



Media Contact:

Cristina Martinez
Prosek Partners for KBS
(212) 279-3115, ext. 215
cmartinez@prosek.com

KBS REIT III Acquires 3001 Washington Boulevard in Arlington

ARLINGTON, Va., (Nov. 9, 2015) – [KBS Real Estate Investment Trust III](#) (KBS REIT III), a non-traded real estate investment trust based in Newport Beach, California, announced today the acquisition of 3001 Washington Boulevard, a new, eight-story, 94,837-square-foot building located in the Clarendon neighborhood of Arlington for \$52 million. The seller, Penzance (www.penzco.com), is a privately-held real estate investment firm based in Washington, D.C.

The property, which is LEED Gold Certified, is located two blocks away from The Market Common at Clarendon, an outdoor, mixed-use development with restaurants, residential buildings and 30 retailers, and one block away from the Clarendon Metrorail Station, which is three stops from downtown Washington, D.C., and four stops from the Pentagon. The property is also easily accessible by Interstate 66 and Route 50, and is 10 minutes by car from downtown Washington, D.C. The Clarendon neighborhood has become known for its unique mix of shops, bars and small restaurants and is considered the downtown of Arlington with its vibrant 24/7 environment.

The building offers a list of amenities, including a pending full service restaurant (lease executed), private office terraces on two floors, and other shared amenities with 3003 Washington Boulevard, such as a fitness center, rooftop terrace, underground parking garage, on-site property management and a bike room.

“This building is located in what we believe is one of the most desirable submarkets of the Washington, D.C. metropolitan area and offers tenants an unparalleled amenity base and lifestyle,” said Marc DeLuca, KBS regional president.

“We believe northern Virginia has become a popular place for businesses, and tenants will enjoy Clarendon’s urban feel, mass-transit options and accessibility to Washington, D.C.,” said Stephen Close, KBS senior vice president. “We are pleased to add this asset to the KBS portfolio and combine it with 3003 Washington Boulevard, as it was originally intended.”

KBS REIT III also owns 3003 Washington Boulevard, which was purchased in December 2014 from Penzance, and is connected to 3001 Washington Boulevard. The buildings together total 311,120 square-feet.

Collins Ege of Eastdil Secured brokered the off-market transaction.

About KBS

KBS Capital Advisors is KBS REIT III’s external advisor and is an affiliate of KBS Realty Advisors, a private equity real estate company and SEC-registered investment adviser founded

by Peter Bren and Charles J. Schreiber in 1992. Since its inception, KBS-affiliated companies have completed transactional activity in excess of \$30.5 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and six non-traded REITs. For information, visit www.kbs.com.

About Penzance

Penzance is a leading Washington, D.C.-based investment company with a proven track record. The company has developed, redeveloped and repositioned multiple assets with remarkable success. Penzance has a history of adding significant value to the assets it owns by maximizing tenant retention and driving rent growth. The Penzance core competencies include acquisitions, development, capital markets, asset management, leasing, property management, construction management, and facilities management for private and government organizations. For information, visit www.penzco.com.

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended including statements relating to KBS REIT III's ability to invest in and manage a diverse portfolio, and the performance of 3001 Washington Boulevard and of the Arlington real estate market. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS REIT III's and/or 3001 Washington Boulevard'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.

#