

Longfellow Acquires Palo Alto Technology Center from KBS for \$205 Million

Silicon Valley Hub Enhances West Coast Portfolio Longfellow Began Assembling in 2018, Will Receive Signature Upgrades, Lab Expansion

(SILICON VALLEY, CA) -- July 29, 2019 -- Longfellow Real Estate Partners, which invests in life science, lab and innovation space across the U.S., announced today the acquisition of the Palo Alto Technology Center (PATC) from KBS, one of the largest owners of premier commercial real estate in the nation, for \$205 million.

The PATC purchase is Longfellow's fifth West Coast acquisition since late 2018. KBS originally purchased the property in 2012 on behalf of a sovereign wealth fund.

Located just three miles from Stanford University and a short distance from the Stanford Research Park, PATC's ten buildings total 259,586 square feet. The campus is about 99 percent leased. Tenants include Stanford, Bill.com, Aurora Innovation and Eversight. Please find images of Palo Alto Technology Center [here](#).

The campus' specific addresses -- 1800-1850 Embarcadero Road and 2445-2465 Faber Place -- are nearly adjacent to Interstate 101 and easily accessible for commuters approaching from the North, South and East Bay via the Dumbarton Bridge (Route 84). PATC is an eight-minute drive from the Palo Alto Caltrain stop (shuttle service offered on site).

"We're excited to add Palo Alto Tech Center to Longfellow's San Francisco Bay Area portfolio and expand our presence in one of the nation's most dynamic science and innovation clusters," says Longfellow Managing Partner Adam Sichel.

Located at the focal point of the modern innovation economy, Palo Alto city officials recently announced that they are poised to make the 2015 cap on new office developments in the University Avenue, California Avenue and El Camino Corridors permanent. The cap limits annual office deliveries to 50,000 square feet per year, which if made permanent would guarantee almost no new competitive products to the Palo Alto Technology Center in the coming years.

"There is no question that Silicon Valley is one of the premier destinations for office tenants," says Brent Carroll, senior vice president for KBS and asset manager of the property. "Additionally, the barriers-to-entry in this market are very strong on all fronts -- physical, political and financial. We are sure the new owners will enjoy the same success we've seen in the area."

Growing Portfolio

The acquisition increases Longfellow's portfolio to over two million square feet on the West Coast, and includes Bayshore Technology Park and PATC in the San Francisco Bay Area as well as the Inspire, Roselle and Sycamore campuses in San Diego. Longfellow's total portfolio includes over 4.7 million square feet of life science and tech space owned and under management in innovation hubs such as Greater Boston, Philadelphia and North Carolina's Research Triangle region.

Longfellow plans to convert some of the campus to life science uses and complete capital improvements including facade enhancements, landscaping, and signage/wayfinding. In addition, Longfellow will implement its proprietary services and amenities package, Elevate, which aims to redefine workplaces with lifestyle perks.

“Palo Alto Tech Center’s proximity to Stanford University and the world-renowned Stanford Research Park, along with its premier tenancy and desirable physical attributes make it an excellent candidate for Longfellow’s signature lab and tech office repositioning,” says [Nick Frasco](#), Longfellow’s West Coast Managing Director.

Greg Cloth, Paul Nelson, Nate Jones and Kurt Chong of Eastdil Secured represented KBS in the deal. Longfellow represented itself.

Images

Images of Palo Alto Technology Center are [here](#).

About Longfellow Real Estate Partners

[Longfellow Real Estate Partners](#) serves the unique demands of science and technology companies and focuses on the most innovative cluster locations in the US. The firm acquires and develops facilities in strategic locations and builds long-term relationships with research-centric organizations including life science companies, universities, medical centers, and research institutes. The principals of Longfellow have developed and managed more than 7 million square feet of laboratory and high tech space over their careers including numerous high profile projects on the East Coast. The Company’s institutional capabilities and entrepreneurial vision enable Longfellow to deliver high-quality laboratories and innovation space while satisfying each tenant’s unique requirements. More at www.lfrep.com and on [Twitter](#) (@LongfellowREP) and [Instagram](#).

Other Longfellow Projects

As an example of Longfellow’s vision and capabilities, consider the award-winning 15 acre, 1.7 million SF “Durham Innovation District” (aka [Durham.ID](#)). Complete with lab and office space, restaurants, residences, parks and other amenities, Durham.ID is a world-class research and business hub taking shape in the heart of a thriving downtown. Organizations associated with Duke University are among the anchors at Durham.ID, demonstrating Longfellow’s ability to work closely and collaboratively with major research universities.

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.

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 Palo Alto Technology Center and of the Palo Alto 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 Palo Alto Technology Center’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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