February 9, 2017

COPT Reports 4Q and Full Year 2016 Results

COLUMBIA, Md.--(BUSINESS WIRE)-- Corporate Office Properties Trust ("COPT" or the "Company") (NYSE: OFC) announced financial and operating results for the fourth quarter and full year ended December 31, 2016.

Management Comments

"We executed well on all aspects of our 2016 plan, achieving or slightly exceeding our guidance for key earnings and leverage metrics," stated Stephen E. Budorick, COPT's President & Chief Executive Officer. "We also implemented important changes to our portfolio, balance sheet and organization that position us to capitalize on the rising demand for efficient, secure real estate solutions throughout our Defense/IT locations. The federal government is signaling broad support for increased investment in cybersecurity and national security-related defense initiatives, and our portfolio and personnel are uniquely aligned to provide real estate solutions for government and defense contractor tenants supporting these missions."

Financial Highlights

4th Quarter Financial Results:

- Diluted earnings per share ("EPS") was $0.22 for the quarter ended December 31, 2016 as compared to $0.59 for the fourth quarter of 2015.
- Diluted funds from operations per share ("FFOPS"), as calculated in accordance with NAREIT's definition, was $0.57 for the fourth quarter of 2016 as compared to $0.31 for the fourth quarter of 2015.
- FFOPS, as adjusted for comparability, was $0.51 for the quarter ended December 31, 2016 and $0.52 for the fourth quarter of 2015.

Full Year 2016 Financial Results:

- Diluted loss per share was $(0.03) for the year ended December 31, 2016 as compared to EPS of $1.74 for 2015.
- Per NAREIT's definition, FFOPS for 2016 was $1.82 as compared to $2.55 for 2015.
- FFOPS, as adjusted for comparability, for 2016 and for 2015 was $2.01.

Adjustments for comparability encompass items such as gains and impairment losses on non-operating properties, gains (losses) on early extinguishment of debt, derivative gains (losses), executive transition costs and write-offs of original issuance costs for redeemed preferred shares.

Operating Performance Highlights

Portfolio Summary:

- At December 31, 2016, the Company's core portfolio of 152 operating office properties was 92.9% occupied and 94.4% leased.
- During the quarter, the Company placed 155,000 square feet of development into service that, at December 31, 2016, were 100% leased; during the year, the Company placed 700,000 square feet into service that were 93% leased at year-end.
- At year end, the Company had approximately $95 million of assets held for sale composed of nine operating properties that contain a total of 603,000 square feet and 47 acres of non-strategic land.

Same Office Performance:

- At December 31, 2016, COPT's same office portfolio of 133 buildings was 91.5% occupied and 92.8% leased.
- For the quarter ended December 31, 2016, the Company's same office property cash NOI increased 4.2% as compared to the quarter ended December 31, 2015. For the full year, same office property cash NOI grew 4.1% versus 2015.

Leasing: In December 2016, the Company executed a lease for a 125,000 square foot, full-building renewal with the U.S. Government. This lease was executed by the customer in January and therefore is not reflected in our year-end leasing statistics. Had the lease been executed in December, the Company's leasing results for the fourth quarter and year ended December 31, 2016 would have been as follows:

- Square Feet Leased—For the quarter ended December 31, 2016, the Company leased 658,000 total square feet, including 290,000 square feet of renewing leases, 96,000 square feet of new leases on previously vacant space, and 272,000 square feet in development projects. For the year ended December 31, 2016, the Company completed 3.0 million square feet of leasing, composed of 1.6 million square feet of renewing leases, 463,000 square feet of vacancy leasing, and 843,000 square feet in development projects.
- Renewal Rates & Rent Spreads on Renewing Leases—During the fourth quarter and for the year, the Company renewed 69% and 77%, respectively, of expiring leases. For the quarter ended December 31, 2016, rents on renewed space increased 9.4% on a GAAP basis and declined 3.0% on a cash basis. For the year, GAAP rents on renewing leases increased 5.3% and cash rents decreased 5.3%.
- Lease Terms—In the fourth quarter, lease terms averaged 6.7 years on renewing leases, 9.6 years on development leasing, 6.1 years on vacancy leasing, for a weighted average lease term of 7.8 years on all leasing. For the full year ended December 31, 2016, lease terms averaged 6.2 years on renewing leases, 9.8 years on development leasing and 6.3 years on vacancy leasing, for a weighted average lease term of 7.2 years.

