



CORPORATE OFFICE  
PROPERTIES TRUST

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## NEWS RELEASE

### FOR IMMEDIATE RELEASE

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## COPT Reports Fourth Quarter and Full Year 2019 Results

### EPS Exceeded Guidance; FFO per Share Achieved Mid-Point of Updated Guidance

*Same-Property Cash NOI Growth of 6.2% in 4Q19 and 3.9% for the Full Year Exceeded Guidance*

*Core Portfolio 93.1% Occupied & 94.6% Leased*

*1.2 Million SF of 100% Leased Developments Placed into Service During 2019*

*2.3 Million SF Under Development are 79% Leased*

### Record Leasing Volumes

*Total Leasing of 659,000 SF in 4Q and*

*Record Total Leasing of 4.9 Million SF for the Full Year - 600,000 SF Higher than Prior Record Set in 2010*

*Development Leasing of 158,000 SF in 4Q19; Record 2.2 Million SF for the Year*

*U.S. Government Total New Leasing Volume of 586,000 SF During 2019,  
Including 164,000 SF of Vacancy Leasing*

*Strong Vacancy Leasing of 784,000 SF During the Year*

*Strong Tenant Retention of 84% in 4Q19 Exceeded Guidance; 77% for the Year Met Expectations*

**COLUMBIA, MD February 6, 2020** - 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, 2019.

### Management Comments

Stephen E. Budorick, COPT’s President & Chief Executive Officer, commented, “Fourth quarter and full year FFO per share met the mid-points of our updated guidance ranges, and strong demand throughout our Defense/IT Locations translated into record leasing for new developments, strong vacancy leasing, and near-record leasing with the U.S. Government. Our 2.2 million square feet of development leasing exceeded our prior annual record set in 2012 by 1 million square feet, and we

executed 586,000 square feet of development and vacancy leasing with the U.S. Government, our second-best year ever.” He continued, “We believe that this strong leasing achievement, combined with the \$357 million of equity raised and the 1.2 million square feet of 100% leased developments placed into service during 2019, position our Company to deliver 1.5%-3.5% FFO per share growth in 2020, and robust FFO growth in 2021.”

## **Financial Highlights**

### **4<sup>th</sup> Quarter Financial Results:**

- Diluted earnings per share (“EPS”) was \$0.38 for the quarter ended December 31, 2019 as compared to \$0.16 for the fourth quarter of 2018.
- Diluted funds from operations per share (“FFOPS”), as calculated in accordance with Nareit’s definition, of \$0.49 for the fourth quarter of 2019 equaled fourth quarter 2018 results.
- FFOPS, as adjusted for comparability, was \$0.50 for the fourth quarter of 2019, equal to fourth quarter 2018 results.

### **Full Year 2019 Financial Results:**

- EPS for the year ended December 31, 2019 was \$1.71, which included \$105.2 million of gains on the sale of a 90% interest in nine data center shell properties during the year as compared to 2018 EPS of \$0.69.
- Per Nareit’s definition, FFOPS for 2019 was \$2.02 as compared to \$1.99 for 2018.
- FFOPS, as adjusted for comparability, for 2019 was \$2.03 as compared to \$2.01 for 2018.

Adjustments for comparability encompass items such as demolition costs of redevelopment, executive transition costs, and non-comparable professional and legal expenses.

## **Operating Performance Highlights**

### **Operating Portfolio Summary:**

- At December 31, 2019, the Company’s core portfolio of 168 operating office and data center shell properties was 93.1% occupied and 94.6% leased.
- During the quarter and the year, the Company placed into service 375,000 and 1.2 million respective square feet that were 100% leased.

### **Same-Property Performance:**

- At December 31, 2019, COPT’s same-property portfolio of 147 buildings was 91.9% occupied and 93.7% leased.
- For the quarter and year ended December 31, 2019, the Company’s same-property cash NOI increased 6.2% and 3.9%, respectively, over the prior year’s comparable periods.

