

COLUMBIA PROPERTY TRUST, INC.

Form 10-Q

October 25, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the quarterly period ended September 30, 2018

OR

☐ 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)

1170 Peachtree Street NE, Suite 600

Atlanta, Georgia 30309

(Address of principal executive offices)

(Zip Code)

(404) 465-2200

(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Yes ☒ No ☐

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 definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one).

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Yes ☐ No ☒

Number of shares outstanding of the registrant's
only class of common stock, as of October 22, 2018: 117,984,195 shares

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this quarterly report on Form 10-Q of Columbia Property Trust, Inc. ("Columbia Property Trust," "we," "our," or "us"), other than historical facts may constitute "forward-looking statements" within the meaning of the Private Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Columbia Property Trust intends for all such forward-looking statements presented in this quarterly report on Form 10-Q ("Form 10-Q"), or that management may make orally or in writing from time to time, to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts.

Such statements in this current Form 10-Q include, among other things, information about possible or assumed future results of the business and our financial condition, liquidity, results of operations, plans, strategies, prospects, and objectives. 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. As forward-looking statements, these statements 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. These risks, uncertainties, and other factors include, without limitation:

- risks affecting the real estate industry (such as the inability to enter into new leases, dependence on tenants' financial condition, and competition from other owners of real estate);
- risks relating to our ability to maintain and increase property occupancy rates and rental rates;
- adverse economic or real estate market developments in our target markets;
- risks relating to the use of debt to fund acquisitions;
- availability and terms of financing;
- ability to refinance indebtedness as it comes due;
- sensitivity of our operations and financing arrangements to fluctuations in interest rates;
- reductions in asset valuations and related impairment charges;
- risks associated with joint ventures;
- risks relating to repositioning our portfolio;
- risks relating to construction and redevelopment activities;
- risks relating to acquisition and disposition activities;
- risks associated with our ability to continue to qualify as a real estate investment trust ("REIT");
- potential liability for uninsured losses and environmental contamination;
- potential adverse impact of market interest rates on the market price for our securities; and
- risks associated with our dependence on key personnel whose continued service is not guaranteed.

For further discussion of these and additional risks and uncertainties that may cause actual results to differ from expectation, see Item 1A, Risk Factors, in our Form 10-K for the year ended December 31, 2017. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, we can give no assurances that our expectations will be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Form 10-Q is filed with the U.S. Securities and Exchange Commission ("SEC"). We do not intend to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, comprehensive income, equity, and cash flows, reflects all normal and recurring adjustments that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned financial statements. The accompanying consolidated financial statements should be read in conjunction with the condensed notes to Columbia Property Trust's financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Quarterly Report on Form 10-Q, and with audited consolidated financial statements and the related notes for the year ended December 31, 2017. Columbia Property Trust's results of operations for the three and nine months ended September 30, 2018 are not necessarily indicative of the operating results expected for the full year.

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CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per-share amounts)

	(Unaudited)	
	September 30, 2018	December 31, 2017
Assets:		
Real estate assets, at cost:		
Land	\$817,975	\$ 825,208
Buildings and improvements, less accumulated depreciation of \$384,068 and \$388,796, as of September 30, 2018 and December 31, 2017, respectively	1,897,284	2,063,419
Intangible lease assets, less accumulated amortization of \$84,323 and \$94,065, as of September 30, 2018 and December 31, 2017, respectively	97,199	199,260
Construction in progress	39,599	44,742
Total real estate assets	2,852,057	3,132,629
Investments in unconsolidated joint ventures	1,045,044	943,242
Cash and cash equivalents	15,596	9,567
Tenant receivables, net of allowance for doubtful accounts of \$0 as of September 30, 2018 and December 31, 2017	2,815	2,128
Straight-line rent receivable	83,023	92,235
Prepaid expenses and other assets	31,316	27,683
Intangible lease origination costs, less accumulated amortization of \$63,953 and \$57,465, as of September 30, 2018 and December 31, 2017, respectively	35,626	42,959
Deferred lease costs, less accumulated amortization of \$26,990 and \$26,464, as of September 30, 2018 and December 31, 2017, respectively	66,258	141,096
Investment in development authority bonds	120,000	120,000
Total assets	\$4,251,735	\$4,511,539
Liabilities:		
Line of credit and notes payable, net of unamortized deferred financing costs of \$1,800 and \$2,991, as of September 30, 2018 and December 31, 2017, respectively	\$557,900	\$ 971,185
Bonds payable, net of discounts of \$1,349 and \$1,484 and unamortized deferred financing costs of \$4,306 and \$4,760, as of September 30, 2018 and December 31, 2017, respectively	694,345	693,756
Accounts payable, accrued expenses, and accrued capital expenditures	52,725	125,002
Dividends payable	—	23,961
Deferred income	15,724	18,481
Intangible lease liabilities, less accumulated amortization of \$20,753 and \$19,660, as of September 30, 2018 and December 31, 2017, respectively	21,841	27,218
Obligations under capital lease	120,000	120,000
Total liabilities	1,462,535	1,979,603
Commitments and Contingencies (Note 7)	—	—
Equity:		
Common stock, \$0.01 par value, 225,000,000 shares authorized, 117,984,195 and 119,789,106 shares issued and outstanding, as of September 30, 2018 and December 31, 2017, respectively	1,180	1,198
Additional paid-in capital	4,448,688	4,487,071
Cumulative distributions in excess of earnings	(1,665,745)	(1,957,236)
Cumulative other comprehensive income	5,077	903

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Total equity	2,789,200	2,531,936
Total liabilities and equity	\$4,251,735	\$4,511,539
See accompanying notes.		

