

## KBS Signs More than 2 Million Square Feet in Leases During the Pandemic; Deals Demonstrate Tenants' Continued Commitment to Having a Physical Office

**NEWPORT BEACH, CALIFORNIA (February 2, 2021)** – [KBS](#), one of the largest investors in premier commercial real estate in the nation, announced that it has signed just over 2 million square feet in accumulative lease transactions during the COVID-19 pandemic. The transactions comprise a mix of new leases, renewals, and expansions and span across the firm's \$8 billion portfolio of office assets.

"These leasing transactions demonstrate companies' continued commitment to having a physical office after having experienced more than nine months of largely remote working due to the ongoing COVID-19 pandemic," says Giovanni (Gio) Cordoves, Western regional president for KBS. "Our firm has a long and successful track record of identifying relevant trends in the commercial real estate market. During the course of the pandemic, we have observed a rising sentiment among companies to return to their offices. The 2 million square feet of leases that our firm has signed during the pandemic is evidence that this sentiment is real."

According to [CBRE](#), although total office leasing activity nationwide was down in Q3, the renewals share of all leases increased to 45% during the quarter, and Q3 leasing activity was higher than Q2 due to a mild acceleration in September. This increase shows office users' commitment to having a physical office despite the pandemic as many companies now more confidently look at their longer term space needs, says Cordoves.

Although there has been a recent surge in coronavirus cases nationwide, Cordoves notes [studies have revealed](#) that while working from home was attractive to employers and employees at the beginning of the pandemic as a means of continuing to operate in light of COVID-19, enthusiasm for full-time remote work has waned considerably since March.

"While it may work for some individuals, returning to the office allows team members to be more productive than they have been working from home all these months," says Cordoves. "[Research shows](#) that productivity has decreased significantly among remote workers and fatigue has set in during the course of the pandemic. While some heads-down tasks can be accomplished while working alone remotely, companies are realizing that their team members need to be together in the office in order to spark creativity and collaborate effectively on major projects. Additionally, the ability to properly cultivate younger talent, promote company culture, and establish a sense of team and community is significantly enhanced in a physical office setting. This is why we are seeing demand for high-quality office space that supports a team dynamic return in many markets throughout the country. Also, the likelihood of a safe and effective vaccine being widely available very soon is raising expectations for a faster return to the office."

As an owner of high-grade office properties in the epicenter of key markets across the country, KBS has introduced services to help bring its tenant companies back to the office safely during the course of the pandemic. The firm recently partnered with [Maptician](#), a cloud-based, workplace management platform, to utilize technology and data to reconfigure office and community spaces to facilitate an organized and safety-conscious return-to-office for tenants. KBS has initially rolled this platform out to all of its properties nationwide.

"We aim to work collaboratively with our tenants to create relaxing environments for them to conduct business," says Marc DeLuca, Eastern regional president for KBS. "Throughout the pandemic, we've taken a proactive approach to reassure our tenants that their safety and wellbeing is our first priority, and this partnership with Maptician is an extension of that commitment. This new program has been very well received by our new and

existing tenants and has allowed them to feel much more confident about signing leases with us in the current environment.”

Along with Maptician, KBS continues to implement its progressive spec suite program to help potential clients map out future offices that take into account CDC guidelines for fighting COVID-19. DeLuca notes that the program will allow the firm to deliver safe and functional environments to potential new tenants or current tenants looking to expand since it is very likely that there will be an increased need among tenants for more space as they seek to comply with social distancing protocols in light of the pandemic.

“The desire for more space is being proven out by the number of lease expansions KBS has signed during the third quarter,” says DeLuca. “We expect this trend to increase as the pandemic continues into the first quarter of the new year. Working with our tenants to meet these needs will be a challenge as most of our office buildings are nearly fully leased.”

#### **About KBS**

**KBS** is one of the largest owners 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 more than \$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 our investors, partners and tenants. Registration as an investment adviser does not imply any particular level of skill or training. For more information on KBS, please visit [www.kbs.com](http://www.kbs.com).

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