

Zoom Expands its Lease at KBS's The Almaden to More than 87,000 Square Feet



NEWPORT BEACH, Calif. (June 25, 2019) — [KBS](#), one of the largest owners of commercial real estate, announced today that Zoom Video Communications, Inc., a video-first unified communications provider, renewed and expanded its lease to 87,025 square feet at The Almaden in San Jose, California. The property is owned by KBS Real Estate Investment Trust III.

The Almaden is a fully-leased, three-building office park located on 5.81 acres in Downtown San Jose. Recently, renovated the property encompasses 416,126 square feet of office space.

Current tenant amenities include multiple conference rooms with video conference capabilities, outdoor patio with BBQ, fireplace and seating, a fitness center, locker room with showers and a tenant lounge with a roll-up door, bar area, TV's and games. The property is one of the closest office parks to Caltrain and within two blocks of a future underground BART Station. The area has a high walk score offering tenants access to the pedestrian-friendly San Pedro Square, featuring a diverse collection of restaurants.

"We are happy that Zoom has enjoyed The Almaden, and the buildings ability to support their continued growth. We look forward to a long-term partnership," said Brent Carroll, senior vice president, acquisitions/co-director for KBS and asset manager of the property.

Downtown San Jose is home to major tech companies such as Zoom, Google, Adobe, Samsara, ViaSat and Intacct. Zoom offers customers a video-first unified communications platform and a frictionless environment where customers can easily share content to accomplish their business objectives. Zoom's architecture was built cloud native and video-first, with a network of data centers leveraging intelligent location-based routing to ensure that users can join easily and maintain connectivity even in areas of limited bandwidth.

"Due to fierce competition for labor and demand for amenities in and around the San Jose area, the market will likely continue to strengthen," said Rod Richerson, regional president Western United States for KBS. "We are committed to making any necessary renovations needed to accommodate tenants such as Zoom in The Almaden for many years."

Net absorption in Silicon Valley decreased in the first quarter to 269,000-sf after a strong 556,000 sf in the fourth quarter. The total annual net absorption finished 2018 at 2.3 msf which is significantly above the 10-year average of 1.3 msf, according to [Cushman & Wakefield's](#) Silicon Valley Office Market Report for Q1 2019. Job growth in the San Jose metropolitan statistical area increased 2.2 percent year-over-year. Driven primarily by tech growth from companies such as Zoom, WeWork and Cohesity.

"There's an increased demand for amenity-rich workplaces that help employers attract and retain talent and the tenant lounge on the ground floor of The Almaden is one of the best in the area," said Brittan Cheney, senior vice president, tenant advisory services for Cushman & Wakefield who brokered the transactions for KBS. "Other landlords look to it as the gold standard when creating or renovating common areas for their tenants to eat and socialize."

Vince Machado and Jeff Birnbaum of CBRE represented Zoom in the transactions.

To access photos of The Almaden, please click [here](#).

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 The Almaden and of the San Jose 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 The Almaden'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.

About KBS

KBS is a private equity real estate company and an SEC-registered investment adviser. Founded in 1992 by Peter Bren and Chuck Schreiber, it is recognized as one of the largest commercial office owners globally. Since inception, KBS-affiliated companies have completed transactional activity of approximately \$40 billion via 16 separate accounts and six commingled funds, for government and corporate pension funds. Additionally, KBS has sponsored five sovereign wealth funds and seven SEC-registered, non-traded REITs. For more information on KBS, its properties and real estate portfolios, please visit KBS.com. For information about KBS' current offerings, please visit KBSDIRECT.com, an online portal for self-directed accredited investors to participate in institutional-quality real estate without paying up-front fees or commissions. Registration as an investment adviser does not imply any particular level of skill or training.