## **Leasing:**

- **Total Square Feet Leased:** For the quarter ended December 31, 2019, the Company leased 659,000 total square feet, including 339,000 square feet of renewals, 162,000 square feet of new leases on vacant space, and 158,000 square feet in development projects.

For the year ended December 31, 2019, the Company leased 4.9 million total square feet, including 1.9 million square feet of renewals, 784,000 square feet of new leases on vacant space, and 2.2 million square feet in development projects.

- **Renewal Rates:** During the quarter and year ended December 31, 2019, the Company respectively renewed 84% and 77% of total expiring square feet.
- **Cash Rent Spreads & Average Escalations on Renewing Leases:** For the quarter and year ended December 31, 2019, cash rents on renewed space decreased 8.4% and 5.8%, respectively. For the same time periods, average annual escalations on renewing leases were 2.3% and 2.4%, respectively.
- **Lease Terms:** In the fourth quarter, lease terms averaged 6.1 years on renewing leases, 6.6 years on new leasing of vacant space, and 12.1 years on development leasing. For the year, lease terms averaged 4.1 years on renewing leases, 6.4 years on new leasing of vacant space, and 12.6 years on development leasing.

## **Investment Activity Highlights**

### **Development & Redevelopment Projects:**

- **Development Pipeline:** At January 31, 2020, the Company's development pipeline consisted of 13 properties totaling 2.3 million square feet that were 79% leased. These projects have a total estimated cost of \$683.4 million, of which \$326.6 million has been incurred.
- **Redevelopment:** At December 31, 2019, one project was under redevelopment totaling 106,000 square feet that was 80% leased. The Company has invested \$23.3 million of the \$25.6 million anticipated total cost.

## **Balance Sheet and Capital Transaction Highlights**

- As of December 31, 2019, the Company's net debt plus preferred equity to adjusted book ratio was 37.0% and its net debt plus preferred equity to in-place adjusted EBITDA ratio was 6.1x. For the quarter and year ended December 31, 2019, the Company's adjusted EBITDA fixed charge coverage ratio was 3.7x.
- As of December 31, 2019, and including the effect of interest rate swaps, the Company's weighted average effective interest rate was 4.07%; additionally, 87.8% of the Company's debt was subject to fixed interest rates and the consolidated debt portfolio had a weighted average maturity of 3.5 years.
- During the quarter ended March 31, 2019, the Company issued the remaining 1.6 million common shares under its 2017 forward equity sale agreements for net proceeds of \$46.5 million.

- During the year, the Company sold a 90% interest in nine single-tenant data center shell properties through the Blackstone Real Estate Income Trust, Inc. (“BREIT”)-COPT joint venture formed in June 2019. The Company received a total of \$310.6 million of proceeds in 2019, plus an additional \$20.1 million in net proceeds associated with the joint venture entering into non-recourse mortgage loans on the properties.

### **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 year end 2019 conference call, the details of which are provided below. The accompanying slide presentation can be viewed on and downloaded from the ‘Latest Updates’ section of COPT’s Investors website: <https://investors.copt.com/>

### **Conference Call Information**

Management will discuss fourth quarter and year end 2019 results on its conference call tomorrow at 12:00 p.m. Eastern Time, details of which are listed below:

Conference Call Date:	Friday, February 7, 2020
Time:	12:00 p.m. Eastern Time
Telephone Number: (within the U.S.)	855-463-9057
Telephone Number: (outside the U.S.)	661-378-9894
Passcode:	8794749

The conference call will also be available via live webcast in the ‘Latest Updates’ section of COPT’s Investors website: <https://investors.copt.com/>

### **Replay Information**

A replay of the conference call will be immediately available via webcast on the Investors website. Additionally, a telephonic replay of this call will be available beginning at 3:00 p.m. Eastern Time on Friday, February 7, through 3:00 p.m. Eastern Time on Friday, February 21. To access the replay within the United States, please call 855-859-2056; to access it from outside the United States, please call 404-537-3406. In either case, use passcode 8794749.