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

	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Rental income	\$64,476	\$55,015	\$195,556	\$193,309
Tenant reimbursements	5,261	3,053	15,950	18,609
Hotel income	—	—	—	1,339
Asset and property management fee income	1,825	1,154	5,402	2,126
Other property income	1,778	1,140	5,512	1,992
	73,340	60,362	222,420	217,375
Expenses:				
Property operating costs	21,000	18,567	66,512	64,503
Hotel operating costs	—	—	—	2,085
Asset and property management fee expenses	206	188	619	717
Depreciation	19,878	18,501	61,394	60,529
Amortization	7,920	6,870	24,559	24,518
Impairment loss on real estate assets	—	—	30,812	—
General and administrative – corporate	8,303	7,034	24,379	25,003
General and administrative – unconsolidated joint ventures	746	713	2,213	713
	58,053	51,873	210,488	178,068
	15,287	8,489	11,932	39,307
Other Income (Expense):				
Interest expense	(13,051)	(14,731)	(43,260)	(44,308)
Gain (loss) on extinguishment of debt	—	(280)	23,713	(325)
Interest and other income	1,803	2,841	5,420	7,668
Gain on sale of unconsolidated joint venture interests	—	—	762	—
	(11,248)	(12,170)	(13,365)	(36,965)
Income (loss) before income taxes, unconsolidated joint ventures, and sales of real estate	4,039	(3,681)	(1,433)	2,342
Income tax benefit (expense)	(3)	(3)	(16)	378
Income (loss) from unconsolidated joint ventures	2,393	2,853	5,937	(849)
Income (loss) before sales of real estate	6,429	(831)	4,488	1,871
Gain on sales of real estate assets	—	102,365	—	175,518
Net income	\$6,429	\$101,534	\$4,488	\$177,389
Per-Share Information – Basic:				
Net income	\$0.05	\$0.84	\$0.04	\$1.46
Weighted-average common shares outstanding – basic	117,609	120,293	118,237	121,270
Per-Share Information – Diluted:				
Net income	\$0.05	\$0.84	\$0.04	\$1.46
Weighted-average common shares outstanding – diluted	118,207	120,529	118,749	121,458
Dividends per share	\$0.20	\$0.20	\$0.60	\$0.60

See accompanying notes.

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

	(Unaudited)		(Unaudited)	
	Three Months		Nine Months	
	Ended		Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net income	\$6,429	\$101,534	\$4,488	\$177,389
Market value adjustments to interest rate swap	722	148	4,174	146
Comprehensive income	\$7,151	\$101,682	\$8,662	\$177,535

See accompanying notes.

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COLUMBIA PROPERTY TRUST, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017 (UNAUDITED)
(in thousands, except per-share amounts)

	Common Stock		Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Cumulative Other Comprehensive Income	Total Equity
	Shares	Amount				
Balance, December 31, 2017	119,789	\$1,198	\$4,487,071	\$(1,957,236)	\$ 903	\$2,531,936
Cumulative-effect adjustment for the adoption of ASU 2017-05	—	—	—	357,755	—	357,755
Cumulative-effect adjustment for the adoption of ASU 2014-09	—	—	—	343	—	343
Repurchases of common stock	(1,954)	(19)	(41,770)	—	—	(41,789)
Common stock issued to employees and directors, and amortized (net of income tax withholdings)	149	1	3,387	—	—	3,388
Distributions to common stockholders (\$0.60 per share)	—	—	—	(71,095)	—	(71,095)
Net income	—	—	—	4,488	—	4,488
Market value adjustment to interest rate swap	—	—	—	—	4,174	4,174
Balance, September 30, 2018	117,984	\$1,180	\$4,448,688	\$(1,665,745)	\$ 5,077	\$2,789,200
	Common Stock Shares	Amount	Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Cumulative Other Comprehensive Income (Loss)	Total Equity
Balance, December 31, 2016	122,184	\$1,221	\$4,538,912	\$(2,036,482)	\$ (883)	\$2,502,768
Repurchases of common stock	(2,682)	(26)	(57,602)	—	—	(57,628)
Common stock issued to employees and directors, and amortized (net of income tax withholdings)	302	3	4,058	—	—	4,061
Distributions to common stockholders (\$0.60 per share)	—	—	—	(72,834)	—	(72,834)
Net income	—	—	—	177,389	—	177,389
Market value adjustment to interest rate swap	—	—	—	—	146	146
Balance, September 30, 2017	119,804	\$1,198	\$4,485,368	\$(1,931,927)	\$ (737)	\$2,553,902

See accompanying notes.

