

KBS Completes Sale of 515 Congress, a 267,956-Square-Foot Class A Office Tower in Downtown Austin

The transaction demonstrates investor interest in well-located, amenity-rich Class A office properties as downtown Austin's market continues to adjust to elevated vacancy and new supply.



AUSTIN, Texas (Sept. 23, 2026) – [KBS](#), one of the nation's largest owners and operators of premier commercial real estate, has completed the sale of 515 Congress, a 26-story, 267,956-square-foot Class A office tower at the corner of Congress Avenue and Sixth Street in downtown Austin, Texas. A joint venture of [Palmatum Ventures](#), [AQUILA](#) and [Glendon Capital Management](#) acquired the property. JLL represented KBS in the transaction. 515 Congress was owned by KBS Real Estate Investment Trust III, an affiliated KBS real estate investment trust.

According to Giovanni Cordoves, KBS' Western regional president, the sale reflects the performance of amenity-rich Class A office assets and the firm's disciplined, strategic approach to ownership. "515 Congress averaged more than 91% occupancy over the past decade, reflecting the consistent investment and active management of the property through multiple market cycles," says Cordoves. "Our deep knowledge of the Texas market, combined with disciplined underwriting, enabled us to complete a timely sale to a well-capitalized ownership group."

Located in the heart of downtown Austin, 515 Congress is within walking distance of the Texas State Capitol and dining, retail, hotel and cultural amenities. During its ownership, KBS invested more than \$15.5 million in capital and base-building improvements, including renovations to the lobby, tenant lounge and conference facilities and modernization of the elevators.

"We have executed multiple lease transactions over the past year, signaling the value of the capital invested in the property and the continued appeal of its location and amenities," says Brett Merz, senior vice president and co-director of investment management at KBS. "The recent expansion of an anchor tenant and the addition of its name to the building's signage further demonstrate tenant confidence in the property and its location."

Recent corporate expansions and leasing activity continue to provide signs of momentum in the Austin office market. In August 2026, Apollo Global Management selected Austin for a new strategic growth hub focused on innovation, emerging technology and the firm's next phase of growth. JLL research also indicates that Austin recorded positive net absorption during the first half of 2026, with leasing activity showing pockets of strength in the central business district and Southwest submarket.

KBS worked closely with JLL to market the asset and execute the disposition strategy. According to Ben Tolson, managing principal at AQUILA, the property's premier location and strong fundamentals were key factors in the venture's acquisition. "515 Congress has a combination of location, visibility, views and flexibility that is difficult to replicate downtown," said Tolson. "It's right on Congress Avenue, it works particularly well for today's most active tenants, and we see a real opportunity to invest in the building and enhance the experience for both existing tenants and the companies we hope to attract."

JLL Capital Markets brokers Mike McDonald, Jonathan Napper, Ryan Stevens and Drew Fuller represented KBS in the sale of 515 Congress. "Downtown Austin has functioned as two distinct markets in recent years, and this transaction demonstrates the qualities that continue to attract buyers," says McDonald. "Investors remain

selective, but well-located, renovated properties with durable tenant bases and clear leasing potential can still generate meaningful competition.”

Bruce Fischer and Howard Chu, attorneys with Greenberg Traurig LLP, and paralegal Amanda Kennedy represented KBS in the disposition. “515 Congress demonstrates that landmark, well-located properties can continue to attract institutional and private capital, even in a challenging office market,” says Fischer, chair of the firm’s West Coast real estate practice and co-managing shareholder of its Orange County office.

High-resolution property photos are available at: [515 Congress](#), for the next 30 days.

About KBS

[KBS](#) is a private equity real estate firm and SEC-registered investment adviser. Since its founding in 1992 by Peter Bren and Chuck Schreiber, KBS and its affiliated companies have completed more than \$45.9 billion in transactions on behalf of private and institutional investors and have invested in nearly 1,700 multifamily, industrial, office and retail assets. The firm acquires and operates high-quality commercial real estate across U.S. growth markets and is committed to strong business ethics, long-standing relationships, and disciplined investment management. SEC registration as an investment adviser does not imply any particular level of skill or training. For more information, please visit www.kbs.com.

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