### **Definitions**

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

### **About COPT**

COPT is a REIT that owns, manages, leases, develops and selectively acquires office and data center properties. The majority of its portfolio is in locations that support the United States Government and its contractors, most of whom are engaged in national security, defense and information technology (“IT”) related activities servicing what it believes are growing, durable, priority missions (“Defense/IT Locations”). The Company also owns a portfolio of office properties located in select urban/urban-like submarkets in the Greater Washington, DC/Baltimore region with durable Class-A office fundamentals and characteristics (“Regional Office Properties”). As of December 31, 2019, the Company derived 88% of its core portfolio annualized rental revenue from Defense/IT Locations and 12% from its Regional Office Properties. As of the same date and including 15 buildings owned through unconsolidated joint ventures, COPT’s core portfolio of 168 office and data center shell properties

encompassed 19.0 million square feet and was 94.6% leased; the Company also owned one wholesale data center with a critical load of 19.25 megawatts that was 76.9% 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. Although the Company believes that the expectations, estimates and projections reflected in such forward-looking statements are based on reasonable assumptions at the time made, 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 and the Company undertakes no obligation to update or supplement any forward-looking statements.*

*The areas of risk that may affect these expectations, estimates and projections include, but are not limited to, those risks described in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.*

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

	<b>For the Three Months Ended December 31,</b>		<b>For the Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues				
Revenues from real estate operations	\$ 131,968	\$ 130,825	\$ 527,463	\$ 517,253
Construction contract and other service revenues	25,817	7,657	113,763	60,859
Total revenues	<u>157,785</u>	<u>138,482</u>	<u>641,226</u>	<u>578,112</u>
Operating expenses				
Property operating expenses	51,098	51,298	198,143	201,035
Depreciation and amortization associated with real estate operations	32,779	36,219	137,069	137,116
Construction contract and other service expenses	24,832	7,111	109,962	58,326
Impairment losses	2	2,367	329	2,367
General and administrative expenses	7,043	5,105	27,517	22,829
Leasing expenses	2,293	1,976	7,885	6,071
Business development expenses and land carry costs	1,292	1,425	4,239	5,840
Total operating expenses	<u>119,339</u>	<u>105,501</u>	<u>485,144</u>	<u>433,584</u>
Interest expense	(16,777)	(18,475)	(71,052)	(75,385)
Interest and other income	1,917	74	7,894	4,358
Gain on sales of real estate	20,761	2,367	105,230	2,340
Loss on early extinguishment of debt	—	(258)	—	(258)
Income before equity in income of unconsolidated entities and income taxes	<u>44,347</u>	<u>16,689</u>	<u>198,154</u>	<u>75,583</u>
Equity in income of unconsolidated entities	426	1,577	1,633	2,697
Income tax benefit	104	190	217	363
Net income	<u>44,877</u>	<u>18,456</u>	<u>200,004</u>	<u>78,643</u>
Net income attributable to noncontrolling interests:				
Common units in the Operating Partnership (“OP”)	(500)	(210)	(2,363)	(1,742)
Preferred units in the OP	(77)	(165)	(564)	(660)
Other consolidated entities	<u>(1,515)</u>	<u>(1,061)</u>	<u>(5,385)</u>	<u>(3,940)</u>
Net income attributable to COPT common shareholders	<u>\$ 42,785</u>	<u>\$ 17,020</u>	<u>\$ 191,692</u>	<u>\$ 72,301</u>
Earnings per share (“EPS”) computation:				
Numerator for diluted EPS:				
Net income attributable to COPT common shareholders	\$ 42,785	\$ 17,020	\$ 191,692	\$ 72,301
Redeemable noncontrolling interests	33	—	132	—
Amount allocable to share-based compensation awards	(154)	(114)	(623)	(462)
Numerator for diluted EPS	<u>\$ 42,664</u>	<u>\$ 16,906</u>	<u>\$ 191,201</u>	<u>\$ 71,839</u>
Denominator:				
Weighted average common shares - basic	111,670	108,528	111,196	103,946
Dilutive effect of share-based compensation awards	293	45	308	134
Dilutive effect of redeemable noncontrolling interests	108	—	119	—
Dilutive effect of forward equity sale agreements	—	—	—	45
Weighted average common shares - diluted	<u>112,071</u>	<u>108,573</u>	<u>111,623</u>	<u>104,125</u>
Diluted EPS	<u>\$ 0.38</u>	<u>\$ 0.16</u>	<u>\$ 1.71</u>	<u>\$ 0.69</u>