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

	(Unaudited) Nine Months Ended September 30,	
	2018	2017
Cash Flows From Operating Activities:		
Net income	\$4,488	\$177,389
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Straight-line rental income	(22,262)	(20,964)
Depreciation	61,394	60,529
Amortization	22,340	24,115
Impairment loss on real estate assets	30,812	—
Noncash interest expense	2,427	2,239
(Gain) loss on extinguishment of debt	(23,713)	325
(Income) loss from unconsolidated joint ventures	(5,937)	849
Distributions of earnings from unconsolidated joint ventures	21,464	—
Gain on sale of unconsolidated joint venture interests	(762)	—
Gain on sales of real estate assets	—	(175,518)
Stock-based compensation expense	5,352	5,509
Changes in assets and liabilities, net of acquisitions and dispositions:		
Decrease (increase) in tenant receivables, net	(2,061)	3,957
Decrease in prepaid expenses and other assets	6,533	1,340
Decrease in accounts payable and accrued expenses	(36,281)	(25,488)
Decrease in deferred income	(2,757)	(7,167)
Net cash provided by operating activities	61,037	47,115
Cash Flows From Investing Activities:		
Net proceeds from the sales of real estate	284,608	737,631
Net proceeds from sale of investments in unconsolidated joint ventures	235,083	—
Prepaid earnest money and transaction costs	(7,300)	(52,000)
Capital improvement and development costs	(56,379)	(59,022)
Deferred lease costs paid	(12,687)	(14,437)
Investments in unconsolidated joint ventures	(4,432)	(123,149)
Distributions from unconsolidated joint ventures	10,549	1,411
Net cash provided by investing activities	449,442	490,434
Cash Flows From Financing Activities:		
Financing costs paid	(154)	(628)
Proceeds from lines of credit and notes payable	186,000	—
Repayments of lines of credit and notes payable	(551,476)	(201,625)
Distributions paid to stockholders	(95,056)	(109,561)
Redemptions of common stock	(43,764)	(59,090)
Net cash used in financing activities	(504,450)	(370,904)
Net increase in cash and cash equivalents	6,029	166,645
Cash and cash equivalents, beginning of period	9,567	216,085
Cash and cash equivalents, end of period	\$15,596	\$382,730
See accompanying notes.		

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COLUMBIA PROPERTY TRUST, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(unaudited)

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, redevelops, owns, leases, and operates real properties directly, through wholly owned subsidiaries, or through unconsolidated joint ventures. Unless otherwise noted herein, 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.

Columbia Property Trust typically invests in high-quality, income-generating office properties. As of September 30, 2018, Columbia Property Trust owned 18 operating properties and one property under redevelopment, of which 14 were wholly owned and five were owned through unconsolidated joint ventures. The operating properties are located primarily in New York, San Francisco, Washington, D.C., and Atlanta, contain a total of 8.8 million rentable square feet, and were approximately 97.3% leased as of September 30, 2018. On October 3, 2018, Columbia Property Trust acquired a 49.7% interest in a newly formed joint venture that will develop a 12-story, 182,000-square-foot office building at 799 Broadway in New York.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Columbia Property Trust have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), including the instructions to Form 10-Q and Article 10 of Regulation S-X, and do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements. In the opinion of management, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods. Results for these interim periods are not necessarily indicative of a full year's results. For additional information on Columbia Property Trust's unconsolidated joint ventures, which are accounted for using the equity method of accounting, see Note 4, Unconsolidated Joint Ventures. Columbia Property Trust's consolidated financial statements include the accounts of Columbia Property Trust, Columbia Property Trust OP, and any variable-interest entity in which Columbia Property Trust or Columbia Property Trust OP was deemed the primary beneficiary. With respect to entities that are not variable interest entities, Columbia Property Trust's consolidated financial statements also include the accounts of any entity in which Columbia Property Trust, Columbia Property Trust OP, or their subsidiaries own a controlling financial interest and any limited partnership in which Columbia Property Trust, Columbia Property Trust OP, or their subsidiaries own a controlling general partnership interest. All intercompany balances and transactions have been eliminated in consolidation. For further information, refer to the financial statements and footnotes included in Columbia Property Trust's Annual Report on Form 10-K for the year ended December 31, 2017 (the "2017 Form 10-K").

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, under current market conditions. 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 or 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.

Real Estate Assets

Columbia Property Trust is required to make subjective assessments as to the useful lives of its depreciable assets. To determine the appropriate useful life of an asset, Columbia Property Trust considers the period of future benefit of the asset. 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

Assets Held for Sale

Columbia Property Trust classifies properties 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, properties having separately identifiable operations and cash flows are considered held for sale when all of 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 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.

- The sale of the property is probable (i.e., typically subject to a binding sale contract with a non-refundable deposit), and transfer of the property is expected to qualify for recognition as a completed sale within one year.

As of September 30, 2018 and December 31, 2017, none of Columbia Property Trust's properties met the criteria to be classified as held for sale in the accompanying balance sheet.