Investment Activity Highlights

Development & Redevelopment Projects:

- The Company has six properties totaling 907,000 square feet under construction that, at December 31, 2016, were 83% leased. These projects have a total estimated cost of $181.6 million, of which $79.1 million has been incurred.
- The Company also has two completed properties that total 352,000 square feet which are being held for the U.S. Government and which currently are 4% leased. Including these two projects, the Company's construction pipeline totals 1.3 million square feet and is 61% leased.
- COPT has 104,000 square feet in three properties under redevelopment, representing a total expected cost of $26.8 million, of which $20.7 million has been invested. The three projects were 55% leased as of January 31, 2017.

Dispositions:

- During 2016, the Company completed $271 million of dispositions, including the sale of 21 operating properties totaling 1.6 million square feet that were 85.9% occupied for $249 million, and $22 million of non-strategic land.
- The Company also sold a 50% interest in six triple-net leased, single-tenant data center properties with an aggregate value of $148 million by contributing them into a newly-formed joint venture.
- The combined value of these transactions was $344 million.

Balance Sheet and Capital Transaction Highlights

- As of December 31, 2016, the Company's net debt plus preferred equity to adjusted book ratio was 42.9% and its net debt plus preferred equity to in-place adjusted EBITDA ratio was 6.3x. For the quarter ended December 31, 2016, the Company's adjusted EBITDA fixed charge coverage ratio was 3.1x.
- As of December 31, 2016 and including the effect of interest rate swaps, the Company's weighted average effective interest rate was 4.1%; additionally, 95% of the Company's debt was subject to fixed interest rates and the debt portfolio had a weighted average maturity of 6.1 years.
- During the fourth quarter ended December 31, 2016, the Company issued $110 million of common shares through its At-the-Market ("ATM") program at an average gross price of $29.56 per share. Earlier in the quarter, the Company retired its $120 million Term Loan, which was due in 2019, and now has no debt maturities until 2020.
- In January 2017, the Company used $26.6 million of cash on-hand to redeem all outstanding shares of its Series K Convertible Preferred.

2017 FFO Guidance

Management is maintaining its previously issued guidance range for full year 2017 FFOPS, as adjusted for comparability, of $2.00—$2.08, and is establishing guidance for the first quarter ending March 31, 2017 at a range of $0.44—$0.46. Reconciliations of projected diluted EPS to projected FFOPS are as follows:

	Quarter ending March 31, 2017		Year ending December 31, 2017	
	Low	High	Low	High
EPS	$ 0.14	$ 0.16	$ 0.59	$ 0.67
Real estate depreciation and amortization	0.35	0.35	1.40	1.40
FFOPS, NAREIT definition	0.49	0.51	1.99	2.07
Original issuance cost of redeemed preferred stock	-	-	0.07	0.07
Gains on sales of nonoperating properties	(0.05)	(0.05)	(0.06)	(0.06)
FFOPS, as adjusted for comparability	$ 0.44	$ 0.46	$ 2.00	$ 2.08

Associated Supplemental Presentation

Prior to the call, the Company will post a slide presentation to accompany management's prepared remarks for its fourth quarter and full year 2016 conference call, the details of which are provided below. An accompanying slide presentation can be viewed on and downloaded from the 'Investors' section of the Company's website (www.copt.com).

Conference Call Information

Management will discuss fourth quarter and full year 2016 earnings results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Earnings Release Date:	Thursday, February 9, 2017 after the market close
Conference Call Date:	Friday, February 10, 2017
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	888-268-4181
Telephone Number: (outside the U.S.)	617-597-5486
Passcode:	78416731#

Please use the following link to pre-register and view important information about this conference call. Pre-registering is not mandatory but is recommended as it will provide you immediate entry into the call and will facilitate the timely start of the conference. To pre-register, please click on the below link:
https://www.theconferencingservice.com/prereg/key.process?key=P3CMC7QQA

You may also pre-register in the Investors section of the Company's website at www.copt.com. Alternatively, you may be placed into the call by an operator by calling the number provided above at least 5 to 10 minutes before the start of the call.