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

	<b>For the Three Months Ended December 31,</b>		<b>For the Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net income	\$ 44,877	\$ 18,456	\$ 200,004	\$ 78,643
Real estate-related depreciation and amortization	32,779	36,219	137,069	137,116
Impairment losses on real estate	2	2,367	329	2,367
Gain on sales of real estate	(20,761)	(2,367)	(105,230)	(2,340)
Depreciation and amortization on unconsolidated real estate JVs	781	565	2,703	2,256
Funds from operations (“FFO”)	57,678	55,240	234,875	218,042
Noncontrolling interests - preferred units in the OP	(77)	(165)	(564)	(660)
FFO allocable to other noncontrolling interests	(1,436)	(1,011)	(5,024)	(3,768)
Basic and diluted FFO allocable to share-based compensation awards	(243)	(200)	(905)	(851)
Basic FFO available to common share and common unit holders (“Basic FFO”)	55,922	53,864	228,382	212,763
Distributions on dilutive preferred units in the OP	77	—	—	—
Redeemable noncontrolling interests	33	331	132	1,540
Diluted FFO available to common share and common unit holders (“Diluted FFO”)	56,032	54,195	228,514	214,303
Loss on early extinguishment of debt	—	258	—	258
Demolition costs on redevelopment and nonrecurring improvements	104	163	148	462
Executive transition costs	—	371	4	793
Non-comparable professional and legal expenses	195	—	681	—
Diluted FFO comparability adjustments allocable to share-based compensation awards	(1)	(13)	(3)	(16)
Diluted FFO available to common share and common unit holders, as adjusted for comparability	56,330	54,974	229,344	215,800
Straight line rent adjustments and lease incentive amortization	1,386	(46)	255	(1,487)
Amortization of intangibles included in net operating income	(174)	153	(221)	893
Share-based compensation, net of amounts capitalized	1,735	1,601	6,728	6,193
Amortization of deferred financing costs	541	550	2,136	1,954
Amortization of net debt discounts, net of amounts capitalized	382	365	1,503	1,439
Accum. other comprehensive loss on derivatives amortized to expense	—	34	79	135
Replacement capital expenditures	(19,862)	(14,848)	(63,789)	(64,784)
Other diluted AFFO adjustments associated with real estate JVs	(68)	(28)	212	121
Diluted adjusted funds from operations available to common share and common unit holders (“Diluted AFFO”)	\$ 40,270	\$ 42,755	\$ 176,247	\$ 160,264
Diluted FFO per share	\$ 0.49	\$ 0.49	\$ 2.02	\$ 1.99
Diluted FFO per share, as adjusted for comparability	\$ 0.50	\$ 0.50	\$ 2.03	\$ 2.01
Dividends/distributions per common share/unit	\$ 0.275	\$ 0.275	\$ 1.100	\$ 1.100

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

	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
<b>Balance Sheet Data</b>		
Properties, net of accumulated depreciation	\$ 3,340,886	\$ 3,250,626
Total assets	3,854,453	3,656,005
Debt, per balance sheet	1,831,139	1,823,909
Total liabilities	2,105,777	2,002,697
Redeemable noncontrolling interest	29,431	26,260
Equity	1,719,245	1,627,048
Net debt to adjusted book	36.8%	38.9%
<b>Core Portfolio Data (as of period end) (1)</b>		
Number of operating properties	168	161
Total net rentable square feet owned (in thousands)	19,016	17,937
% Occupied	93.1%	93.1%
% Leased	94.6%	94.0%