Evaluating the Recoverability of Real Estate Assets

Columbia Property Trust continually monitors events and changes in circumstances that could indicate that the net carrying amounts of its real estate and related intangible assets and liabilities, of both operating properties and properties under redevelopment, may not be recoverable. When indicators of potential impairment are present that suggest that the net carrying amounts of real estate assets and related intangible assets and liabilities may not be recoverable, Columbia Property Trust assesses the recoverability of these net assets by determining whether the respective carrying values will be recovered through the estimated undiscounted future cash flows expected from the use of the net 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 values of the real estate assets and related intangible assets and liabilities 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. At such time that a property is required to be classified as held for sale, its net carrying amount is adjusted to the lower of its depreciated book value or its estimated fair value, less costs to sell, and depreciation is no longer recognized.

Estimated fair values are calculated based on the following hierarchy of information: (i) recently quoted market prices, (ii) market prices for comparable properties, or (iii) the present value of future cash flows, including estimated residual value. Projections of expected future operating cash flows require that Columbia Property Trust 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. Due to the inherent subjectivity of the assumptions used to project future cash flows, estimated fair values may differ from the values that would be realized in market transactions. Certain of Columbia Property Trust's assets may be carried at an amount that exceeds that which could be realized in a current disposition transaction.

In the second quarter of 2018, Columbia Property Trust recognized an impairment loss of \$30.8 million in connection with changing the holding period expectations for 222 East 41st Street in New York. Columbia Property Trust widely

marketed this property for sale during the second quarter and, as a result, entered into an agreement to sell this property on May 25, 2018 and closed on the sale on May 29, 2018. Upon entering into the sale agreement, Columbia Property Trust reduced 222 East 41st Street's carrying

value to reflect its fair value, estimated based on the net contract price of \$284.6 million (Level 1), by recording an impairment loss of \$30.8 million in the second quarter of 2018.

Intangible Assets and Liabilities Arising From In-Place Leases Where Columbia Property Trust Is the Lessor

Upon the acquisition of real properties, Columbia Property Trust allocates the purchase price of the 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 detail). As of September 30, 2018 and December 31, 2017, Columbia Property Trust had the following intangible assets and liabilities, arising from in-place leases, excluding amounts held for sale, if applicable (in thousands):

	Intangible Lease		Intangible	Intangible
	Assets		Lease	Below-Market
	Above-Market	Absorption	Origination	In-Place Lease
	In-Place	Period	Costs	Liabilities
	Lease	Costs		
	Assets			
September 30, 2018 Gross	\$2,481	\$ 147,371	\$ 99,579	\$ 42,594
Accumulated Amortization	(985)	(80,876)	(63,953)	(20,753)
Net	\$ 1,496	\$ 66,495	\$ 35,626	\$ 21,841
December 31, 2017 Gross	\$2,481	\$ 149,927	\$ 100,424	\$ 46,878
Accumulated Amortization	(833)	(70,465)	(57,465)	(19,660)
Net	\$ 1,648	\$ 79,462	\$ 42,959	\$ 27,218

For the three and nine months ended September 30, 2018 and 2017, Columbia Property Trust recognized the following amortization of intangible lease assets and liabilities (in thousands):

	Intangible Lease		Intangible	Intangible
	Assets		Lease	Below-Market
	Above-Market	Absorption	Origination	In-Place Lease
	In-Place	Period	Costs	Liabilities
	Lease	Costs		
	Assets			
For the Three Months Ended September 30, 2018	\$51	\$ 4,193	\$ 2,376	\$ 1,473
For the Three Months Ended September 30, 2017	\$22	\$ 3,268	\$ 1,957	\$ 1,006
For the Nine Months Ended September 30, 2018	\$153	\$ 12,968	\$ 7,333	\$ 5,377
For the Nine Months Ended September 30, 2017	\$471	\$ 12,525	\$ 7,786	\$ 5,322

The net intangible assets and liabilities remaining as of September 30, 2018 will be amortized as follows (in thousands):

	Intangible Lease		Intangible	Intangible
	Assets		Lease	Below-Market
	Above-Market	Absorption	Origination	In-Place Lease
	In-Place	Period	Costs	Liabilities
	Lease	Costs		
	Assets			
For the remainder of 2018	\$51	\$ 4,165	\$ 2,360	\$ 1,445
For the years ending December 31:				
2019	203	14,586	8,575	5,507
2020	203	12,732	7,743	4,499
2021	203	8,079	3,713	1,591
2022	203	6,585	2,708	1,287
2023	203	5,944	2,480	1,264
Thereafter	430	14,404	8,047	6,248
	\$1,496	\$ 66,495	\$ 35,626	\$ 21,841

Intangible Assets and Liabilities Arising From In-Place Leases Where Columbia Property Trust Is the Lessee
Columbia Property Trust is the lessee on certain in-place ground leases. Intangible 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 approximately \$31.7 million and \$140.9 million as of September 30, 2018 and December 31, 2017, respectively, and recognized amortization of these assets of approximately \$0.1 million and \$0.6 million for the three months ended September 30, 2018 and 2017, respectively, and approximately \$1.2 million and \$1.9 million for the nine months ended September 30, 2018 and 2017, respectively.

