgia, for $290.0 million, exclusive of transaction costs, yielding a gain on sale of real estate assets of $56.5 million in the fourth quarter of 2014.

18 Property Sale

On November 5, 2013, Columbia Property Trust closed on the 18 Property Sale to an unaffiliated third party for $521.5 million, exclusive of closing costs. In connection with marketing these assets for sale and finalizing the terms of the sale agreement, Columbia Property Trust recognized aggregate impairment losses of $29.7 million. After considering the impact of these impairment losses, upon closing in the fourth quarter of 2013, the 18 Property Sale yielded a loss of $0.4 million, which is included in gain (loss) on disposition of discontinued operations in the accompanying consolidated statement of operations.

Table of Contents
Index to Financial Statements

The following properties make up the 18 Property Sale:

2500 Windy Ridge Parkway	Sterling Commerce Center	11200 West Parkland Avenue
4100-4300 Wildwood Parkway	4300 Centreway Place	One Century Place
4200 Wildwood Parkway	919 Hidden Ridge	1200 Morris Drive
4241 Irwin Simpson	333 & 777 Republic Drive	15815 25th Avenue West
8990 Duke Road	120 Eagle Rock	16201 25th Avenue West
Chase Center Building	College Park Plaza	13655 Riverport Drive

Dvintsev Business Center – Tower B

On March 21, 2013, Columbia Property Trust closed on the sale of the Dvintsev Business Center – Tower B building in Moscow, Russia, and its holding entity, Landlink Ltd., which was 100% owned by Columbia Property Trust, for $67.5 million, exclusive of transaction costs, resulting in a gain on disposition of discontinued operations in the accompanying consolidated statement of operations of $10.0 million.

Other Transactions

As described in Note 11, Related-Party Transactions and Agreements, Columbia Property Trust acquired Columbia Property Trust Advisory Services, LLC ("Columbia Property Trust Advisory Services") and Columbia Property Trust Services, LLC ("Columbia Property Trust Services") on February 28, 2013. The following unaudited pro forma statements of operations presented for 2013, have been prepared for Columbia Property Trust to give effect to the acquisitions of Columbia Property Trust Advisory Services and Columbia Property Trust Services as if the acquisitions occurred on January 1, 2013. The following unaudited pro forma financial results for Columbia Property Trust have been prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of Columbia Property Trust Advisory Services and Columbia Property Trust Services been consummated as of January 1, 2013 (in thousands).

	As of December 31,		
	2015	2014	2013
Revenues	*	*	$526,966
Net income attributable to common shareholders	*	*	$18,475

* Columbia Property Trust owned Columbia Property Trust Advisory Services and Columbia Property Trust Services for all of 2015 and 2014.

4. Unconsolidated Joint Venture

Columbia Property Trust owns a majority interest of 51% in the Market Square Joint Venture, and Blackstone owns the remaining 49% interest in the joint venture. The Market Square Joint Venture owns and operates the Market Square Buildings through Market Square East & West, LLC, which operates as a REIT. The Market Square Buildings are two, 13-story office buildings containing 687,000 square feet of office space in Washington, D.C. Columbia Property Trust shares substantive participation rights with Blackstone, including management selection and termination, and the approval of material operating and capital decisions and, as such, uses the equity method of accounting to record its investment. Under the equity method, the investment in the joint venture is recorded at cost and adjusted for equity in earnings and cash contributions and distributions. Income or loss and cash distributions are allocated according to the provisions of the joint venture agreement, which are consistent with the ownership percentages for the Market Square Joint Venture.

Columbia Property Trust evaluates the recoverability of its investment in unconsolidated joint venture in accordance with accounting standards for equity investments by first reviewing the investment for any indicators of impairment. If indicators are present, Columbia Property Trust estimates the fair value of the investment. If the carrying value of the investment is greater than the estimated fair value, management makes an assessment of whether the impairment is "temporary" or "other-than-temporary." In making this assessment, management considers the following: (1) the length of time and the extent to which fair value has been less than cost, (2) Columbia Property Trust's intent and ability to retain its interest long enough for a recovery in market value.

As of December 31, 2015, the outstanding balance on the interest-only Market Square mortgage note is $325.0 million, bearing interest at 5.07%. The Market Square mortgage note matures on July 1, 2023. On October 28, 2015,

Columbia Property Trust entered into a guaranty of a $25.0 million portion of the Market Square mortgage note, the amount of which will be reduced as space is leased.

Table of Contents
Index to Financial Statements

Condensed balance sheet information for the Market Square Joint Venture is as follows (in thousands):

	December 31, 2015
Total assets	$573,073
Total debt	$324,603
Total equity	$230,060
Columbia Property Trust's investment	$118,695

Condensed income statement information for the Market Square Joint Venture is as follows (in thousands):

	From inception through December 31, 2015
Total Revenues	$7,962
Net loss	$(2,239)
Columbia Property Trust's share	$(1,142)

Columbia Property Trust provides property and asset management services to the Market Square Joint Venture. Under these agreements, Columbia Property Trust oversees the day-to-day operations of the Market Square Joint Venture and the Market Square Buildings, including property management, property accounting, and other property services. Columbia Property Trust receives property management fees equal to 3% of the gross revenue of the Market Square Buildings, payable monthly, and asset management fees of $1.0 million annually, in equal quarterly installments. During 2015, Columbia Property Trust earned $0.2 million in fees related to these asset and property management services, which are included in other property income on the accompanying consolidated statement of operations. As of December 31, 2015, $0.1 million in property management fees was payable to Columbia Property Trust, and included in prepaid expenses and other assets on the accompanying consolidated balance sheet.

Table of Contents
Index to Financial Statements

5. Line of Credit, Term Loans, and Notes Payable

As of December 31, 2015 and 2014, Columbia Property Trust had the following line of credit, term loan, and notes payable indebtedness outstanding (excluding bonds payable; see Note 6, Bonds Payable) in thousands:

Facility	Rate as of December 31, 2015	Term Debt or Interest Only	Maturity	Outstanding Balance as of December 31, 2015	2014
$300 Million Term Loan	LIBOR + 110 bp (1)	Interest only	7/31/2020	$300,000	$—
Revolving Credit Facility	LIBOR + 100 bp (2)	Interest only	7/31/2019	247,000	—
$150 Million Term Loan	LIBOR + 155 bp (3)	Interest only	7/29/2022	150,000	—
650 California Street Building mortgage note	3.60 %	Term debt	7/1/2019	128,785	130,000
$300 Million Bridge Loan	LIBOR + 110 bp (4)	Interest only	8/4/2016	119,000	—
221 Main Building mortgage note	3.95 %	Interest only	5/10/2017	73,000	73,000
263 Shuman Boulevard Building mortgage note	5.55 %	Interest only	7/1/2017	49,000	49,000
SanTan Corporate Center mortgage notes	5.83 %	Interest only	10/11/2016	39,000	39,000
One Glenlake Building mortgage note	5.80 %	Term debt	12/10/2018	29,278	32,074
$450 Million Term Loan	LIBOR + 130 bp	Interest only	2/3/2016	—	450,000
Market Square Buildings mortgage note	5.07 %	Interest only	7/1/2023	— (5)	325,000
333 Market Street Building mortgage note	LIBOR + 202 bp	Interest only	7/1/2015	—	206,810
100 East Pratt Street Building mortgage note	5.08 %	Interest only	6/11/2017	—	105,000
215 Diehl Road Building mortgage note	5.55 %	Interest only	7/1/2017	—	21,000
Less: Deferred financing costs related to term loans and notes payable				(4,492)	(3,438)
Total indebtedness				$1,130,571	$1,427,446

(1) The $300 Million Term Loan, as further described below, bears interest, at Columbia Property Trust's option, at LIBOR, plus an applicable margin ranging from 0.90% to 1.75% for LIBOR loans, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.75% for base-rate loans, based on Columbia Property Trust's applicable credit rating.

(2) Borrowings under the Revolving Credit Facility, as described below, bear interest at the option of Columbia Property Trust at LIBOR, plus an applicable margin ranging from 0.875% to 1.55% for LIBOR-based borrowings, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.55% for base-rate borrowings, based on Columbia Property Trust's applicable credit rating.

(3) Columbia Property Trust is party to an interest rate swap agreement, which effectively fixes its interest rate on the $150 Million Term Loan, as further described below, at 3.52% and terminates on July 29, 2022. This interest rate swap agreement qualifies for hedge accounting treatment; therefore, changes in the fair value are recorded as a

market value adjustment to interest rate swap in the accompanying consolidated statement of other comprehensive income.

(4) The $300 Million Bridge Loan, as further described below, bears interest, at Columbia Property Trust's option, at either LIBOR, plus an applicable margin ranging from 0.90% to 1.75% for LIBOR loans, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.75% based on Columbia Property Trust's applicable credit rating.

(5) The Market Square Buildings mortgage note was transferred to the Market Square Joint Venture, effective October 28, 2015. See Note 4, Unconsolidated Joint Venture, for details.

