

KBS Sells Two Buildings at 415,492 Square-Foot Class A Office Complex in San Jose, California, for \$95M



SAN JOSE, CALIFORNIA (June 29, 2020) – [KBS](#), one of the largest investors in premier commercial real estate in the nation, announced today that it has sold two additional buildings at [District 237](#), a Class A office/R&D complex in San Jose, California. The buildings owned by KBS Real Estate Investment Trust II at 100 Headquarters Drive and 200 Holger Way, 142,710 square-feet of the property were sold to independent real estate fund and asset management company [EXAN Group](#) for \$95.2 million. EXAN Group will be retained as management of District 237.

District 237, formerly known as Corporate Technology Centre, is located in the North San Jose submarket of the Silicon Valley, a highly desirable area of Northern California among office users, according to Rodney Richerson, regional president, western region, for KBS.

“KBS consistently identifies exceptionally well-located assets in markets where powerful value creation is possible,” says Richerson. “North San Jose, with its close proximity to tightly occupied Silicon Valley cities such as Palo Alto and Mountain View, is one of those markets. Tech tenants who like Silicon Valley and are seeking more competitive rates are drawn to this submarket, and discerning office investors like EXAN Group recognize how an institutional-grade property like District 237 adds value to their portfolio.”

Built in 1999 and 2001, District 237 was built with eight one-, two-, and three-story buildings. The buildings feature excellent window lines and efficient floorplates, according to Brent Carroll, asset manager for District 237 and senior vice president for KBS. In 2018, the company sold three of the eight buildings.

“Each building in this highly sought-after property features superb visibility from over 3,000 feet of Highway 237 frontage,” says Carroll. “This property’s location has evolved into one of the most desirable in Silicon Valley, with the Highway 237 corridor benefiting from positive new developments and emergence as the prime linkage point for companies drawing employees from either side of the San Francisco Bay.”

Carroll adds that the collection of buildings at District 237 ranged from 20,009 square feet to 101,194 square feet, with an average floorplate of nearly 31,500 square feet, which attracts larger, well-capitalized tenants with high credit quality. KBS recently repositioned and rebranded District 237, which resulted in a combined total of 315,622 square-feet in new leases with three global companies at the property. Rather than white boxing the five buildings, the company 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.

“As a real estate fund manager, District 237 meets our current acquisition mandate of core assets with credit tenants within the best submarkets in the U.S.,” says Juan Jose Zaragoza, managing partner and founder of EXAN Group. “This acquisition reflects EXAN’s commitment to deploy overseas capital in the U.S. despite the pandemic, as we continue to demonstrate our ability to execute deals in a timely manner. Our plan is to continue building our portfolio with assets similar to District 237 in the upcoming quarters.”

District 237 is located directly adjacent to @First retail center, which has attracted a rich mix of neighborhood amenities including Target, CVS Pharmacy, Fresh and Easy, Chipotle, Coffee Bean, Chick-fil-A, Panera, Chase Bank, Marriott Courtyard, Hotel Sierra and many others.

The sale of the Property was brokered by the CBRE Northern California Capital Markets Team consisting of Joe Moriarty, Scott Prosser, Jack DePuy, Russell Ingrum, Brad Zampa and Mike Walker.

“KBS’ repositioning of District 237, along with this property’s excellent location near dining, daily-needs retail, and lodging, place it on the short list for office tenants seeking space in the Silicon Valley region,” says Moriarty, executive vice president.

Attorneys Bruce Fischer, Howard Chu and Chrisdo Fan, and paralegal, Amanda Kennedy, of global law firm Greenberg Traurig, LLP’s Orange County office represented KBS as legal counsel in the disposition.

“We were very pleased to represent KBS in the disposition of these two buildings at District 237,” said Fischer, Greenberg Traurig’s Chair of the West Coast Real Estate Practice and Co-Managing Shareholder of the Orange County Office, who led the Greenberg Traurig team.

District 237 is located at 100 Headquarters Drive and 200-350 Holger Way in San Jose, California.

Please find photos of District 237 [here](#).

About KBS

KBS is one of the largest investors of 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 \$42 billion on behalf of private and institutional investors globally. 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..

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world’s largest commercial real estate services and investment firm (based on 2019 revenue). The company has more than 100,000 employees (excluding affiliates) and serves real estate investors and occupiers through more than 530 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

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