Replay Information

A replay of this call will be available beginning at 6:00 p.m. Eastern Time on Friday, February 10, through midnight Eastern Time on Friday, February 24. To access the replay within the United States, please call 888-286-8010 and use passcode 35538878. To access the replay outside the United States, please call 617-801-6888 and use passcode 35538878.

The conference call will also be available via live webcast in the Investor Relations section of the Company's website at www.copt.com. A replay of the conference calls will be immediately available via webcast in the Investor Relations section of the Company's

website.

Definitions

For definitions of certain terms used in this press release, please refer to the information furnished in our Supplemental Information Package filed as a Form 8-K which can be found on our website (www.copt.com). Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the attached tables.

Company Information

COPT is an office REIT that owns, manages, develops and selectively acquires office and data center properties in locations that support United States Government agencies and their contractors, most of whom are engaged in national security, defense and information technology ("IT") related activities servicing priority missions ("Defense/IT Locations"). We also own a portfolio of Class-A office properties located in select urban/urban-like submarkets within our regional footprint ("Regional Office Properties"). As of December 31, 2016, we derived 87% of core portfolio annualized revenue from Defense/IT Locations and 13% from our Regional Office Properties. As of December 31, 2016, our core portfolio of 152 office properties encompassed 16.3 million square feet and was 94.4% leased.

Forward-Looking Information

This press release may contain "forward-looking" statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that are based on the Company's current expectations, estimates and projections about future events and financial trends affecting the Company. Forward-looking statements can be identified by the use of words such as "may," "will," "should," "could," "believe," "anticipate," "expect," "estimate," "plan" or other comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Accordingly, the Company can give no assurance that these expectations, estimates and projections will be achieved. Future events and actual results may differ materially from those discussed in the forward-looking statements.

Important factors that may affect these expectations, estimates, and projections include, but are not limited to:

- *general economic and business conditions, which will, among other things, affect office property and data center demand and rents, tenant creditworthiness, interest rates, financing availability and property values;*
- *adverse changes in the real estate markets including, among other things, increased competition with other companies;*
- *governmental actions and initiatives, including risks associated with the impact of a prolonged government shutdown or budgetary reductions or impasses, such as a reduction in rental revenues, non-renewal of leases, and/or a curtailment of demand for additional space by the Company's strategic customers;*
- *the Company's ability to borrow on favorable terms;*

- *risks of real estate acquisition and development activities, including, among other things, risks that development projects may not be completed on schedule, that tenants may not take occupancy or pay rent or that development or operating costs may be greater than anticipated;*
- *risks of investing through joint venture structures, including risks that the Company's joint venture partners may not fulfill their financial obligations as investors or may take actions that are inconsistent with the Company's objectives;*
- *changes in the Company's plans for properties or views of market economic conditions or failure to obtain development rights, either of which could result in recognition of significant impairment losses;*
- *the Company's ability to satisfy and operate effectively under Federal income tax rules relating to real estate investment trusts and partnerships;*
- *the Company's ability to achieve projected results;*
- *the dilutive effects of issuing additional common shares; and*
- *environmental requirements.*