Term Loans

On July 30, 2015, Columbia Property Trust replaced its $450 Million Term Loan, which had a maturity date of February 3, 2016, with two separate term loans. Columbia Property Trust entered into a $300.0 million unsecured, single-draw term loan (the "$300 Million Term Loan") with a syndicate of banks with J.P. Morgan Securities LLC and PNC Capital Markets LLC serving as joint lead arrangers and joint book runners. The $300 Million Term Loan matures on July 31, 2020. Columbia Property Trust also entered into a $150.0 million unsecured, single-draw term loan (the "$150 Million Term Loan") with a syndicate of banks with Wells Fargo Securities, LLC, U.S. Bank National Association, and Regions Capital Markets serving as joint lead arrangers and joint bookrunners. The $150 Million Term Loan matures on July 29, 2022.

The $300 Million Term Loan bears interest, at Columbia Property Trust's option, at LIBOR, plus an applicable margin ranging from 0.90% to 1.75% for LIBOR Loans, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.75% for base rate loans, based on Columbia Property Trust's applicable credit rating. The $300 Million Term Loan and the Revolving Credit Facility, as described below, provide for four accordion options for an aggregate amount of up to $400.0 million, subject to certain conditions. The $150 Million Term Loan bears interest, at Columbia Property Trust's option, at LIBOR, plus an applicable

Table of Contents
Index to Financial Statements

margin ranging from 1.40% to 2.35% for LIBOR loans, or a base rate, plus an applicable margin ranging from 0.40% to 1.35% for base-rate loans, based on Columbia Property Trust's applicable credit rating. The interest rate on the $150 Million Term Loan has been effectively fixed at 3.52% with an interest rate swap agreement, which was designated as a cash flow hedge. The $150 Million Term Loan provides for four accordion options for an aggregate amount of $300.0 million, subject to certain conditions.

The $450 Million Term Loan bore interest at LIBOR, plus an applicable margin ranging from 1.15% to 1.95% for LIBOR loans, or an alternate base rate, plus an applicable margin ranging from 0.15% to 0.95% for base-rate loans, based on Columbia Property Trust's applicable credit rating. The interest rate on the $450 Million Term Loan was effectively fixed at 2.07% with an interest rate swap agreement, which was designated as a cash flow hedge. At the time the $450 Million Term Loan was replaced, the related interest rate swap was settled, resulting in a loss on interest rate swap of $1.1 million.

Revolving Credit Facility

On July 30, 2015, Columbia Property Trust amended the Revolving Credit Facility, with a total capacity of $500.0 million (the "Revolving Credit Facility") with J.P. Morgan Securities LLC and PNC Capital Markets LLC serving as joint lead arrangers and joint book runners, to, among other things: (i) change the margins on the interest rate under the facility, as described below; (ii) extend the maturity date from August 2017 to July 2019 with two, six-month extension options; (iii) enable Columbia Property Trust to increase the Revolving Credit Facility and the $300 Million Term Loan, as described above, by an aggregate amount of up to $400.0 million on four occasions; and (iv) revise certain covenants under the facility.

The Revolving Credit Facility, as entered into on July 30, 2015, bears interest, at Columbia Property Trust's option, at LIBOR, plus an applicable margin ranging from 0.875% to 1.55% for LIBOR-based borrowings, or an alternate base rate, plus an applicable margin ranging from 0.00% to 0.55% for base-rate borrowings, based on Columbia Property Trust's applicable credit rating. Previously, the applicable margin was a range from 1.00% to 1.70% for LIBOR-based borrowings or a range from 0.00% to 0.70% for base-rate borrowings. Additionally, the per annum facility fee on the aggregate revolving commitment (used or unused) now ranges from 0.125% to 0.30%, also based on Columbia Property Trust's applicable credit rating. Prior to amendment, the per annum facility fee ranged from 0.15% to 0.35%.

$300 Million Bridge Loan

On August 4, 2015, Columbia Property Trust entered into a $300.0 million, six-month, unsecured loan with a syndicate of banks led by JPMorgan Chase Bank, N.A. (the "$300 Million Bridge Loan") to finance a portion of the 229 West 43rd Street Building acquisition. At Columbia Property Trust's option, borrowings under the $300 Million Bridge Loan bear interest at either (i) an alternate base rate, plus an applicable margin based on five stated pricing levels ranging from 0.00% to 0.75% or (ii) LIBOR, plus an applicable margin based on five stated pricing levels ranging from 0.90% to 1.75%, in each case based on Columbia Property Trust's credit rating.

On December 21, 2015, Columbia Property Trust exercised its option to extend the $300 Million Bridge Loan's maturity date by six months from February 4, 2016 to August 4, 2016. Columbia Property Trust may prepay the $300 Million Bridge Loan at any time without premium or penalty. In addition, amounts under the $300 Million Bridge Loan must be repaid by Columbia Property Trust with the net cash proceeds of certain financing activities and asset sales, including (i) the issuance of common or preferred equity securities, (ii) the incurrence of mortgage indebtedness on any property, (iii) the incurrence of unsecured indebtedness, or (iv) the sale of certain real estate assets or any equity interests.

221 Main Street Building Mortgage Note

In April 2014, in connection with acquiring the 221 Main Street Building in San Francisco, California, Columbia Property Trust assumed a $73.0 million mortgage note payable (the "221 Main Street Building Mortgage Note"), which is secured by the property. At the time of acquisition, Columbia Property Trust evaluated the 221 Main Street Building Mortgage Note and determined that the face value of the note approximates its fair value. The fair value of the 221 Main Street Building Mortgage Note was estimated by obtaining estimates for similar facilities from multiple market participants as of the respective reporting dates (Level 2). The 221 Main Street Building Mortgage Note is due on May 10, 2017, and requires monthly, interest-only payments at an interest rate of 3.95% per annum.

650 California Street Building Mortgage Note

In September 2014, in connection with acquiring the 650 California Street Building in San Francisco, California, Columbia Property Trust assumed a $130.0 million mortgage note payable (the "650 California Street Building Mortgage Note"), which is secured by the property. At the time of acquisition, Columbia Property Trust evaluated the 650 California Street Building Mortgage Note and determined that the face value of the note approximates its fair value. The fair value of the 650 California Street Building

Table of Contents
Index to Financial Statements

Mortgage Note was estimated by obtaining estimates for similar facilities from multiple market participants as of the respective reporting dates (Level 2). The 650 California Building Mortgage Note is due on July 1, 2019. Through June 2015, the 650 California Street Building Mortgage Note requires monthly, interest-only payments at an interest rate of 3.60% per annum. In July 2015, Columbia Property Trust began making $591,000 monthly payments, or $7.1 million annually, consisting of principal and interest.

Debt Covenants

The $300 Million Term Loan, the $150 Million Term Loan, the Revolving Credit Facility, and the $300 Million Bridge Loan (collectively, the "Debt Facilities") contain representations and warranties, financial and other affirmative and negative covenants, events of defaults, and remedies typical for these types of facilities. The financial covenants in the Debt Facilities:

(a) limit the ratio of secured debt to total asset value, as defined therein, to 40% or less;

(b) require the fixed charge coverage ratio, as defined therein, to be at least 1.50:1.00;

(c) limit the ratio of debt to total asset value, as defined therein, to 60% or less;

(d) require the ratio of unencumbered adjusted net operating income, as defined therein, to unsecured interest expense, as defined therein, to be at least 1.75:1.00;

(e) require the ratio of unencumbered asset value, as defined therein, to total unsecured debt, as defined therein, to be at least 1.66:1.00; and

(f) require maintenance of certain minimum tangible net worth balances.

The $300 Million Bridge Loan also contains customary negative covenants applicable to Columbia Property Trust, Columbia Property Trust OP, and certain subsidiaries, including, among other things, restrictions on indebtedness, liens, restricted payments, sales of assets and transactions with affiliates' and customary events of default, including but not limited to, the nonpayment of principal or interest, material inaccuracy of representations and warranties, violations of covenants, cross-default to material indebtedness, bankruptcy and insolvency, and material adverse judgments. As of December 31, 2015, Columbia Property Trust believes it was in compliance with the restrictive financial covenants on its Debt Facilities and notes payable obligations.

Fair Value of Debt

The estimated fair value of Columbia Property Trust's consolidated line of credit, term loan, and notes payable as of December 31, 2015 and 2014, was approximately $1,140.1 million and $1,465.2 million, respectively. The related carrying value of the line of credit, term loan, and notes payable as of December 31, 2015 and 2014, was $1,135.1 million and $1,430.9 million, respectively. Columbia Property Trust estimated the fair value of its line of credit by obtaining estimates for similar facilities from multiple market participants as of the respective reporting dates. Therefore, the fair values determined are considered to be based on observable market data for similar instruments (Level 2). The fair values of all other debt instruments were estimated based on discounted cash flow analyses using the current incremental borrowing rates for similar types of borrowing arrangements as of the respective reporting dates (Level 3).