	<u>For the Three Months</u> <u>Ended December 31,</u>		<u>For the Years Ended</u> <u>December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Payout ratios</b>				
Diluted FFO	55.6%	56.4%	54.4%	55.4%
Diluted FFO, as adjusted for comparability	55.3%	55.6%	54.2%	55.0%
Diluted AFFO	77.3%	71.5%	70.5%	74.1%
Adjusted EBITDA fixed charge coverage ratio	3.7x	3.6x	3.7x	3.6x
Net debt to in-place adjusted EBITDA ratio (2)	6.1x	6.0x	N/A	N/A
Net debt plus preferred equity to in-place adjusted EBITDA ratio (3)	6.1x	6.0x	N/A	N/A
<b>Reconciliation of denominators for per share measures</b>				
Denominator for diluted EPS	112,071	108,573	111,623	104,125
Weighted average common units	1,228	1,345	1,299	2,468
Redeemable noncontrolling interests	—	1,126	—	936
Dilutive convertible preferred units	176	—	—	—
Denominator for diluted FFO per share and as adjusted for comparability	<u>113,475</u>	<u>111,044</u>	<u>112,922</u>	<u>107,529</u>

(1) Represents Defense/IT Locations and Regional Office properties.

(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).

(3) Represents net debt plus the total liquidation preference of preferred equity 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)

	<b>For the Three Months Ended December 31,</b>		<b>For the Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Reconciliation of common share dividends to dividends and distributions for payout ratios</b>				
Common share dividends - unrestricted shares and deferred shares	\$ 30,724	\$ 30,206	\$ 122,823	\$ 116,285
Common unit distributions - unrestricted units	337	367	1,405	2,498
Distributions on dilutive preferred units	\$ 77	\$ —	\$ —	\$ —
Dividends and distributions for payout ratios	<u>\$ 31,138</u>	<u>\$ 30,573</u>	<u>\$ 124,228</u>	<u>\$ 118,783</u>
<b>Reconciliation of GAAP net income to earnings before interest, income taxes, depreciation and amortization for real estate (“EBITDAre”), adjusted EBITDA and in-place adjusted EBITDA</b>				
Net income	\$ 44,877	\$ 18,456	\$ 200,004	\$ 78,643
Interest expense	16,777	18,475	71,052	75,385
Income tax benefit	(104)	(190)	(217)	(363)
Depreciation of furniture, fixtures and equipment	438	404	1,834	1,947
Real estate-related depreciation and amortization	32,779	36,219	137,069	137,116
Impairment losses on real estate	2	2,367	329	2,367
Gain on sales of real estate	(20,761)	(2,367)	(105,230)	(2,340)
Adjustments from unconsolidated real estate JVs	1,206	832	4,065	3,314
EBITDAre	<u>75,214</u>	<u>74,196</u>	<u>308,906</u>	<u>296,069</u>
Loss on early extinguishment of debt	—	258	—	258
Net gain on other investments	(1)	(449)	(401)	(449)
Business development expenses	512	661	1,939	3,114
Non-comparable professional and legal expenses	195	—	681	—
Demolition costs on redevelopment and nonrecurring improvements	104	163	148	462
Executive transition costs	—	371	4	793
Adjusted EBITDA	<u>76,024</u>	<u>75,200</u>	<u>\$ 311,277</u>	<u>\$ 300,247</u>
Proforma net operating income adjustment for property changes within period	463	2,052		
Change in collectability of deferred rental revenue	928	—		
In-place adjusted EBITDA	<u>\$ 77,415</u>	<u>\$ 77,252</u>		
<b>Reconciliation of interest expense to the denominators for fixed charge coverage-Adjusted EBITDA</b>				
Interest expense	\$ 16,777	\$ 18,475	\$ 71,052	\$ 75,385
Less: Amortization of deferred financing costs	(541)	(550)	(2,136)	(1,954)
Less: Amortization of net debt discounts, net of amounts capitalized	(382)	(365)	(1,503)	(1,439)
Less: Accum. other comprehensive loss on derivatives amortized to expense	—	(34)	(79)	(135)
COPT’s share of interest expense of unconsolidated real estate JVs, excluding deferred financing costs	416	260	1,332	1,034
Scheduled principal amortization	1,010	1,079	4,310	4,240
Capitalized interest	3,467	1,748	10,786	5,929
Preferred unit distributions	77	165	564	660
Denominator for fixed charge coverage-Adjusted EBITDA	<u>\$ 20,824</u>	<u>\$ 20,778</u>	<u>\$ 84,326</u>	<u>\$ 83,720</u>

