

KBS Repositions and Rebrands Five-Building Office Campus in San Jose, CA; Leases 314,710 Square-Foot in Less Than Six Months Post Renovation

KBS created 100,000 square-feet of premium spec space, driving increased leasing activity that resulted in attracting three new global companies to the office campus



SAN JOSE, Calif. (March 25, 2019) – [KBS](#), one of the largest investors in prime commercial real estate, has repositioned and rebranded District 237, formerly Corporate Technology Centre, a five-building, 415,000 square-foot office campus in San Jose, California. The repositioning resulted in a combined total of 314,710 square-feet in new leases with three global companies at the property, all of which were completed in less than six months post renovation. The building is owned by KBS Real Estate Investment Trust II.

The new leases include a new long-term lease for 142,710 square-feet with Raytheon, a global technology and innovation leader specializing in defense, civil government and cybersecurity solutions; 96,000 square-feet to NXP Semiconductors, a global semiconductor manufacturer; and 76,000 square-feet to CDK Global, an automotive software company.

“Our ability to lease four out of the five buildings within the campus in such a short period of time is a true testament to how the project was repositioned to appeal to those firms actively looking to upgrade their facilities and enhance their ability to attract talent in this competitive environment,” says Brent Carroll, senior vice president and asset manager of District 237. “We are also in talks with several companies to lease the final fifth building at 100,000 square-feet, which we anticipate will be leased quickly as well.”

According to Carroll, a key differentiator for KBS was committing the necessary capital required to update the office park’s exteriors, install new modern landscaping and fully build out one of the buildings, similar to the model home approach used by residential developers. Rather than white boxing the five buildings, we took one building and completely built out the interior which included a more open layout, updated common areas, a new tenant lounge, fitness center and private outdoor amenity areas that we believed would drive new leasing activity by infusing new energy into the project.

“We took a unique approach at District 237 by creating a large amount of square footage in spec space, which was very successful,” says Carroll. “Many office owners are incorporating spec space into their assets; however, not many are incorporating it at this high level. Because of this, we saw an influx in leasing activity and were able to attract a variety of top companies that were looking to lease large amounts of space within the campus.”

Driven mostly by the tech sector, job growth in the San Jose metropolitan area increased by 32,400 jobs in 2019, according to [a Q4 2019 report from Cushman & Wakefield](#). This brings regional employment to 1.2 million.

“San Jose continues to benefit from Silicon Valley’s thriving economy and remains a key market for some of today’s top tech players,” says Rod Richerson, regional president, Western United States, for KBS. “This asset

is located within 15 minutes of San Jose's CBD, near a new BART station, and is surrounded by quality retail and entertainment. The renovations we implemented created a campus feel with unbeatable access to the freeways."

The team representing KBS in the leases included Erik Hallgrimson, Kelly Yoder, Jeff Cushman and Steve Horton of Cushman & Wakefield.

"KBS is a forward-thinking owner and this is demonstrated in the caliber of office properties they offer," says Hallgrimson, vice chairman for Cushman & Wakefield. "District 237's newly renovated look and sophisticated amenities are truly in line with today's tenant demands."

District 237 is located at 350, 300, 250, 200 Holger Way and 100 Headquarters Drive in San Jose, California. Please find photos of the property [here](#).

About KBS

KBS is one of the largest investors in premier commercial real estate in the nation. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed transactional activity of approximately \$41 billion on behalf of large institutions, such as public and private pension plans, endowments, foundations, sovereign wealth funds, seven public non-traded real estate investment trusts (REITs), and having served as the US asset manager for two REITs listed in Singapore. Founded in 1992 by Peter Bren and Chuck Schreiber, KBS acquires and operates prime commercial real estate in some of the most successful epicenters in the country. The firm is committed in its business ethics, its business relationships and its constant focus on exceeding the expectations of its investors, partners and tenants. SEC registration as an investment advisor does not imply any particular level of skill or training. For more information on KBS, please visit www.kbs.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 Real Estate Investment Trust II's ability to invest in and manage a diverse portfolio, and the performance of District 237 and of the San Jose, California real estate market. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS Real Estate Investment Trust II's and/or District 237'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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