Interest Paid and Capitalized

As of December 31, 2015 and 2014, Columbia Property Trust's weighted-average interest rate on its consolidated line of credit and notes payable, was approximately 2.54% and 3.95%, respectively. Columbia Property Trust made interest payments of approximately $54.0 million, $56.1 million, and $59.6 million during 2015, 2014, and 2013, respectively, of which approximately $0.6 million was capitalized during 2015, and no interest was capitalized during 2014 or 2013.

Debt Repayments and Maturities

On January 6, 2015, Columbia Property Trust entered into a $300.0 million, six-month, unsecured loan to finance a portion of the real estate assets purchased in January 2015. On March 12, 2015, Columbia Property Trust fully repaid the loan with proceeds from the 2025 Bonds Payable, as described in Note 5, Bonds Payable, at which time Columbia Property Trust recognized a loss on early extinguishment of debt of $0.5 million as a result of writing off the

unamortized deferred financing costs. The loan was set to mature on July 6, 2015.

On June 1, 2015, Columbia Property Trust repaid the mortgage note for the 333 Market Street Building for $206.5 million and the related interest rate swap agreement expired. The maturity date for the 333 Market Street Building mortgage note was July 1, 2015.

On July 1, 2015, in connection with the 11 Property Sale, Columbia Property Trust repaid the mortgage note for the 215 Diehl Road Building, one of the properties included in the 11 Property Sale, for $21.0 million. As a result, Columbia Property Trust

Table of Contents
Index to Financial Statements

recognized a loss on early extinguishment of debt of $2.1 million, primarily as a result of a prepayment premium. The maturity date for the 215 Diehl Road Building mortgage note was July 1, 2017.

On July 13, 2015, Columbia Property Trust repaid the $105.0 million mortgage note on the 100 East Pratt Street Building at par. The maturity date for the 100 East Pratt Street Building mortgage note was June 11, 2017.

On October 8, 2014, Columbia Property Trust repaid the mortgage note for the 544 Lakeview Building for $9.1 million, resulting in a loss on early extinguishment of debt of $23,000. The original maturity date for the 544 Lakeview Building mortgage note was December 1, 2014.

The following table summarizes the aggregate maturities of Columbia Property Trust's line of credit, term loan, and notes payable as of December 31, 2015 (in thousands):

2016	$163,460
2017	127,728
2018	25,859
2019	368,016
2020	300,000
Thereafter	150,000
Total	$1,135,063

6. Bonds Payable

In March 2015, Columbia Property Trust OP issued $350.0 million of ten-year, unsecured 4.150% senior notes at 99.859% of their face value (the "2025 Bonds Payable"), pursuant to a shelf registration statement, which are guaranteed by Columbia Property Trust. Columbia Property Trust OP received proceeds from the 2025 Bonds Payable, net of fees, of $347.2 million. The 2025 Bonds Payable require semi-annual interest payments in April and October based on a contractual annual interest rate of 4.150%. In the accompanying consolidated balance sheets, the 2025 Bonds Payable are shown net of the initial issuance discount of approximately $0.5 million, which will be amortized to interest expense over the term of the 2025 Bonds Payable using the effective interest method. The principal amount of the 2025 Bonds Payable is due and payable on the maturity date, April 1, 2025.

In 2011, Columbia Property Trust issued $250.0 million of its seven-year, unsecured 5.875% senior notes at 99.295% of their face value. Columbia Property Trust received proceeds from the 2018 Bonds Payable, net of fees, of $246.7 million. The 2018 Bonds Payable require semiannual interest payments in April and October based on a contractual annual interest rate of 5.875%, which is subject to adjustment in certain circumstances. In the accompanying consolidated balance sheets, the 2018 Bonds Payable are shown net of the initial issuance discount of approximately $1.8 million, which is amortized to interest expense over the term of the 2018 Bonds Payable using the effective interest method. The principal amount of the 2018 Bonds Payable is due and payable on the maturity date, April 1, 2018.

Interest payments on the 2025 Bonds Payable began in October 2015. Interest payments of $22.7 million were made on the 2025 Bonds Payable and the 2018 Bonds Payable during 2015, and interest payments of $14.7 million were made on the 2018 Bonds Payable during 2014.

The restrictive covenants on the 2025 Bonds Payable and the 2018 Bonds Payable, as defined, pursuant to an indenture include:

- a limitation on the ratio of debt to total assets, as defined, to 60%;
- limits to Columbia Property Trust's ability to incur debt if the consolidated income available for debt service to annual debt service charge, as defined, for four previous consecutive fiscal quarters is less than 1.5:1 on a pro forma basis;
- limits to Columbia Property Trust's ability to incur liens if, on an aggregate basis for Columbia Property Trust, the secured debt amount would exceed 40% of the value of the total assets; and
- a requirement that the ratio of unencumbered asset value, as defined, to total unsecured debt be at least 150% at all times.

As of December 31, 2015, Columbia Property Trust believes it was in compliance with the restrictive financial covenants on its 2025 Bonds Payable and 2018 Bonds Payable. The 2018 Bonds Payable were originally issued through a private offering and subsequently registered.

The estimated fair value of the 2025 Bonds Payable and the 2018 Bonds Payable as of December 31, 2015, was approximately $602.3 million and the fair value of the 2018 Bonds Payable as of December 31, 2014, was $250.6 million. The related carrying

Table of Contents
Index to Financial Statements

value of the bonds payable, net of discounts, as of December 31, 2015 and 2014 was $595.3 million and $248.0 million, respectively. The fair value of the 2025 Bonds Payable and the 2018 Bonds Payable was estimated based on discounted cash flow analyses using the current incremental borrowing rates for similar types of borrowing as the 2025 Bonds Payable and the 2018 Bonds Payable arrangements, as of the respective reporting dates (Level 2). The discounted cash flow method of assessing fair value results in a general approximation of value, and such value may never actually be realized.

7. Commitments and Contingencies

Commitments Under Existing Lease Agreements

Certain lease agreements include provisions that, at the option of the tenant, may obligate Columbia Property Trust to expend capital to expand an existing property or provide other expenditures for the benefit of the tenant. As of December 31, 2015, no tenants have exercised such options that had not been materially satisfied.

Obligations Under Operating Leases

Columbia Property Trust owns four properties that are subject to ground leases with expiration dates of December 31, 2058; February 28, 2062; December 14, 2077, and July 31, 2099. We incurred $2.6 million in rent expense related to such ground leases in 2015, 2014, and 2013. The lease expiring on December 14, 2077 has been fully prepaid. As of December 31, 2015, the required payments under the terms of the remaining three ground leases are as follows (in thousands):

2016	$2,557
2017	2,702
2018	2,731
2019	2,731
2020	2,731
Thereafter	200,066
Total	$213,518

Obligations Under Capital Leases

The Three Glenlake Building is subject to a capital lease of land. This obligation requires payments equal to the amounts of principal and interest receivable from related investments in development authority bonds, which matures in 2021. The required payments under the terms of the leases are as follows as of December 31, 2015 (in thousands):

2016	$7,200
2017	7,200
2018	7,200
2019	7,200
2020	7,200
Thereafter	127,200
	163,200
Amounts representing interest	(43,200)
Total	$120,000

Guaranty of Debt of Unconsolidated Joint Venture

Columbia Property Trust entered into a guaranty of a $25.0 million portion of the Market Square mortgage note, the amount of which will be reduced as space is leased. As of December 31, 2015, Columbia Property Trust believes that the likelihood of making a payment under this guaranty is remote; therefore, no liability has been recorded related to this guaranty.

Litigation

Columbia Property Trust is subject to various legal proceedings, claims, and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance. Management makes assumptions and estimates

F-27

Table of Contents
Index to Financial Statements

concerning the likelihood and amount of any reasonably possible loss relating to these matters using the latest information available. Columbia Property Trust records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, Columbia Property Trust accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, Columbia Property Trust accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, Columbia Property Trust discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, Columbia Property Trust discloses the nature and estimate of the possible loss of the litigation. Columbia Property Trust does not disclose information with respect to litigation where the possibility of an unfavorable outcome is considered to be remote. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on the liquidity, results of operations, business, or financial condition of Columbia Property Trust. Columbia Property Trust is not currently involved in any legal proceedings of which management would consider the outcome to be reasonably likely to have a material adverse effect on the results of operations or financial condition of Columbia Property Trust.

8. Stockholders' Equity

Common Stock Repurchase Program

Columbia Property Trust's board of directors has authorized the repurchase of up to an aggregate of $200 million of its common stock, par value $0.01, through September 4, 2017 (the "Stock Repurchase Program"). Columbia Property Trust intends to continue to acquire shares primarily through open market transactions, subject to market conditions and other factors. Under the Stock Repurchase Program, during 2015, Columbia Property Trust acquired approximately 721,000 shares at an average price of $22.62, for aggregate purchases of $16.3 million. As of December 31, 2015, $183.7 million remains available for repurchases under the Stock Repurchase Program. Common stock repurchases are charged against equity as incurred, and the repurchased shares are retired.

Long-Term Incentive Plan

Columbia Property Trust maintains a long-term incentive plan that provides for grants of stock to be made to certain employees and independent directors of Columbia Property Trust (the "LTIP"). In July 2013, Columbia Property Trust's shareholders approved the LTIP, and 2,000,000 shares were authorized and reserved for issuance under the LTIP.