The Company undertakes no obligation to update or supplement any forward-looking statements. For further information, please refer to the Company's filings with the Securities and Exchange Commission, particularly the section entitled "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(in thousands, except per share data)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015
Revenues				
Real estate revenues	$127,999	$134,477	$525,964	$519,064
Construction contract and other service revenues	13,992	8,848	48,364	106,402
Total revenues	141,991	143,325	574,328	625,466
Expenses				
Property operating expenses	47,562	48,498	197,530	194,494
Depreciation and amortization associated with real estate operations	32,929	36,237	132,719	140,025
Construction contract and other service expenses	12,968	7,773	45,481	102,696
Impairment losses	1,554	19,744	101,391	23,289
General and administrative expenses	6,211	6,609	30,095	24,526
Leasing expenses	1,578	1,888	6,458	6,835
Business development expenses and land carry costs	1,747	2,521	8,244	13,507
Total operating expenses	104,549	123,270	521,918	505,372
Operating income	37,442	20,055	52,410	120,094
Interest expense	(18,664)	(22,347)	(83,163)	(89,074)
Interest and other income	1,567	1,300	5,444	4,517
(Loss) gain on early extinguishment of debt	(1,073)	(402)	(1,110)	85,275
Income (loss) from continuing operations before equity in income of unconsolidated entities and income taxes	19,272	(1,394)	(26,419)	120,812
Equity in income of unconsolidated entities	718	10	1,332	62
Income tax expense	(272)	(46)	(244)	(199)
Income (loss) from continuing operations	19,718	(1,430)	(25,331)	120,675
Discontinued operations	—	—	—	156
Income (loss) before gain on sales of real estate	19,718	(1,430)	(25,331)	120,831
Gain on sales of real estate	6,885	64,047	40,986	68,047
Net income	26,603	62,617	15,655	188,878
Net (income) loss attributable to noncontrolling interests				
Common units in the Operating Partnership (“OP”)	(793)	(2,172)	155	(6,403)
Preferred units in the OP	(165)	(165)	(660)	(660)
Other consolidated entities	(912)	(916)	(3,711)	(3,515)
Net income attributable to COPT	24,733	59,364	11,439	178,300
Preferred share dividends	(3,640)	(3,553)	(14,297)	(14,210)
Issuance costs associated with redeemed preferred shares	(17)	—	(17)	—
Net income (loss) attributable to COPT common shareholders	$ 21,076	$ 55,811	$ (2,875)	$164,090
Earnings per share (“EPS”) computation:				
Numerator for diluted EPS:				
Net income (loss) attributable to common shareholders	$ 21,076	$ 55,811	$ (2,875)	$164,090
Common units in the OP	—	—	—	6,403
Amount allocable to share-based compensation awards	(100)	(230)	(419)	(706)
Numerator for diluted EPS	$ 20,976	$ 55,581	$ (3,294)	$169,787
Denominator:				
Weighted average common shares - basic	95,066	94,164	94,502	93,914
Common units in the OP	—	—	—	3,692
Dilutive effect of share-based compensation awards	76	—	—	61
Weighted average common shares - diluted	95,142	94,164	94,502	97,667
Diluted EPS	$ 0.22	$ 0.59	$ (0.03)	$ 1.74

Corporate Office Properties Trust
Summary Financial Data
(unaudited)

(in thousands, except per share data)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015
Net income	$ 26,603	$ 62,617	$ 15,655	$188,878
Real estate-related depreciation and amortization	32,929	36,237	132,719	140,025
Impairment losses on previously depreciated operating properties	1,518	331	83,346	4,110
Gain on sales of previously depreciated operating properties	312	(64,047)	(33,789)	(64,062)
Depreciation and amortization on unconsolidated real estate entities	311	—	518	—
Funds from operations ("FFO")	61,673	35,138	198,449	268,951
Noncontrolling interests - preferred units in the OP	(165)	(165)	(660)	(660)
FFO allocable to other noncontrolling interests	(1,085)	(817)	(4,020)	(3,586)
Preferred share dividends	(3,640)	(3,553)	(14,297)	(14,210)
Issuance costs associated with redeemed preferred shares	(17)	—	(17)	—
Basic and diluted FFO allocable to share-based compensation awards	(208)	(115)	(694)	(1,041)
Basic and Diluted FFO available to common share and common unit holders ("Diluted FFO")	56,558	30,488	178,761	249,454
Operating property acquisition costs	—	32	—	4,134
Gain on sales of non-operating properties	(7,197)	—	(7,197)	(3,985)
Impairment losses on non-operating properties	36	19,413	18,045	19,413
(Gain) loss on interest rate derivatives	(725)	386	(378)	386
Loss (gain) on early extinguishment of debt	1,073	402	1,110	(85,655)
Issuance costs associated with redeemed preferred shares	17	—	17	—
Add: Negative FFO of properties conveyed to extinguish debt in default (1)	—	—	—	10,456
Demolition costs on redevelopment properties	—	225	578	1,396
Executive transition costs	431	—	6,454	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	26	(88)	(73)	225
Diluted FFO available to common share and common unit holders, as adjusted for comparability	50,219	50,858	197,317	195,824
Straight line rent adjustments	1,294	(2,677)	1,500	(13,497)
Straight line rent adjustments - properties in default conveyed	—	—	—	(115)
Amortization of intangibles included in net operating income	463	365	1,488	1,428
Share-based compensation, net of amounts capitalized	1,174	1,625	5,549	6,574
Amortization of deferred financing costs	1,093	1,127	4,573	4,466
Amortization of net debt discounts, net of amounts capitalized	336	317	1,312	1,166
Replacement capital expenditures	(13,716)	(20,086)	(53,102)	(49,266)
Diluted AFFO adjustments allocable to other noncontrolling interests	42	63	179	118
Diluted AFFO adjustments on unconsolidated real estate JV	(188)	—	(329)	—
Diluted adjusted funds from operations available to common share and common unit holders ("Diluted AFFO")	$ 40,717	$ 31,592	$158,487	$146,698
Diluted FFO per share	$ 0.57	$ 0.31	$ 1.82	$ 2.55
Diluted FFO per share, as adjusted for comparability	$ 0.51	$ 0.52	$ 2.01	$ 2.01
Dividends/distributions per common share/unit	$ 0.275	$ 0.275	$ 1.100	$ 1.100