As of September 30, 2018, the remaining net below-market intangible lease assets will be amortized as follows (in thousands):

For the remainder of 2018	\$ 137
For the Years Ending December 31:	
2019	545
2020	545
2021	545
2022	545
2023	545
Thereafter	26,346
	\$29,208

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 swap 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 on its consolidated balance sheet either as prepaid expenses and other assets or as accounts payable, accrued expenses, and accrued capital expenditures. Changes in the fair value of interest rate swaps that are designated as cash flow hedges are recorded as other comprehensive income. All changes in the fair value of interest rate swaps that do not qualify for hedge accounting treatment are recorded as gain or 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 gain or loss on interest rate swaps for contracts that do not qualify for hedge accounting treatment. The following tables provide additional information related to Columbia Property Trust's interest rate swaps (in thousands):

Property Trusts Interest Rate Swaps (in thousands):		Estimated Fair Value as of			
Instrument Type	Balance Sheet Classification	September 30, 2018	December 31, 2017	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Derivatives designated as hedging instruments:					
Interest rate contracts	Prepaid expenses and other assets	\$ 5,077	\$ 903		
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.					

Market value adjustment to interest rate swaps designated as hedging instruments and included in other comprehensive income	\$722	\$148	\$4,174	\$146
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During the periods presented, there was no hedge ineffectiveness required to be recognized into earnings on the interest rate swaps that qualified for hedge accounting treatment.

Income Taxes

Columbia Property Trust has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (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. 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 KCP TRS, LLC, and Columbia Energy TRS, LLC (collectively, the "TRS Entities") are wholly owned subsidiaries of Columbia Property Trust and are organized as Delaware limited liability companies. The TRS Entities, among other things, provide tenant services that Columbia Property Trust, as a REIT, cannot otherwise provide. 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 20% 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.

Recent Accounting Pronouncements

In February 2017, the FASB issued Accounting Standard Update 2017-05, Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Non-Financial Assets ("ASU 2017-05"), which applies to the partial sale of non-financial assets, including real estate assets, to unconsolidated joint ventures. ASU 2017-05 requires Columbia Property Trust to measure its residual joint venture interest in properties transferred to unconsolidated joint ventures at fair value as of the transaction date by recognizing a gain or loss on 100% of the asset transferred (i.e., to fully step-up the basis of the residual investment in the joint venture). Columbia Property Trust adopted the new rule effective January 1, 2018 on a modified retrospective basis by recording a cumulative-effect adjustment to equity equal to the total gain on residual joint venture interests as of the transaction dates for the partial sales of Market Square, 333 Market Street, and University Circle, adjusted to reflect the impact of depreciating the additional step-ups through January 1, 2018. The adoption of this standard resulted in an increase to investments in unconsolidated joint ventures and equity of \$357.8 million.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases ("ASU 2016-02"), which amends the existing standards for lease accounting by requiring lessees to recognize most leases on their balance sheets and by making targeted changes to lessor accounting and reporting. Columbia Property Trust expects to adopt ASU 2016-02 effective January 1, 2019, and is in the process of evaluating the financial impact of the following key lessee and lessor accounting changes:

The new standard requires lessees to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months, and classify such leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee, or not. This classification will determine whether the lease expense is recognized based on an effective interest method (finance leases) or on a straight-line basis over the term of the lease (operating leases). Leases with a term of 12 months or less will be accounted for using an approach that is similar to existing guidance for operating leases today. Columbia Property Trust anticipates recognizing a right of use asset and lease liability for its ground leases, corporate office lease, and various equipment leases.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance as applies to sales-type leases, direct-financing leases, and operating leases; however, under ASU 2016-02,

lessors are only permitted to capitalize and amortize initial direct costs associated with obtaining a lease. In July 2018, the FASB issued ASU 2018-11 Targeted Improvements Leasing, ("ASU 2018-11"), which provides "practical expedient" options (a) to implement ASU 2016-02 prospectively by only applying the new rules to leases that are in place as of the effective date on a go-forward basis, and (b) for lessors to combine revenues from lease and non-lease components. Columbia Property Trust anticipates using both of the practical expedients.

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 revenues arising from contracts with customers. ASU 2014-09 applies to all contracts with customers, except those that are within the scope of other topics in the FASB's Accounting Standards Codification, such as real estate leases. ASU 2014-09 requires companies to perform a five-step analysis of transactions to determine when and how revenue is recognized. For Columbia Property Trust, the new standard applies primarily to fees earned from managing properties owned by its unconsolidated joint ventures and parking agreements with tenants. Given the structure of these agreements, the adoption of ASU 2014-09 has not materially impacted the timing or amount of Columbia Property Trust's revenues; however, Columbia Property Trust has included more extensive disclosures about its revenue streams and contracts with customers, which are presented in Note 11, Revenues. ASU 2014-09 was effective for Columbia Property Trust on January 1, 2018. Columbia Property Trust has applied the modified retrospective approach of adoption, which resulted in the recognition of a cumulative effect adjustment to equity of \$0.3 million, with no retrospective adjustments to prior periods.

