



Real Estate  
Investment  
Trust III

**FOR IMMEDIATE RELEASE**

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## **KBS REIT III Purchases Downtown Minneapolis Office Building**

***KBS planning to revitalize visible CBD office tower***

MINNEAPOLIS (Feb. 4, 2013) – Newport Beach, Calif.,-based public non-traded real estate investment trust [KBS Real Estate Investment Trust III](#) (KBS REIT III) today announced the acquisition of RBC Plaza, a 678,045-square-foot mixed-use office building in downtown Minneapolis, for a purchase price (net of closing credits) of \$118.1 million. At closing, the trophy-quality tower was 83-percent occupied. KBS REIT III plans to reconfigure some of the existing retail space.

RBC Plaza is a 40-story building that contains 609,368 square feet of office space and 68,677 square feet of retail and amenity space above an underground parking structure. The building is strategically located in Minneapolis' financial district along Nicollet Mall, downtown's most popular and well-known shopping district. The first four floors of RBC Plaza make up the retail component and, via skywalk connections, are part of a multi-building retail complex that spans two city blocks.

"Brookfield, the seller, has done a wonderful job of running the asset, however the pending closing of one of the anchor retailers provides an exciting opportunity to rethink the four-story retail section of this project," said Rodney Richerson, KBS regional president. "We believe we have a great opportunity to convert some of the upper-level retail floors into creative office space, along with creating a primary entrance off of Nicollet Mall and improving the overall retail mix. In addition to these improvements, we anticipate adding stronger office amenities, conference rooms, a fitness facility and some lobby renovations that will cost approximately \$3 million dollars."

Brookfield Office Properties was represented by Tom O'Brian and Terry Kingston with Cushman & Wakefield/NorthMarq and Mike Winn and Tim Richey with Cushman & Wakefield/Denver.

(more)

“This transaction illustrates KBS REIT III’s ability to utilize its various areas of expertise to take advantage of an exceptional investment opportunity in a top performing market,” said Giovanni Cordoves, vice president of asset management of KBS Capital Advisors, the REIT’s advisor who will oversee management of this property. “The property’s footprint on Nicollet Mall and its proximity to Light Rail Transit the Minneapolis-Saint Paul International Airport makes it a desirable place for companies to do business.”

KBS has hired Cushman & Wakefield/NorthMarq to manage and lease the asset effective, Feb. 1, 2013. Sonja Dusil will lead the leasing efforts and Theresa Elveru will lead the property management team.

Companies affiliated with KBS own two other properties in the greater Minneapolis area: the 288,458-square-foot [601 Tower at Carlson](#) in Minnetonka, Minn., eight miles west of Minneapolis, and [Watertower Apartments](#), a 228-unit mixed-use apartment community in Eden Prairie, Minn. KBS REIT III does not hold any interest in these properties.

### **About KBS**

KBS Capital Advisors is an affiliate of KBS Realty Advisors, which is a private equity real estate company and SEC-registered investment advisor founded by Peter Bren and Charles Schreiber, Jr. in 1992. Since its inception, KBS Realty Advisors and its affiliated companies have completed transactional activity of approximately \$25 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit [www.kbscapital.com](http://www.kbscapital.com).

*This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including KBS REIT III’s ability to invest in and manage a diverse portfolio, the performance of the RBC Plaza and the performance of the Minneapolis real estate market. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT III’s or the RBC Plaza’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.*

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