

KBS

Preston Commons
CASE STUDY



Case Study: Preston Commons



DEAL FACTS



Acquisition Date	June 19, 2013
Location	Dallas, TX
Year Built	1986
Size	(3 buildings) 427,799 SF
Stories	8 - 9



WHY DID KBS BUY THE PROPERTY?

KBS bought Preston Commons because it is a best-in-class property in one of the top two most sought-after office markets in Dallas. The property offers an outstanding tenant base, but with an opportunity to upgrade and renovate many features in the building to help maintain its status as one of the best properties in the market.

- Rich Preston Center history, home to high-profile celebrities and Dallas elite.
- Preston Center is consistently one of Dallas' top-performing submarkets.
- Preston Center is strategically located along the Dallas North Tollway.
- The Preston Center market is a vibrant live-work-play community with a plethora of amenities within walking distance of the property.



WHAT WAS THE ENVIRONMENT?

Several premier tenants are located in the property, including the legendary T. Boone Pickens and several law firms and high-end financial firms. The property was 84% leased when KBS acquired the property. The existing tenants enjoyed the location, but there was a general sentiment that the property was in need of key upgrades. These upgrades would not only appease current tenants, but also help drive the property to a near-full occupancy level.



WHAT WAS KBS' PLAN?

The KBS plan included transforming key areas of the property into a modern-day work environment, creating an atmosphere where people wanted to spend time and helping our tenants become as productive and efficient as possible. KBS also strived to increase the service aspect at the property to more of a concierge-level of service so that the premier tenants in the property could take a greater sense of pride in their work environment.

BEFORE RENOVATION



Case Study: Preston Commons



WHAT ITEMS DID KBS IMPROVE AND WHY?

KBS made several improvements to the building, including the following:

- Renovating the lobbies
- Adding a brand-new gym and new locker rooms
- Adding pleasant music to strategic areas of the property
- Upgrading the outdoor courtyard area with modern, comfortable seating
- Adding new artwork to common areas
- Adding in scents to create a rich and pleasant environment
- Providing an exclusive, high-end tenant golf cart shuttle to nearby amenities
- Greatly improving the customer service aspect at the property to more of a concierge-level of service
- Improving the garage entries in all three towers entering the building
- Adding the bike rack and remodeling the car wash area
- Asbestos abatement, a new roof and a new sprinkler system



HOW DID KBS EXECUTE THE PLAN?

KBS executed the plan by going through an extensive best-in-class process to select the office leasing team, property management firm, project management firm, architecture firm, general contractor and branding firm. It was a very hands-on, collaborative, active approach throughout the entire process to ensure we were addressing all aspects of the business plan.



HOW LONG DID IT TAKE?

It took 12 months to complete the plan. Not only did KBS go through an extensive design and pricing process, but it was critical for KBS to minimize disruption and not close down any tenants for any period of time.





WHAT WAS THE OUTCOME?

The outcome has been very rewarding. Tenants have been very pleased with the time and effort KBS invested into meeting their needs and creating one of the best amenity-rich work environments in all of Dallas. The improvements KBS made helped to drive occupancy to the mid-90% level.

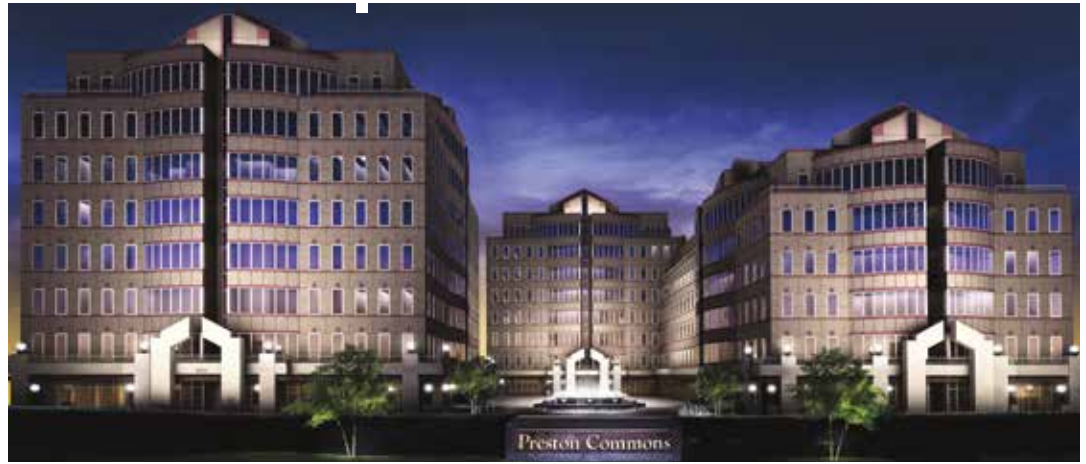
KBS was also proud to announce that in July 2015, Preston Commons won the “Renovated Building” TOBY Award from the Building Owners and Managers Association (BOMA). This coveted award is an impressive acknowledgement of KBS’ dedication to producing outstanding outcomes for tenants at Preston Commons. This property is a shining example of KBS’ commitment to excellence.

AFTER RENOVATION



HIGHLIGHTS

Prominently located in close proximity to Dallas' most prestigious residential neighborhoods, Preston Center features significant barriers to entry and is the perennial leader in Dallas in terms of occupancy.



LOCAL AMENITIES

ATTRACTIONS

- 1 St. Michael and All Angels Church
- 2 Christ the King Church
- 3 University Park Methodist Church

RESTAURANTS

- 4 Nick & Sam's Grill
- 5 Park City Club
- 6 Sevy's Grill
- 7 Hopdoddy Burger Bar
- 8 Flying Fish
- 9 Hillstone
- 10 R + D Kitchen
- 11 Pei Wei Asian Diner
- 12 Romano's Macaroni Grill
- 13 Starbucks
- 14 Snuffer's Restaurant & Bar
- 15 California Pizza Kitchen
- 16 Sprinkles Cupcakes
- 17 Corner Bakery Cafe

HOTELS

- 18 Hilton Dallas/Park Cities

SERVICES/RETAIL

- 19 Verizon Wireless
- 20 Marshall's
- 21 Orvis
- 22 Plaza at Preston Center
- 23 Tom Thumb
- 24 Clothes Circuit