3. Real Estate Transactions

Acquisitions

During 2018 and 2017, Columbia Property Trust acquired the following properties and partial interests in properties:

Property	Location	Date	Percent Acquired	Purchase Price ⁽¹⁾ (in thousands)
2018				
799 Broadway	New York, NY	October 3, 2018	49.7 %	\$30,200 ⁽²⁾
Lindbergh Center – Retail	Atlanta, GA	October 24, 2018	100.0 %	\$23,000
2017				
149 Madison Avenue	New York, NY	November 28, 2017	100.0 %	\$87,700
1800 M Street	Washington, D.C.	October 11, 2017	55.0 %	\$231,550 ⁽²⁾
249 West 17th Street & 218 West 18th Street	New York, NY	October 11, 2017	100.0 %	\$514,100
114 Fifth Avenue	New York, NY	July 6, 2017	49.5 %	\$108,900 ⁽²⁾

(1) Exclusive of transaction costs and price adjustments. See purchase price allocation table below for a breakout of the net purchase price for wholly owned properties.

(2) Purchase price is for Columbia Property Trust's partial interests in the properties, which are owned through unconsolidated joint ventures.

799 Broadway Joint Venture

On October 3, 2018, Columbia Property Trust formed a joint venture with Normandy Real Estate Partners ("Normandy") for the purpose of developing a 12-story, 182,000-square-foot office building at 799 Broadway in New York (the "799 Broadway Joint Venture"). Columbia Property Trust made an initial equity contribution of \$30.2 million in the 799 Broadway Joint Venture for a 49.7% interest therein. At inception, the 799 Broadway Joint Venture acquired the property located at 799 Broadway for \$145.5 million, exclusive of transaction costs and development costs, and borrowed \$97.0 million under a construction loan with total capacity of \$187.0 million. Pursuant to a joint and several guaranty agreement with the construction loan lender, Columbia Property Trust and Normandy are required to make aggregate additional equity contributions to the joint venture based on the initial expected project costs, less the amount of equity contributions made to date. As of October 3, 2018, Columbia Property Trust and Normandy are required to make aggregate additional equity contributions of \$57.6 million, of which \$28.6 million reflects Columbia Property Trust's allocated share.

Lindbergh Center – Retail

On October 24, 2018, Columbia Property Trust acquired the 147,000 square feet of ancillary retail and office space surrounding its existing property, Lindbergh Center, for a gross purchase price of \$23.0 million.

149 Madison Avenue

149 Madison Avenue is a 12-story, 127,000-square-foot office building, which was vacant at the time of acquisition. Columbia Property Trust acquired 149 Madison Avenue subject to a ground lease, which expired in January 2018. Columbia Property Trust is redeveloping this property.

1800 M Street Joint Venture

Columbia Property Trust acquired a 55% equity interest in 1800 M Street through a newly created joint venture partnership with Allianz Real Estate of America ("Allianz"). 1800 M Street is a 10-story, 581,000-square-foot office building in Washington, D.C., which was 94% leased at acquisition (the "1800 M Street Joint Venture"). The total gross purchase price for 1800 M Street was \$421.0 million.

249 West 17th Street & 218 West 18th Street

249 West 17th Street is made up of two interconnected 12- and six-story towers, totaling 281,000 square feet of office and retail space and 218 West 18th Street is a 12-story, 166,000-square-foot office building. As of the acquisition date, 249 West 17th Street was 100% leased to four tenants, including Twitter, Inc. (76%) and Room & Board, Inc. (21%); and 218 West 18th Street was 100% leased to seven tenants, including Red Bull North America, Inc. (25%), Company 3 (18%), SY Partners (16%), and SAE (16%).

114 Fifth Avenue Joint Venture

Columbia Property Trust acquired a 49.5% equity interest in a joint venture that owns the 114 Fifth Avenue property from Allianz (the "114 Fifth Avenue Joint Venture"). 114 Fifth Avenue is a 19-story, 352,000-square-foot building located in Manhattan's Flatiron District that was 100% leased at acquisition. The 114 Fifth Avenue Joint Venture is owned by Columbia Property Trust (49.5%), Allianz (49.5%), and L&L Holding Company (1.0%). L&L Holding Company is the general partner and performs asset and property management services for the property.

Purchase Price Allocations for Consolidated Property Acquisitions

	149 Madison Avenue New York, NY	249 West 17th Street New York, NY	218 West 18th Street New York, NY
Location			
Date Acquired	November 28, 2017	October 11, 2017	October 11, 2017
Purchase Price (in thousands):			
Land	\$ 59,112	\$113,149	\$43,836
Building and improvements	28,989	194,109	126,957
Intangible lease assets	—	27,408	12,120
Intangible lease origination costs	—	13,062	4,168
Intangible below market lease liability	—	(7,131)	(11,757)
Total purchase price	\$ 88,101	\$340,597	\$175,324

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

Pro Forma Financial Information

The following unaudited pro forma statements of operations for the three and nine months ended September 30, 2017, have been prepared for Columbia Property Trust to give effect to the acquisitions of 249 West 17th Street, 218 West 18th Street, and 149 Madison Avenue as if the acquisitions had occurred on January 1, 2016. Columbia Property Trust owned 249 West 17th Street, 218 West 18th Street, and 149 Madison Avenue for the entirety of the nine months ended September 30, 2018. 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, 2016 (in thousands, except per-share amounts):

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Revenues	\$ 69,990	\$ 246,260
Net income	\$ 103,861	\$ 184,369
Net income per share – basic	\$ 0.86	\$ 1.52
Net income per share – diluted	\$ 0.86	\$ 1.52