On January 21, 2015, Columbia Property Trust granted 123,187 shares of common stock to employees, net of 11,368 shares withheld to settle the related tax liability, under the LTIP (the "2014 LTIP Employee Grant"), of which 25% vested upon grant, and the remaining shares will vest ratably, with the passage of time, on January 31, 2016, 2017, and 2018. On January 21, 2014, Columbia Property Trust granted 143,740 shares of common stock to employees, net of 12,752 shares withheld to settle the related tax liability, under the LTIP for 2013 performance (the "2013 LTIP Employee Grant"), of which 25% vested upon grant, and the remaining shares will vest ratably, with the passage of time, on January 31, 2015, 2016, and 2017. Employees will receive quarterly dividends related to their entire grant, including the unvested shares, on each dividend payment date. A summary of the activity for the employee stock grants under the LTIP follows:

	Shares (in thousands)	Weighted-Average, Grant-Date Fair Value[1]
Unvested shares as of January 1, 2014	—	$—
Granted	144	$24.82
Vested	(39)	$24.82
Forfeited	(1)	$24.82
Unvested shares as of December 31, 2014	104	$24.82
Granted	123	$24.40
Vested	(74)	$24.60
Forfeited	(2)	$24.56

Unvested shares as of December 31, 2015	151	(2)	$24.59

(1) Columbia Property Trust determined the weighted-average grant-date fair value using the market closing price on the date of the grant.

(2) As of December 31, 2015, we expect approximately 143,450 of the 151,000 unvested shares to ultimately vest, assuming a forfeiture rate of 5%, which was determined based on peer company data, adjusted for the specifics of the LTIP.

Table of Contents
Index to Financial Statements

On January 21, 2016, Columbia Property Trust granted 231,015 shares of common stock to employees, net of 20,842 shares withheld to settle the related tax liability, under the LTIP, of which 25% vested upon grant, and the remaining shares will vest ratably, with the passage of time, on January 31, 2017, 2018, and 2019.

Beginning in January 2014, Columbia Property Trust pays quarterly installments of the independent directors' annual equity retainers by granting shares to the independent directors, which vest at the time of grant. In September 2013, Columbia Property Trust paid the annual equity retainer for 2013. A summary of these grants, made under the LTIP, follows:

Date of Grant	Shares	Weighted-Average Grant-Date Fair Value
2015 Director Grants:		
January 2, 2015	5,850	$25.75
April 1, 2015	4,995	$27.16
July 1, 2015	4,144	$24.84
October 1, 2015	4,571	$23.40
2014 Director Grants:		
January 21, 2014	3,344	$24.82
April 1, 2014	2,968	$27.22
July 1, 2014	3,016	$25.78
October 1, 2014	4,960	$23.89
2013 Director Grant:		
September 13, 2013	6,820	$29.32

Stock-Based Compensation Expense

Columbia Property Trust incurred stock-based compensation expense related to the following events (in thousands):

	2015	2014	2013
Amortization of unvested LTIP awards	$1,699	$749	$—
Future employee awards[1]	1,353	866	855
Issuance of shares to independent directors	496	360	200
Total stock-based compensation expense	$3,548	$1,975	$1,055

(1) These future employee awards relate to service during the period, to be granted in January of the subsequent year, with 25% vesting on the date of grant, and the remaining 75% vesting ratably on January 31st of each of the following three years.

These expenses are included in general and administrative expenses in the accompanying consolidated statements of operations. There was $2.2 million and $1.7 million of unrecognized compensation costs related to unvested awards under the LTIP as of December 31, 2015 and December 31, 2014, respectively. This amount will be amortized over the respective vesting period, ranging from one year to three years at the time of grant.

Authorized Shares

On July 1, 2014, Columbia Property Trust reduced the number of common shares authorized from 900,000,000 to 225,000,000, which is proportionally equal to the reduction in shares outstanding as a result of the Reverse Stock Split.

Listing

On October 10, 2013, Columbia Property Trust listed its shares of common stock on the New York Stock Exchange under the ticker symbol "CXP." Columbia Property Trust has incurred $4.1 million of costs related to the listing during 2013, primarily related to professional and legal fees associated with the listing. Such fees have been recorded separately as listing costs in the accompanying statement of operations.

Tender Offer

On October 10, 2013, Columbia Property Trust commenced a modified "Dutch-auction" tender offer to purchase for cash up to $300.0 million in value of shares of its common stock (the "Tender Offer"). As a result of the Tender Offer, on November 18,

Table of Contents
Index to Financial Statements

2013, we accepted for purchase 9.4 million shares of common stock at a purchase price of $25.00 per share, for an aggregate cost to Columbia Property Trust of $234.1 million, exclusive of fees and expenses related to the Tender Offer.

Reverse Stock Split

On August 6, 2013, Columbia Property Trust's board of directors approved a four-for-one reverse stock split (the "Reverse Stock Split"). The Reverse Stock Split became effective on August 14, 2013 (the "Effective Date"), causing every four shares of common stock that were issued and outstanding as of the Effective Date to be automatically combined into one issued and outstanding share of common stock. The share combination affected all shareholders uniformly and did not affect any shareholder's percentage ownership interest or any shareholder rights. In addition, the par value and number of authorized shares of common stock remained unchanged. The Reverse Stock Split requires retroactive adjustment; therefore, all share and per-share data for prior periods has been adjusted to reflect the Reverse Stock Split.

Independent Director Stock Option Plan

Columbia Property Trust maintains an independent director stock option plan that provides for grants of stock to be made to independent directors of Columbia Property Trust (the "Director Plan"). On April 24, 2008, the Conflicts Committee of the Board of Directors suspended the Director Plan in connection with the registration of a public offering of shares of its common stock in certain states. A total of 25,000 shares have been authorized and reserved for issuance under the Director Plan.

Under the Director Plan, options to purchase 625 shares of common stock at $48.00 per share were granted upon initially becoming an independent director of Columbia Property Trust. Of these options, 20% are exercisable immediately on the date of grant. An additional 20% of these options become exercisable on each anniversary for four years following the date of grant. Additionally, effective on the date of each annual stockholder meeting, beginning in 2004, each independent director was granted options to purchase 250 additional shares of common stock at the greater of (1) $48.00 per share or (2) the fair market value (as defined in the Director Plan) on the last business day preceding the date of the annual stockholder meeting. These options are 100% exercisable two years after the date of grant. All options granted under the Director Plan expire no later than the tenth anniversary of the date of grant and may expire sooner if the independent director dies, is disabled, or ceases to serve as a director. In the event of a corporate transaction or other recapitalization event, the Conflicts Committee will adjust the number of shares, class of shares, exercise price, or other terms of the Director Plan to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Director Plan or with respect to any option as necessary. No stock option may be exercised if such exercise would jeopardize Columbia Property Trust's status as a REIT under the Code, and no stock option may be granted if the grant, when combined with those issuable upon exercise of outstanding options or warrants granted to Columbia Property Trust's advisor, directors, officers, or any of their affiliates, would exceed 10% of Columbia Property Trust's outstanding shares. No option may be sold, pledged, assigned, or transferred by an independent director in any manner other than by will or the laws of descent or distribution.

A summary of stock option activity under the Director Plan during 2015, 2014, and 2013, follows:

	Number	Exercise Price	Exercisable
Outstanding as of December 31, 2012	7,375	$48	7,375
Granted	—		
Expired	—		
Outstanding as of December 31, 2013	7,375	$48	7,375
Granted	—		
Expired	(3,500)		
Outstanding as of December 31, 2014	3,875	$48	3,875
Granted	—		
Expired	(2,000)		

Outstanding as of December 31, 2015	1,875	$48	1,875

Columbia Property Trust has evaluated the fair values of options granted under the Director Plan using the Black-Scholes-Merton model and concluded that such values are insignificant as of the end of the period presented. The weighted-average contractual remaining life for options that were exercisable as of December 31, 2015, was approximately 1.3 years.

Table of Contents
Index to Financial Statements

9. Operating Leases

Columbia Property Trust's real estate assets are leased to tenants under operating leases for which the terms vary, including certain provisions to extend the lease agreement, options for early terminations, subject to specified penalties, and other terms and conditions as negotiated. Columbia Property Trust retains substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. Amounts required as security deposits vary depending upon the terms of the respective leases and the creditworthiness of the tenant; however, such deposits generally are not significant. Therefore, exposure to credit risk exists to the extent that the receivables exceed this amount. Security deposits related to tenant leases are included in accounts payable, accrued expenses, and accrued capital expenditures in the accompanying consolidated balance sheets.

Based on 2015 Annualized Lease Revenue, as defined, none of our tenants represent more than 6% of Columbia Property Trust's portfolio. Tenants in the legal services, business services, and banking industries each represent 16%, 14%, and 13%, respectively, of Columbia Property Trust's annualized lease revenue. Columbia Property Trust's properties are located in 12 states and the District of Columbia.