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

	<u>For the Three Months Ended December 31,</u>		<u>For the Years Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Reconciliations of tenant improvements and incentives, building improvements and leasing costs for operating properties to replacement capital expenditures</b>				
Tenant improvements and incentives	\$ 11,447	\$ 7,876	\$ 38,047	\$ 37,502
Building improvements	8,826	9,306	26,598	22,977
Leasing costs	2,998	3,800	11,663	9,847
Net (exclusions from) additions to tenant improvements and incentives	(426)	(2,131)	(2,292)	1,577
Excluded building improvements	(2,983)	(3,984)	(10,227)	(7,073)
Excluded leasing costs	—	(19)	—	(46)
Replacement capital expenditures	<u>\$ 19,862</u>	<u>\$ 14,848</u>	<u>\$ 63,789</u>	<u>\$ 64,784</u>
<b>Same Properties cash NOI</b>				
Straight line rent adjustments and lease incentive amortization	(2,838)	(907)	(5,004)	(3,111)
Amortization of acquired above- and below-market rents	197	(97)	312	(671)
Amortization of below-market cost arrangements	(23)	(56)	(92)	(222)
Lease termination fees, gross	417	906	2,046	3,231
Tenant funded landlord assets and lease incentives	748	409	2,177	3,421
Cash NOI adjustments in unconsolidated real estate JV	34	57	181	254
Same Properties NOI	<u>\$ 72,243</u>	<u>\$ 69,689</u>	<u>\$ 285,564</u>	<u>\$ 277,996</u>

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<b>Reconciliation of total assets to adjusted book</b>		
Total assets	\$ 3,854,453	\$ 3,656,005
Accumulated depreciation	1,007,120	897,903
Accumulated amortization of real estate intangibles and deferred leasing costs	212,547	204,882
COPT's share of liabilities of unconsolidated real estate JVs	50,734	29,917
COPT's share of accumulated depreciation and amortization of unconsolidated real estate JVs	8,164	5,446
Less: Property - operating lease liabilities	(17,317)	—
Less: Property - finance lease liabilities	(702)	(660)
Less: Cash and cash equivalents	(14,733)	(8,066)
Less: COPT's share of cash of unconsolidated real estate JVs	(498)	(293)
Adjusted book	<u>\$ 5,099,768</u>	<u>\$ 4,785,134</u>

<b>Reconciliation of debt outstanding to net debt and net debt plus preferred equity</b>		
Debt outstanding (excluding net debt discounts and deferred financing costs)	\$ 1,893,057	\$ 1,868,504
Less: Cash and cash equivalents	(14,733)	(8,066)
Less: COPT's share of cash of unconsolidated real estate JVs	(498)	(293)
Net debt	<u>\$ 1,877,826</u>	<u>\$ 1,860,145</u>
Preferred equity	8,800	8,800
Net debt plus preferred equity	<u>\$ 1,886,626</u>	<u>\$ 1,868,945</u>