Dispositions

During 2017 and the first nine months of 2018, Columbia Property Trust disposed of the following properties or partial interests in properties of unconsolidated joint ventures:

Property	Location	Date	% Sold	Sales Price ⁽¹⁾ (in thousands)	Gain on Sale (in thousands)
2018					
222 East 41st Street ⁽²⁾	New York, NY	May 29, 2018	100.0%	\$332,500	\$—
263 Shuman Boulevard ⁽³⁾	Chicago, IL	April 13, 2018	100.0%	\$49,000 ⁽³⁾	\$24,000 ⁽³⁾
University Circle & 333 Market Street Joint Ventures ⁽⁴⁾	San Francisco, CA	February 1, 2018	22.5 % ⁽⁴⁾	\$235,300 ⁽⁴⁾	\$762 ⁽⁴⁾
2017					
University Circle & 333 Market Street ⁽⁵⁾	San Francisco, CA	July 6, 2017	22.5 % ⁽⁵⁾	\$234,000 ⁽⁵⁾	\$102,400 ⁽⁵⁾
Key Center Tower & Marriott ⁽⁶⁾	Cleveland, OH	January 31, 2017	100.0%	\$267,500	\$9,500
Houston Properties ⁽⁷⁾	Houston, TX	January 6, 2017	100.0%	\$272,000	\$63,700

⁽¹⁾ Exclusive of transaction costs and price adjustments.

On May 29, 2018, Columbia Property Trust closed on the sale of 222 East 41st Street in New York, for \$332.5 million, exclusive of transaction costs. Columbia Property Trust recognized an impairment loss of \$30.8 million related to this property in the second quarter of 2018, as further described in Note 2, Summary of Significant Accounting Policies.

The proceeds from this transaction were used to fully repay the \$180 million remaining balance on the \$300 Million Bridge Loan, as described in Note 5, Line of Credit and Notes Payable.

On April 13, 2018, Columbia Property Trust transferred 263 Shuman Boulevard to the lender in extinguishment of the loan principal of \$49.0 million, accrued interest expense, and accrued property operating costs, which resulted in a gain on extinguishment of debt of \$24.0 million in the second quarter of 2018.

Sales price is for the partial interests in the unconsolidated joint ventures that were sold. As previously agreed, Columbia Property Trust sold an additional 22.5% interest in University Circle and 333 Market Street to its joint venture partner, Allianz, for \$235.3 million, which resulted in a \$0.8 million gain on sale of unconsolidated joint venture interests (the "February 2018 Allianz Transaction"). The gain on sale is calculated as the net sales price over the adjusted carrying value of the joint venture interest sold. In connection with implementing ASU 2017-05, effective January 1, 2018, the joint venture carrying value was increased to its estimated fair value as of the joint venture formation date, July 6, 2017, less depreciation through January 1, 2018.

The proceeds from this transaction were used to reduce the balance on the \$300 Million Bridge Loan and the Revolving Credit Facility, as described in Note 5, Line of Credit and Notes Payable.

Sales price is for the partial interests in the properties that were sold. Columbia Property Trust contributed University Circle and 333 Market Street to unconsolidated joint ventures, and simultaneously sold a 22.5% interest in those joint ventures to Allianz, an unrelated third party, for \$234.0 million, which resulted in a \$102.4 million gain on sale of real estate assets (collectively, the "San Francisco Joint Ventures"). The gain on sale is calculated as the net sales price over the depreciated net book value of the assets sold.

Key Center Tower & Marriott were sold in one transaction for \$254.5 million of gross proceeds and a \$13.0 million, 10-year accruing note receivable from the principal of the buyer. As a result, Columbia Property Trust has applied the installment method to account for this transaction, and deferred \$13.0 million of the total \$22.5 million gain on sale. The Key Center Tower and Key Center Marriott generated a net loss of \$1.9 million for the first 31 days of 2017, excluding the gain on sale.

5 Houston Center, Energy Center I, and 515 Post Oak were sold in one transaction. These properties generated a net loss of \$14,900 for the first six days of 2017, excluding the gain on sale.

4. Unconsolidated Joint Ventures

As of September 30, 2018 and December 31, 2017, Columbia Property Trust owned interests in the following properties through joint ventures, which are accounted for using the equity method of accounting:

Joint Venture	Property Name	Geographic Market	Ownership Interest	Carrying Value of Investment ⁽¹⁾	
				September 30, 2018	December 31, 2017
Market Square Joint Venture	Market Square	Washington, D.C.	51.0 %	\$ 134,975	\$ 128,411
University Circle Joint Venture	University Circle	San Francisco	55.0 % ⁽²⁾	295,368	173,798
333 Market Street Joint Venture	333 Market Street	San Francisco	55.0 % ⁽²⁾	274,791	288,236
114 Fifth Avenue Joint Venture	114 Fifth Avenue	New York	49.5 %	101,648	110,311
1800 M Street Joint Venture	1800 M Street	Washington, D.C.	55.0 %	238,262	242,486
				\$ 1,045,044	\$ 943,242

Includes basis differences. Columbia Property Trust adopted ASU 2017-05 effective January 1, 2018, which requires Columbia Property Trust to measure its residual joint venture interest in the properties transferred to unconsolidated joint ventures at fair value as of the transaction date (i.e., to fully step-up the basis of the residual investment in the joint venture). The new rule was adopted on a modified retrospective basis by recording a ⁽¹⁾ cumulative-effect adjustment to equity equal to the original gain or loss as of the respective transaction dates, adjusted to reflect the impact of amortizing the additional step-ups through January 1, 2018. The adoption of this standard resulted in an increase to investments in unconsolidated joint ventures and equity by \$357.8 million on January 1, 2018, for the previous partial sales of interest in the Market Square, 333 Market Street, and University Circle properties.