As of December 31, 2015, approximately 22% and 17% of Columbia Property Trust's office properties are located in San Francisco and New York, respectively, based on annualized lease revenue.

The future minimum rental income from Columbia Property Trust's investment in real estate assets under noncancelable operating leases, excluding properties under development, as of December 31, 2015, is as follows (in thousands):

2016	$372,172
2017	333,328
2018	315,690
2019	295,537
2020	275,081
Thereafter	1,191,990
Total	$2,783,798

10. Supplemental Disclosures of Noncash Investing and Financing Activities

Outlined below are significant noncash investing and financing activities for the years ended December 31, 2015, 2014, and 2013 (in thousands):

	Years ended December 31,		
	2015	2014	2013
Investment in real estate funded with other assets	$27,000	$3,807	$—
Other assets assumed upon acquisition	$7,785	$2,493	$741
Other liabilities assumed upon acquisition	$4,765	$2,004	$741
Real estate assets transferred to unconsolidated joint venture	$531,696	$—	$—
Mortgage note transferred to unconsolidated joint venture	$325,000	$—	$—
Other assets transferred to unconsolidated joint venture	$37,987	$—	$—
Other liabilities transferred to unconsolidated joint venture	$20,595	$—	$—
Other liabilities settled at disposition	$—	$—	$872
Notes payable assumed at acquisition	$—	$203,000	$—
Interest accruing into notes payable	$—	$—	$186
Discount on issuance of bonds payable	$494	$—	$—
Amortization of discounts (premiums) on debt	$(18)	$396	$(363)
Market value adjustment to interest rate swaps that qualify for hedge accounting treatment	$(1,570)	$1,339	$1,997
Accrued capital expenditures and deferred lease costs	$19,324	$17,283	$15,997
Accrued dividends payable	$37,354	$—	$—
Transfer of development authority bonds	$—	$—	$466,000
Common stock issued to employees and directors, and amortized (net of amounts withheld for taxes)	$3,548	$1,642	$1,055
Decrease in redeemable common stock	$—	$—	$(99,526)

Table of Contents
Index to Financial Statements

11. Related-Party Transactions and Agreements

During 2013, Columbia Property Trust was party to agreements with various entities of Wells Real Estate Funds ("WREF"), which served as our Advisor (the "Advisor"). Since January 1, 2014, Columbia Property Trust has had no contractual relationship with WREF.

- Transition Services Agreement – Columbia Property Trust exercised the option to acquire Columbia Property Trust Advisory Services and Columbia Property Trust Services from WREF (the "Assignment Options") on February 13, 2013, as provided for in the Transition Services Agreement, as amended (the "Transition Services Agreement"). No payment was associated with the Assignment Options; however, Columbia Property Trust was required to pay WREF a total of $8.8 million, for the work required to transfer sufficient employees, proprietary systems and processes, and assets to Columbia Property Trust Advisory Services and Columbia Property Trust Services.
- Consulting Services Agreement – Under the Consulting Services Agreement, WREF provided consulting services with respect to the same matters that were provided under the Advisory Agreement, described below (the "Consulting Services Agreement"). The Consulting Services Agreement terminated on December 31, 2013. The fees incurred under the Consulting Services Agreement are included in general and administrative expense in the accompanying consolidated statement of operations.
- Advisory Agreement – Under the terms of the advisory agreement in place from January 1, 2013 to February 27, 2013 (the "Advisory Agreement"), Columbia Property Trust incurred fees and reimbursements payable to the Advisor for asset management and administrative services.

Related-Party Costs

Columbia Property Trust did not incur any related party costs in 2015 or 2014. In 2013, pursuant to the terms of the agreements described above, Columbia Property Trust incurred the following related-party costs (in thousands):

	Year ended December 31, 2013
Consulting services	$25,417
Transition services	5,750
Asset management fees	5,083
Administrative reimbursements, net[1]	1,939
Investor services	829
Property management fees	523
Construction fees[2]	139
Other	69
Total	$39,749

(1) Administrative reimbursements are presented net of reimbursements from tenants of approximately $0.7 million for the year ended December 31, 2013.

(2) Construction fees were capitalized to real estate assets as incurred.

There were no amounts due to affiliates as of December 31, 2015 or December 31, 2014.

Table of Contents
Index to Financial Statements

12. Income Taxes

Columbia Property Trust's income tax basis net income during 2015, 2014, and 2013 (in thousands) follows:

	2015	2014	2013
GAAP basis financial statement net income attributable to the common stockholders of Columbia Property Trust, Inc.	$44,619	$92,635	$15,720
Increase (decrease) in net income resulting from:			
Depreciation and amortization expense for financial reporting purposes in excess of amounts for income tax purposes	81,559	69,832	72,554
Rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(13,409)	(8,437)	(26,565)
Net amortization of above-/below-market lease intangibles for financial reporting purposes less than amounts for income tax purposes	(6,626)	(9,394)	(8,186)
Gain on interest rate swaps that do not qualify for hedge accounting treatment for financial reporting purposes in excess of amounts for income tax purposes	(2,633)	(4,945)	(5,530)
Bad debt expense for financial reporting purposes less than amounts for income tax purposes	5	(1)	(65)
Gains or losses on disposition of real property for financial reporting purposes that are more favorable than amounts for income tax purposes	(117,857)	(47,159)	(78,559)
Other expenses for financial reporting purposes in excess of amounts for income tax purposes	14,342	31,991	9,710
Income tax basis net income (loss), prior to dividends-paid deduction	$—	$124,522	$(20,921)

As of December 31, 2015, the tax basis carrying value of Columbia Property Trust's total assets was approximately $5.0 billion. For income tax purposes, distributions to common stockholders are characterized as ordinary income, capital gains, or as a return of a stockholder's invested capital. Columbia Property Trust's distributions per common share are summarized as follows:

	2015	2014	2013
Ordinary income	— %	83.1 %	— %
Capital gains	— %	— %	— %
Return of capital	100 %	16.9 %	100 %
Total	100 %	100 %	100 %

As of December 31, 2015, returns for the calendar years 2011 through 2015 remain subject to examination by U.S. or various state tax jurisdictions.

No provisions for federal income taxes have been made in the accompanying consolidated financial statements, other than the provisions relating to the TRS Entities, as we made distributions in excess of taxable income for the periods presented. We are subject to certain state and local taxes related to property operations in certain locations, which have been provided for in our accompanying consolidated financial statements. The income taxes recorded by the TRS Entities for the years ended December 31, 2015, 2014, and 2013, are as follows:

	Years ended December 31,		
	2015	2014	2013
Federal income tax	$17	$318	$307
State income tax	25	35	2
Total income tax	$42	$353	$309

As of December 31, 2015 and 2014, Columbia Property Trust had no deferred tax liabilities. As of December 31, 2015 and 2014, Columbia Property Trust had a deferred tax asset of $0.2 million and $0.3 million, respectively, included in prepaid expenses and other assets in the accompanying consolidated balance sheets. Columbia Property Trust has

assessed its ability to realize this deferred tax asset and determined that it is more likely than not that the deferred tax asset of $0.2 million as of December 31, 2015, is realizable.

Table of Contents
Index to Financial Statements

13. Discontinued Operations

As a result of implementing ASU 2014-08 effective April 1, 2014, beginning in the second quarter of 2014, the operating results for properties sold are included in continuing operations. Properties sold prior to implementing ASU 2014-08 are included in discontinued operations in the accompanying consolidated statements of operations for all periods presented. The following properties were sold prior to implementing ASU 2014-08 and are, therefore, included in discontinued operations in the accompanying consolidated statements of operations for all periods presented:

- the properties included in the 18 Property Sale, which closed on November 5, 2013, for $521.5 million and resulted in a net loss of $0.4 million;
- Dvintsev Business Center – Tower B in Moscow, Russia, which sold on March 21, 2013, along with its holding entity, Landlink, Ltd., which was 100% owned by Columbia Property Trust, for $67.5 million and resulted in a gain of $10.0 million;

The following table shows the revenues and expenses of the above-described discontinued operations (in thousands). No activity has been reclassified to discontinued operations in 2015. Amounts reclassified in 2014 reflect post closing adjustments and true ups related to the 18 Property Sale, which closed prior to our adoption of ASU 2014-08.