(1) Interest expense exceeded net operating income from these properties by the amounts in the statement.

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars and shares in thousands, except per share data)

	December 31, 2016	December 31, 2015
Balance Sheet Data		
Properties, net of accumulated depreciation	$ 3,073,362	$ 3,349,748
Total assets	3,780,885	3,909,312
Debt, per balance sheet	1,904,001	2,077,752
Total liabilities	2,163,242	2,273,530
Redeemable noncontrolling interest	22,979	19,218
Equity	1,594,664	1,616,564
Net debt to adjusted book	38.3%	42.6%
Core Portfolio Data (as of period end) (1)		
Number of operating properties	152	157
Total net rentable square feet owned (in thousands)	16,301	17,038
Occupancy %	92.9%	92.7%
Leased %	94.4%	93.9%

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015
Payout ratios				
Diluted FFO	49.5%	88.3%	60.9%	43.1%
Diluted FFO, as adjusted for comparability	55.7%	52.9%	55.1%	54.9%
Diluted AFFO	68.7%	85.2%	68.6%	73.3%
Adjusted EBITDA fixed charge coverage ratio	3.1x	2.9x	3.0x	3.0x
Net debt to in-place adjusted EBITDA ratio (2)	5.7x	6.5x	N/A	N/A
Reconciliation of denominators for per share measures				
Denominator for diluted EPS	95,142	94,164	94,502	97,667
Weighted average common units	3,591	3,677	3,633	—
Anti-dilutive EPS effect of share-based compensation awards	—	—	92	—
Denominator for diluted FFO per share and as adjusted for comparability	98,733	97,841	98,227	97,667

(1) Represents Defense/IT Locations and Regional Office properties excluding properties held for sale, and includes six properties owned through an unconsolidated joint venture totaling 962,000 square feet that were 100% occupied and leased.

(2) Represents net debt as of period end divided by in-place adjusted EBITDA for the period, as annualized (i.e. three month periods are multiplied by four).