On February 1, 2018, Allianz acquired from Columbia Property Trust an additional 22.5% interest in each of the ⁽²⁾ University Circle Joint Venture and the 333 Market Street Joint Venture, thereby reducing Columbia Property Trust's equity interest in each joint venture to 55.0%. See the "Dispositions" section of Note 3, Real Estate Transactions, for more information.

Columbia Property Trust has determined that none of the joint ventures qualify as variable interest entities. However, Columbia Property Trust and its partners have substantive participation rights in the joint ventures, including management selection and termination, and the approval of operating and capital decisions. As such, Columbia Property Trust uses the equity method of accounting to record its investment in these joint ventures. Under the equity method, the investment in the joint venture is recorded at cost and adjusted for cash contributions and distributions, and allocations of income or loss.

Columbia Property Trust evaluates the recoverability of its investments in unconsolidated joint ventures 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 and (2) Columbia Property Trust's intent and ability to retain its interest long enough for a recovery in market value. Based on the assessment as described above, Columbia Property Trust has determined that none of its investments in joint ventures are other than temporarily impaired as of September 30, 2018.

Mortgage Debt and Related Guaranty

The Market Square joint venture has a mortgage note on the property. As of September 30, 2018 and December 31, 2017, 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. Columbia Property Trust guarantees a portion of the Market Square mortgage note, the amount of which has been reduced to \$5.8 million as of September 30, 2018.

from \$11.2 million as of December 31, 2017, as a result of leasing at Market Square. The amount of the guaranty will continue to be reduced as space is leased.

Condensed Combined Financial Information

Summarized balance sheet information for each of the unconsolidated joint ventures is as follows (in thousands):

	Total Assets		Total Debt		Total Equity ⁽¹⁾	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Market Square Joint Venture	\$583,858	\$ 590,115	\$324,748	\$ 324,708	\$243,833	\$ 244,506
University Circle Joint Venture	227,321	227,368	—	—	221,264	221,154
333 Market Street Joint Venture	377,968	385,297	—	—	363,011	368,994
114 Fifth Avenue Joint Venture	378,658	392,486	—	—	154,234	170,525
1800 M Street Joint Venture	447,469	458,964	—	—	430,682	438,227
	\$2,015,274	\$ 2,054,230	\$324,748	\$ 324,708	\$1,413,024	\$ 1,443,406

Excludes basis differences. There is an aggregate net difference of \$282.4 million and \$32.0 million as of September 30, 2018 and December 31, 2017, respectively, between the historical costs recorded at the joint venture level, and Columbia Property Trust's investments in unconsolidated joint ventures. Such basis differences result

⁽¹⁾ from the basis adjustments recorded pursuant to ASU 2017-05, as described in Note 2, Summary of Significant Accounting Policies; differences in the timing of each partner's joint venture interest acquisition; and formation costs incurred by Columbia Property Trust. Basis differences are amortized to income (loss) from unconsolidated joint ventures over the lives of the underlying assets or liabilities.

Summarized income statement information for the unconsolidated joint ventures for the three months ended September 30, 2018 and 2017 is as follows (in thousands):

	Total Revenues		Net Income (Loss)		Columbia Property Trust's Share of Net Income (Loss) ⁽¹⁾	
	2018	2017	2018	2017	2018	2017
Market Square Joint Venture	\$10,996	\$10,474	\$(3,120)	\$(4,089)	\$(1,592)	\$(2,086)
University Circle Joint Venture	11,577	9,448	6,601	4,810	3,630	3,701
333 Market Street Joint Venture	6,677	6,306	3,602	3,381	1,981	2,593
114 Fifth Avenue Joint Venture	10,210	9,832	(2,740)	(2,332)	(1,357)	(1,355)
1800 M Street Joint Venture	9,482	—	1,422	—	782	—
	\$48,942	\$36,060	\$5,765	\$1,770	\$3,444	\$2,853

⁽¹⁾ Excludes the amortization of basis differences described above.

Summarized income statement information for the unconsolidated joint ventures for the nine months ended September 30, 2018 and 2017 is as follows (in thousands):

	Total Revenues		Net Income (Loss)		Columbia Property Trust's Share of Net Income (Loss) ⁽¹⁾	
	2018	2017	2018	2017	2018	2017
Market Square Joint Venture	\$33,260	\$31,036	\$(9,127)	\$(11,348)	\$(4,655)	\$(5,788)
University Circle Joint Venture	31,921	9,448	17,349	4,810	9,944	3,701
333 Market Street Joint Venture	20,020					