	Years ended December 31,	
	2014	2013
Revenues:		
Rental income	$4	$48,550
Tenant reimbursements	115	11,205
Other property income	—	291
	119	60,046
Expenses:		
Property operating costs	(250)	21,232
Asset and property management fees	7	1,501
Depreciation	—	11,730
Amortization	—	7,590
Impairment loss on real estate assets	—	29,737
General and administrative	755	1,360
Total expenses	512	73,150
Operating loss	(393)	(13,104)
Other income (expense):		
Interest expense	3	(3,804)
Interest and other income	—	293
Loss on early extinguishment of debt	—	(4,709)
Loss from discontinued operations before income tax expense	(390)	(21,324)
Income tax expense	—	(1)
Loss from discontinued operations	(390)	(21,325)
Gain (loss) on disposition of discontinued operations	(1,627)	11,225
Loss from discontinued operations	$(2,017)	$(10,100)

Table of Contents
Index to Financial Statements

14. Earnings Per Share

For 2015 and 2014, the basic and diluted earnings-per-share computations, net income, and income from continuing operations have been reduced for the dividends paid on unvested shares related to the LTIP grants, as described in Note 8, Stockholders' Equity. The following table reconciles the numerator for the basic and diluted earnings per share computations shown on the consolidated statements of income for 2015, 2014, and 2013 (in thousands):

	2015	2014	2013
Net income	$44,619	$92,635	$15,720
Distributions paid on unvested shares	(185)	(128)	—
Net income used to calculate basic and diluted earnings per share	$44,434	$92,507	$15,720

The following table reconciles the denominator for the basic and diluted earnings-per-share computations shown on the consolidated statements of income for 2015, 2014, and 2013 (in thousands):

	2015	2014	2013
Weighted-average common shares – basic	124,757	124,860	134,085
Plus incremental weighted-average shares from time-vested conversions less assumed share repurchases:			
Previously granted LTIP awards, unvested	33	29	—
Future LTIP awards	57	29	—
Weighted-average common shares – diluted	124,847	124,918	134,085

15. Quarterly Results (unaudited)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 2015 and 2014(in thousands, except per-share data):

	2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$147,543	$148,124	$137,719	$132,679
Net income	$5,598	$8,709	$20,143 (1)	$10,169
Net income per share - basic	$0.04	$0.07	$0.16	$0.08
Net income per share - diluted	$0.04	$0.07	$0.16	$0.08
Dividends declared per share	$0.30	$0.30	$0.30	$0.30

(1) Net income for the third quarter of 2015 includes gains on sales of real estate assets of $20.2 million related to the 11 Property Sale, partially offset by losses on early extinguishment of debt of $2.7 million.

	2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$129,168	$136,757	$136,981	$137,891
Net income	$3,400	$8,021	$24,988	$56,226 (1)
Net income per share - basic	$0.03	$0.06	$0.20	$0.45
Net income per share - diluted	$0.03	$0.06	$0.20	$0.45
Dividends declared per share	$0.30	$0.30	$0.30	$0.30

(1) Net income for the fourth quarter of 2014 includes gains on sales of real estate of $56.6 million (See Note 3, Real Estate and Other Transactions), partially offset by impairment losses of $10.1 million.

Table of Contents
Index to Financial Statements

16. Financial Information for Parent Guarantor, Other Guarantor Subsidiaries, and Non-Guarantor Subsidiaries

The 2025 Bonds Payable and the 2018 Bonds Payable (see Note 5, Bonds Payable) were issued by Columbia Property Trust OP, and are guaranteed by Columbia Property Trust. In accordance with SEC Rule 3-10(c), Columbia Property Trust includes herein condensed consolidating financial information in lieu of separate financial statements of the subsidiary issuer (Columbia Property Trust OP), as defined in the bond indentures, because all of the following criteria are met:

(1) the subsidiary issuer (Columbia Property Trust OP) is 100% owned by the parent company guarantor (Columbia Property Trust);

(2) the guarantees are full and unconditional; and

(3) no other subsidiary of the parent company guarantor (Columbia Property Trust) guarantees the 2025 Bonds Payable or the 2018 Bonds Payable.

Columbia Property Trust uses the equity method with respect to its investment in subsidiaries included in its condensed consolidating financial statements. Set forth below are Columbia Property Trust's condensed consolidating balance sheets as of December 31, 2015 and 2014 (in thousands), as well as its condensed consolidating statements of operations and its condensed consolidating statements of comprehensive income for 2015, 2014, and 2013 (in thousands); and its condensed consolidating statements of cash flows for 2015, 2014, and 2013 (in thousands).

Table of Contents
Index to Financial Statements

Condensed Consolidating Balance Sheets (in thousands)

	As of December 31, 2015				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Assets:					
Real estate assets, at cost:					
Land	$—	$6,241	$890,226	$—	$896,467
Buildings and improvements, net	—	28,913	2,868,518	—	2,897,431
Intangible lease assets, net	—	—	259,136	—	259,136
Construction in progress	—	917	30,930	—	31,847
Total real estate assets	—	36,071	4,048,810	—	4,084,881
Investment in unconsolidated joint venture	—	118,695	—	—	118,695
Cash and cash equivalents	989	14,969	16,687	—	32,645
Investment in subsidiaries	2,333,408	1,901,581	—	(4,234,989)	—
Tenant receivables, net of allowance	—	52	11,618	—	11,670
Straight-line rent receivable	—	1,311	107,751	—	109,062
Prepaid expenses and other assets	317,151	265,615	26,153	(573,071)	35,848
Intangible lease origination costs, net	—	—	77,190	—	77,190
Deferred lease costs, net	—	2,055	86,072	—	88,127
Investment in development authority bonds	—	—	120,000	—	120,000
Total assets	$2,651,548	$2,340,349	$4,494,281	$(4,808,060)	$4,678,118
Liabilities:					
Line of credit, term loan, and notes payable, net	$—	$812,836	$888,340	$(570,605)	$1,130,571
Bonds payable, net	—	595,259	—	—	595,259
Accounts payable, accrued expenses, and accrued capital expenditures	—	13,313	85,446	—	98,759
Dividends payable	37,354	—	—	—	37,354
Due to affiliates	—	21	2,445	(2,466)	—
Deferred income	—	200	24,614	—	24,814
Intangible lease liabilities, net	—	—	57,167	—	57,167
Obligations under capital leases	—	—	120,000	—	120,000
Total liabilities	37,354	1,421,629	1,178,012	(573,071)	2,063,924
Equity:					
Total equity	2,614,194	918,720	3,316,269	(4,234,989)	2,614,194
Total liabilities, redeemable common stock, and equity	$2,651,548	$2,340,349	$4,494,281	$(4,808,060)	$4,678,118

Table of Contents
Index to Financial Statements

Condensed Consolidating Balance Sheets (in thousands)

	As of December 31, 2014				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Assets:					
Real estate assets, at cost:					
Land	$—	$6,241	$778,860	$—	$785,101
Building and improvements, net	—	29,899	2,996,532	—	3,026,431
Intangible lease assets, net	—	—	247,068	—	247,068
Construction in progress	—	433	17,529	—	17,962
Total real estate assets	—	36,573	4,039,989	—	4,076,562
Cash and cash equivalents	119,488	10,504	19,798	—	149,790
Investment in subsidiaries	2,409,941	2,120,018	—	(4,529,959)	—
Tenant receivables, net of allowance	—	246	6,699	—	6,945
Straight-line rent receivable	—	781	115,708	—	116,489
Prepaid expenses and other assets	204,079	152,014	19,734	(319,896)	55,931
Intangible lease origination costs, net	—	—	105,528	—	105,528
Deferred lease costs, net	—	1,658	101,337	—	102,995
Investment in development authority bonds	—	—	120,000	—	120,000
Total assets	$2,733,508	$2,321,794	$4,528,793	$(4,849,855)	$4,734,240
Liabilities:					
Lines of credit, term loan, and notes payable	$—	$448,968	$1,296,826	$(318,348)	$1,427,446
Bonds payable, net	—	247,982	—	—	247,982
Accounts payable, accrued expenses, and accrued capital expenditures	30	9,749	96,497	—	106,276
Due to affiliates	—	24	1,524	(1,548)	—
Deferred income	—	171	24,582	—	24,753
Intangible lease liabilities, net	—	—	74,305	—	74,305
Obligations under capital leases	—	—	120,000	—	120,000
Total liabilities	30	706,894	1,613,734	(319,896)	2,000,762
Equity:					
Total equity	2,733,478	1,614,900	2,915,059	(4,529,959)	2,733,478
Total liabilities, redeemable common stock, and equity	$2,733,508	$2,321,794	$4,528,793	$(4,849,855)	$4,734,240

Table of Contents
Index to Financial Statements

Consolidating Statements of Operations (in thousands)

	For the Year Ended December 31, 2015				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Revenues:					
Rental income	$—	$2,662	$433,763	$(377)	$436,048
Tenant reimbursements	—	1,316	98,339	—	99,655
Hotel income	—	—	24,309	—	24,309
Other property income	171	—	6,215	(333)	6,053
	171	3,978	562,626	(710)	566,065
Expenses:					
Property operating costs	—	3,065	185,390	(377)	188,078
Hotel operating costs	—	—	19,615	—	19,615
Asset and property management fees:					
Related-party	—	100	—	(100)	—
Other	—	—	1,816	—	1,816
Depreciation	—	2,571	128,919	—	131,490
Amortization	—	237	86,891	—	87,128
General and administrative	152	8,754	21,010	(233)	29,683
Acquisition expenses	—	11	3,664	—	3,675
	152	14,738	447,305	(710)	461,485
Real estate operating income (loss)	19	(10,760)	115,321	—	104,580
Other income (expense):					
Interest expense	—	(44,919)	(67,076)	26,699	(85,296)
Interest and other income	14,141	12,565	7,247	(26,699)	7,254
Loss on interest rate swaps	—	(1,101)	(9)	—	(1,110)
Loss on early extinguishment of debt	—	(1,050)	(2,099)	—	(3,149)
	14,141	(34,505)	(61,937)	—	(82,301)
Income before income tax expense and unconsolidated joint venture	14,160	(45,265)	53,384	—	22,279
Income tax expense	—	(25)	(353)	—	(378)
Income (loss) from unconsolidated entities	30,459	59,165	—	(90,766)	(1,142)
Income before gain (loss) on sale of real estate assets	44,619	13,875	53,031	(90,766)	20,759
Gain (loss) on sale of real estate assets	—	(19)	23,879	—	23,860
Net income	$44,619	$13,856	$76,910	$(90,766)	$44,619