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2016	2015	2016	2015
Reconciliation of common share dividends to dividends and distributions for payout ratios				
Common share dividends - unrestricted shares	$26,991	$25,895	$104,811	$103,552
Common unit distributions	987	1,011	3,990	4,046
Dividends and distributions for payout ratios	$27,978	$26,906	$108,801	$107,598
Reconciliation of GAAP net income to adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") and in-place adjusted EBITDA				
Net income	$26,603	$62,617	$ 15,655	$188,878
Interest expense on continuing operations	18,664	22,347	83,163	89,074
Income tax expense	272	46	244	199
Real estate-related depreciation and amortization	32,929	36,237	132,719	140,025
Depreciation of furniture, fixtures and equipment	512	597	2,151	2,206
Impairment losses	1,554	19,744	101,391	23,523
Loss (gain) on early extinguishment of debt on continuing and discontinued operations	1,073	402	1,110	(85,655)
Gain on sales of operating properties	312	(64,047)	(33,789)	(64,062)
Gain on sales of non-operational properties	(7,197)	—	(7,197)	(3,985)
Net (gain) loss on investments in unconsolidated entities included in interest and other income	(117)	6	(149)	127
Business development expenses	1,167	1,512	4,823	4,775
Operating property acquisition costs	—	32	—	4,134
EBITDA from properties conveyed to extinguish debt in default	—	—	—	(768)
Demolition costs on redevelopment properties	—	225	578	1,396
Adjustments from unconsolidated real estate JV	578	—	993	—
Executive transition costs	431	—	6,454	—
Adjusted EBITDA	$76,781	$79,718	$308,146	$299,867
Proforma net operating income adjustment for property changes within period	39	(1,738)		
In-place adjusted EBITDA	$76,820	$77,980		
Reconciliation of interest expense to the denominators for fixed charge coverage-Adjusted EBITDA				
Interest expense	$18,664	$22,347	$ 83,163	$ 89,074
Less: Amortization of deferred financing costs	(1,093)	(1,127)	(4,573)	(4,466)
Less: Amortization of net debt discount, net of amounts capitalized	(336)	(317)	(1,312)	(1,166)
Less: Gain (loss) on interest rate derivatives	725	(386)	378	(386)
Less: Interest expense on debt in default extinguished via conveyance of properties	—	—	—	(11,224)
COPT's share of interest expense of unconsolidated real estate JV, excluding deferred financing costs	261	—	465	—
Scheduled principal amortization	941	1,717	5,395	6,728
Capitalized interest	1,419	1,510	5,723	7,151
Preferred share dividends	3,640	3,553	14,297	14,210
Preferred unit distributions	165	165	660	660
Denominator for fixed charge coverage-Adjusted EBITDA	$24,386	$27,462	$104,196	$100,581

Corporate Office Properties Trust
Summary Financial Data
(unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2016	**2015**	**2016**	**2015**
Reconciliations of tenant improvements and incentives, capital improvements and leasing costs for operating properties to replacement capital expenditures				
Tenant improvements and incentives	$ 8,000	$ 6,836	$ 45,020	$ 24,244
Building improvements	7,064	16,674	22,026	28,643
Leasing costs	1,387	3,518	9,365	8,504
Less: Excluded tenant improvements and incentives	871	(393)	(14,073)	(1,438)
Less: Excluded building improvements	(3,606)	(6,551)	(8,817)	(9,879)
Less: Excluded leasing costs	—	2	(419)	(808)
Replacement capital expenditures	$13,716	$20,086	$ 53,102	$ 49,266
Same office property cash NOI	**$63,938**	**$61,359**	**$247,705**	**$237,860**
Straight line rent adjustments and lease incentive amortization	(1,829)	(177)	(8,892)	3,297
Add: Amortization of deferred market rental revenue	(1)	28	89	99
Less: Amortization of below-market cost arrangements	(218)	(259)	(873)	(1,034)
Add: Lease termination fee, gross	601	416	2,280	2,366
Add: Cash NOI on tenant-funded landlord assets	1,370	547	7,160	937
Same office property NOI	**$63,861**	**$61,914**	**$247,469**	**$243,525**

	December 31, 2016	December 31, 2015
Reconciliation of total assets to adjusted book		
Total assets	$ 3,780,885	$ 3,909,312
Accumulated depreciation	706,385	700,363
Accumulated depreciation included in assets held for sale	9,566	18,317
Accumulated amortization of real estate intangibles and deferred leasing costs	210,692	195,506
Accumulated amortization of real estate intangibles and deferred leasing costs included in assets held for sale	11,575	17,456
COPT's share of liabilities of unconsolidated real estate JV	29,873	—
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JV	938	—
Less: Cash and cash equivalents	(209,863)	(60,310)
COPT's share of cash of unconsolidated real estate JV	(283)	—
Adjusted book	$ 4,539,768	$ 4,780,644
Reconciliation of debt outstanding to net debt		
Debt outstanding (excluding net debt discounts and deferred financing costs)	$ 1,950,229	$ 2,097,230
Less: Cash and cash equivalents	(209,863)	(60,310)
COPT's share of cash of unconsolidated real estate JV	(283)	—
Net debt	$ 1,740,083	$ 2,036,920

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