Table of Contents
Index to Financial Statements

Consolidating Statements of Operations (in thousands)

	For the Year Ended December 31, 2014				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Revenues:					
Rental income	$—	$1,150	$413,752	$(361)	$414,541
Tenant reimbursements	—	222	95,153	—	95,375
Hotel income	—	—	22,885	—	22,885
Other property income	—	—	8,220	(224)	7,996
	—	1,372	540,010	(585)	540,797
Expenses:					
Property operating costs	—	2,716	161,367	(361)	163,722
Hotel operating costs	—	—	18,792	—	18,792
Asset and property management fees:					
Related-party	—	17	—	(17)	—
Other	—	—	2,258	—	2,258
Depreciation	—	1,795	115,971	—	117,766
Amortization	—	121	78,722	—	78,843
Impairment loss on real estate assets	—	—	25,130	—	25,130
General and administrative	149	9,701	21,632	(207)	31,275
Acquisition expenses	—	—	14,142	—	14,142
	149	14,350	438,014	(585)	451,928
Real estate operating income (loss)	(149)	(12,978)	101,996	—	88,869
Other income (expense):					
Interest expense	—	(30,271)	(64,105)	18,665	(75,711)
Interest and other income	7,969	10,724	7,247	(18,665)	7,275
Loss on interest rate swaps	—	—	(371)	—	(371)
Loss on early extinguishment of debt	—	—	(23)	—	(23)
Income from equity investment	84,815	113,976	—	(198,791)	—
	92,784	94,429	(57,252)	(198,791)	(68,830)
Income before income tax expense and gain on sale of real estate assets	92,635	81,451	44,744	(198,791)	20,039
Income tax expense	—	(4)	(658)	—	(662)
Income before gain on sale of real estate assets	92,635	81,447	44,086	(198,791)	19,377
Gain on sale of real estate assets	—	—	75,275	—	75,275
	92,635	81,447	119,361	(198,791)	94,652
Discontinued operations:					
Operating loss from discontinued operations	—	—	(390)	—	(390)
Loss on disposition of discontinued operations	—	—	(1,627)	—	(1,627)
Loss from discontinued operations	—	—	(2,017)	—	(2,017)

Net income	$92,635	$81,447	$117,344	$(198,791)	$92,635

Table of Contents
Index to Financial Statements

Consolidating Statements of Operations (in thousands)

	For the Year Ended December 31, 2013				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Revenues:					
Rental income	$—	$403	$406,791	$(287)	$406,907
Tenant reimbursements	—	149	90,726	—	90,875
Hotel income	—	—	23,756	—	23,756
Other property income	—	17	5,208	(185)	5,040
	—	569	526,481	(472)	526,578
Expenses:					
Property operating costs	—	1,966	152,880	(287)	154,559
Hotel operating costs	—	—	18,340	—	18,340
Asset and property management fees:					
Related-party	4,397	15	313	(32)	4,693
Other	—	—	1,671	—	1,671
Depreciation	—	1,247	106,858	—	108,105
Amortization	—	28	78,682	—	78,710
General and administrative	16	43,555	18,448	(153)	61,866
Listing fees	317	3,743	—	—	4,060
	4,730	50,554	377,192	(472)	432,004
Real estate operating income (loss)	(4,730)	(49,985)	149,289	—	94,574
Other income (expense):					
Interest expense	—	(32,659)	(88,137)	18,855	(101,941)
Interest and other income	7,987	10,874	34,023	(18,855)	34,029
Loss on interest rate swaps	—	—	(342)	—	(342)
Income from equity investment	12,463	86,101	—	(98,564)	—
	20,450	64,316	(54,456)	(98,564)	(68,254)
Income before income tax expense	15,720	14,331	94,833	(98,564)	26,320
Income tax expense	—	(3)	(497)	—	(500)
Income from continuing operations	15,720	14,328	94,336	(98,564)	25,820
Discontinued operations:					
Operating income (loss) from discontinued operations	—	658	(21,983)	—	(21,325)
Gain on disposition of discontinued operations	—	—	11,225	—	11,225
Income (loss) from discontinued operations	—	658	(10,758)	—	(10,100)
Net income	$15,720	$14,986	$83,578	$(98,564)	$15,720

Table of Contents
Index to Financial Statements

Consolidating Statements of Comprehensive Income (in thousands)

	For the Year Ended December 31, 2015				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income	$44,619	$13,856	$76,910	$(90,766)	$44,619
Market value adjustment to interest rate swap	(1,570)	(1,570)	—	1,570	(1,570)
Settlement of interest rate swap	1,102	1,102	—	(1,102)	1,102
Comprehensive income	$44,151	$13,388	$76,910	$(90,298)	$44,151

	For the Year Ended December 31, 2014				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income	$92,635	$81,447	$117,344	$(198,791)	$92,635
Market value adjustment to interest rate swap	1,339	1,339	—	(1,339)	1,339
Comprehensive income	$93,974	$82,786	$117,344	$(200,130)	$93,974

	For the Year Ended December 31, 2013				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Net income	$15,720	$14,986	$83,578	$(98,564)	$15,720
Market value adjustment to interest rate swap	1,997	1,997	—	(1,997)	1,997
Foreign currency translation adjustment	(83)	—	(83)	83	(83)
Comprehensive income	$17,634	$16,983	$83,495	$(100,478)	$17,634

Table of Contents
Index to Financial Statements

Consolidating Statements of Cash Flows (in thousands)

	For the Year Ended December 31, 2015				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Cash flows from operating activities	$26	$(50,601)	$273,655	$—	$223,080
Cash flows from investing activities:					
Net proceeds from sale of real estate	72,353	524,381	—	—	596,734
Investment in real estate and related assets	(57,198)	(1,007,511)	(103,224)	—	(1,167,933)
Investment in unconsolidated joint venture	—	(5,500)	—	—	(5,500)
Investments in subsidiaries	(1,065,695)	—	—	1,065,695	—
Net cash used in investing activities	(1,050,540)	(488,630)	(103,224)	1,065,695	(576,699)
Cash flows from financing activities:					
Borrowings, net of fees	—	2,223,778	—	—	2,223,778
Repayments	—	(1,518,000)	(336,512)	—	(1,854,512)
Prepayments to settle debt and interest rate swap	—	(1,102)	(2,063)	—	(3,165)
Redemptions of common stock	(17,057)	—	—	—	(17,057)
Distributions	(112,570)	—	—	—	(112,570)
Intercompany transfers, net	1,061,642	(160,980)	165,033	(1,065,695)	—
Net cash provided by (used in) financing activities	932,015	543,696	(173,542)	(1,065,695)	236,474
Net increase (decrease) in cash and cash equivalents	(118,499)	4,465	(3,111)	—	(117,145)
Cash and cash equivalents, beginning of period	119,488	10,504	19,798	—	149,790
Cash and cash equivalents, end of period	$989	$14,969	$16,687	$—	$32,645

Table of Contents
Index to Financial Statements

Consolidating Statements of Cash Flows (in thousands)

	For the Year Ended December 31, 2014				
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Consolidating Adjustments	Columbia Property Trust (Consolidated)
Cash flows from operating activities	$(122)	$(38,618)	$275,646	$—	$236,906
Cash flows from investing activities:					
Net proceeds from sale of real estate	—	418,207	—	—	418,207
Investment in real estate and related assets	(5,000)	(366,380)	(70,615)	—	(441,995)
Investments in subsidiaries	67,403	—	—	(67,403)	—
Net cash provided by (used in) investing activities	62,403	51,827	(70,615)	(67,403)	(23,788)
Cash flows from financing activities:					
Borrowings, net of fees	—	282,807	(1,289)	—	281,518
Repayments	—	(283,000)	(11,739)	—	(294,739)
Distributions	(149,962)	—	—	—	(149,962)
Intercompany transfers	153,847	(23,220)	(198,030)	67,403	—
Net cash provided by (used in) financing activities	3,885	(23,413)	(211,058)	67,403	(163,183)
Net increase (decrease) in cash and cash equivalents	66,166	(10,204)	(6,027)	—	49,935
Cash and cash equivalents, beginning of period	53,322	20,708	25,825	—	99,855
Cash and cash equivalents, end of period	$119,488	$10,504	$19,798	$—	$149,790

	For the Year Ended December 31, 2013			
	Columbia Property Trust (Parent)	Columbia Property Trust OP (the Issuer)	Non-Guarantors	Columbia Property Trust (Consolidated)
Cash flows from operating activities	$(331)	$(84,270)	$302,930	$218,329
Cash flows from investing activities:				
Net proceeds from sale of real estate	14,127	551,818	—	565,945
Investment in real estate and related assets	—	(5,270)	(65,286)	(70,556)
Net cash provided by (used in) investing activities	14,127	546,548	(65,286)	495,389
Cash flows from financing activities:				
Borrowings, net of fees	—	297,320	(41)	297,279
Repayments	—	(343,000)	(118,940)	(461,940)
Loss on early extinguishment of debt	—	—	(4,709)	(4,709)
Redemptions of common stock, net of issuances	(306,574)	—	—	(306,574)
Distributions	(191,473)	—	—	(191,473)

Intercompany transfers	516,659	(400,712)	(115,947)	—
Net cash used in financing activities	18,612	(446,392)	(239,637)	(667,417)
Net increase (decrease) in cash and cash equivalents	32,408	15,886	(1,993)	46,301
Effect of foreign exchange rate on cash and cash equivalents	—	—	(103)	(103)
Cash and cash equivalents, beginning of period	20,914	4,822	27,921	53,657
Cash and cash equivalents, end of period	$53,322	$20,708	$25,825	$99,855

Table of Contents
Index to Financial Statements

17. Subsequent Events

Columbia Property Trust has evaluated subsequent events in connection with the preparation of its consolidated financial statements and notes thereto included in this report on Form 10-K and noted the following items in addition to those disclosed elsewhere in this report:

Dividends

On January 6, 2016, Columbia Property Trust paid the dividends for the fourth quarter of 2015 for an aggregate amount of $37.4 million to shareholders of record on December 1, 2015.

On February 10, 2016, the board of directors declared dividends for the first quarter of 2016 in the amount of $0.30 per share, payable on March 15, 2016, to stockholders of record on March 1, 2016.

Table of Contents
Index to Financial Statements

Columbia Property Trust, Inc.
Schedule III – Real Estate Assets and Accumulated Depreciation and Amortization
December 31, 2015 (in thousands)

Description	Location	Ownership %	Encumbrances	Initial Costs			Costs Capitalized Subsequent to Acquisition	Gross Amount at Which December 31, 2015		
				Land	Buildings and Improvements	Total		Land	Buildings and Improvements	T
515 POST OAK	Houston, TX	100%	None	$6,100	$28,905	$35,005	$11,097	$6,241	$39,861	$
ONE GLENLAKE PARKWAY	Atlanta, GA	100%	$29,278	5,846	66,681	72,527	(4,416)	5,934	62,177	6
80 M STREET	Washington, D.C.	100%	None	26,248	76,269	102,517	(3,222)	26,806	72,489	9
800 NORTH FREDERICK	Gaithersburg, MD	100%	None	22,758	43,174	65,932	582	20,195	46,319	6
100 EAST PRATT	Baltimore, MD	100%	None	31,234	140,217	171,451	39,414	31,777	179,088	2
UNIVERSITY CIRCLE	East Palo Alto, CA	100%	None	27,493	278,288	305,781	(18,499)	27,756	259,526	2
5 HOUSTON CENTER	Houston, TX	100%	None	8,186	147,653	155,839	(26,891)	8,186	120,762	1
KEY CENTER TOWER	Cleveland, OH	100%	None [(a)]	7,269	244,424	251,693	19,746	7,454	263,985	2
KEY CENTER MARRIOTT	Cleveland, OH	100%	None	3,473	34,458	37,931	15,993	3,629	50,295	5
SANTAN CORPORATE CENTER	Chandler, AZ	100%	$39,000	8,045	46,282	54,327	(3,552)	8,193	42,582	5
263 SHUMAN BOULEVARD	Naperville, IL	100%	$49,000	7,142	41,535	48,677	6,890	7,233	48,334	5
80 PARK PLAZA	Newark, NJ	100%	None	31,766	109,952	141,718	37,804	32,221	147,301	1
INTERNATIONAL FINANCIAL TOWER	Jersey City, NJ	100%	None	29,061	141,544	170,605	11,350	29,712	152,243	1
STERLING COMMERCE	Irving, TX	100%	None	8,639	43,980	52,619	4,111	8,752	47,978	5
PASADENA CORPORATE PARK	Pasadena, CA	100%	None	53,099	59,630	112,729	(2,074)	53,099	57,556	1
222 EAST 41ST STREET	New York City, NY	100%	None [(a)]	—	324,520	324,520	2,465	—	326,985	3
SOUTH JAMAICA STREET	Englewood, CO	100%	None	13,429	109,781	123,210	3,252	13,735	112,727	1
LINDBERGH CENTER	Atlanta, GA	100%	None [(a)]	—	262,468	262,468	3,252	—	265,720	2
	Atlanta, GA	100%	None [(b)]	7,517	88,784	96,301	891	8,055	89,137	9

THREE GLENLAKE BUILDING											
CRANBERRY WOODS DRIVE	Cranberry Township, PA	100%	None		15,512	173,062	188,574	5,210	15,512	178,272	1
HOUSTON ENERGY CENTER I	Houston, TX	100%	None		4,734	79,344	84,078	5,130	4,734	84,474	8
333 MARKET STREET	San Francisco, CA	100%	None		114,483	292,840	407,323	1	114,484	292,840	4
221 MAIN STREET	San Francisco, CA	100%	$73,000		60,509	174,629	235,138	1,906	60,509	176,535	2
650 CALIFORNIA STREET	San Francisco, CA	100%	$128,785		75,384	240,441	315,825	4,442	75,384	244,883	3
315 PARK AVENUE SOUTH	New York, NY	100%	None		119,633	249,510	369,143	304	119,633	249,814	3
116 HUNTINGTON AVENUE	Boston, MA	100%	None	(c)	—	116,290	116,290	32,189	—	148,479	1
229 WEST 43RD STREET	New York, NY	100%	None		207,233	292,991	500,224	(1,215)	207,233	291,776	4
TOTAL CONSOLIDATED REAL ESTATE ASSETS					$894,793	$3,907,652	$4,802,445	$146,160	$896,467	$4,052,138	$
UNCONSOLIDATED REAL ESTATE ASSETS:											
MARKET SQUARE BUILDINGS[f]	Washington, D.C.	51 %	325,000		152,629	450,757	603,386	62,698	152,629	388,059	5

(a) Property is owned subject to a long-term ground lease.

(b) As a result of the acquisition of the Three Glenlake Building, Columbia Property Trust acquired investments in bonds and certain obligations under capital leases in the amount of $120.0 million.

(c) 116 Huntington Avenue is owned subject to a long-term, pre-paid ground lease.

(d) The aggregate cost of consolidated land and buildings and improvements for federal income tax purposes is approximately $5.229 billion.

(e) Columbia Property Trust assets are depreciated or amortized using the straight-line method over the useful lives of the assets by class. Generally, tenant improvements are amortized over the shorter of economic life or lease term, lease intangibles are amortized over the respective lease term, building improvements are depreciated over 5-25 years and buildings are depreciated over 40 years.

(f) Account balances are presented at 100% for the Market Square Buildings. On October 28, 2015, the Market Square Buildings were transferred to an unconsolidated joint venture in which Columbia Property Trust owned 51% as of December 31, 2015. The aggregate cost of 100% of the land and buildings and improvements, net of debt, held by the Market Square Joint Venture, for federal income tax purposes is approximately $298.8 million.

Table of Contents
Index to Financial Statements

Columbia Property Trust, Inc.
Schedule III – Real Estate Assets and Accumulated Depreciation and Amortization
(in thousands)

	For the Years Ended December 31,		
	2015	2014	2013
Real Estate:			
Balance at beginning of year	$5,050,482	$4,875,866	$5,507,769
Additions to/improvements of real estate	1,162,068	610,510	51,422
Sale/transfer of real estate	(1,188,083)[1]	(399,499)	(614,822)
Impairment of real estate	—	(25,130)	(29,737)
Write-offs of building and tenant improvements	(1,552)	(1,230)	(492)
Write-offs of intangible assets[2]	(12,614)	(5,251)	(466)
Write-offs of fully depreciated assets	(61,696)	(4,784)	(37,808)
Balance at end of year	$4,948,605	$5,050,482	$4,875,866
Accumulated Depreciation and Amortization:			
Balance at beginning of year	$973,920	$903,472	$896,174
Depreciation and amortization expense	183,492	161,133	166,720
Sale/transfer of real estate	(221,481)[1]	(80,607)	(120,981)
Write-offs of tenant improvements	(948)	(690)	(212)
Write-offs of intangible assets[2]	(9,563)	(4,604)	(421)
Write-offs of fully depreciated assets	(61,696)	(4,784)	(37,808)
Balance at end of year	$863,724	$973,920	$903,472

(1) Includes the transfer of 100% of the Market Square Buildings to an unconsolidated joint venture, in which Columbia Property Trust currently owns a 51% interest.

(2) Consists of write-offs of intangible lease assets related to lease restructurings, amendments, and terminations.