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Appreciative to be partnering and working with KBS for over 20 years. - Bruce Fischer



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LETTER FROM THE CEO

e are pleased to publish our eighth issue of Premier Office Magazine. Each year we direct-mail magazines to real estate professionals across the United States. We also distribute magazines at all of our KBS-owned multitenant office properties. The feedback we receive each year has been terrific. I especially want to thank our advertising partners for their continued support.

The year 2019 should be exciting. While the growth of the U.S. economy is expected to slightly moderate in 2019 due in part to a higher interest rate environment, the economy continues to add jobs, and new construction deliveries continue to be introduced to new tenants. In prime markets, new space is in demand as is space in existing properties that have been modernized to meet the varied demands of a new generation of talent. Technology continues to be a key source of demand in the office sector, and KBS is at the forefront of this demand with well-located office properties that offer the latest in technology infrastructure. Our story about the tech revolution (page 27) details this growth.

KBS is also at the forefront in the area of real estate investing. We continue to have great relationships with large institutional investors. Recently we have introduced to the market a direct investment fund that allows individual accredited investors and registered investment advisers to invest in an existing KBS fund of well-located multitenant office buildings without upfront commissions. This is available on our new website, KBSDIRECT.com. I discuss this exciting opportunity on page 10.

Each year we feature a human-interest story in our magazine. Recently we were pleased to meet Jake Wood through our involvement with the Orange County Veterans Initiative where Jake was invited as the keynote speaker. You may have seen Jake on the national news discussing how U.S. veterans are helping in worldwide disasters under the umbrella of Jake's organization, Team Rubicon. Jake is a former U.S. Marine and scout sniper. Our interview with him on page 18 is intriguing. His leadership is contagious.

There are plenty of other great stories in this issue, including a profile of one of our key tenants, Genosity, who had the foresight to leverage their office space at Woodbridge Corporate Plaza and utilize a portion of it as high-end lab space for genomics research. Their work is revolutionizing the health care industry.

I want to wish everyone a healthy and prosperous year 2019.

God bless America,



Chief Executive Officer KBS





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PREMIER OFFICE MAGAZINE™

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This Issue News Notes **INVESTMENTS** Direct Investing with KBS 14 ENTREPRENEUR PROFILE Genosity 16 SERVICE 2019 Service Champion Awards 18 FEATURE INTERVIEW An Interview with Jake Wood TECHNOLOGY Tech Revolution Hits CRE 30 TALENT A New Generation of Talent 32 TENANT PROFILE Workplace Services Trailblazer: Industrious 34 **FEATURE PROPERTY** 500 W. Madison 36 FEATURE MARKET Austin: A Technopolis Tale 39 SERVICE KBS and The Kingsley Survey 42 FEATURE PROPERTY Portland's Historic Meier & Frank Building MARKET INSIGHT Job Seekers Respond to Nashville The KBS Asset Management Team

Connecting you to the information and people to move your business forward.







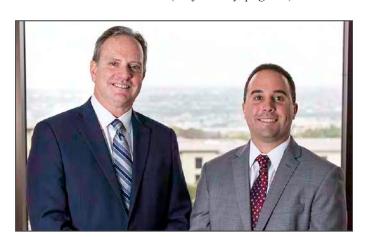
News Notes



NEW MEIER & FRANK HAS FIRST TENANT

KBS is pleased to announce its first office tenant lease of 40,000 RSF at Portland's Meier & Frank building. The new tenant, Oregon State University, will be using this Main and Main location to house classrooms, offices and conference rooms as well as other extension services. Subsequent to signing OSU, KBS was also successful in signing leases with Finastra (27,160 SF), Muji (15,250 SF) and coffee shop Upper Left Roasters.

Adjacent to Portland's Pioneer Square, Meier & Frank just underwent a multimillion-dollar renovation of 158,000 SF of creative office space and ground-floor retail, making it a class leader in downtown Portland (*see full story, page 42*).



NEW CO-DIRECTORS LEADING AT KBS

KBS has appointed Brent Carroll and Giovanni Cordoves to the role of co-directors of asset management. As co-directors of asset management, Brent and Gio will be responsible for the overall strategic asset management and leasing direction of KBS assets.

"Both Brent and Gio are well-respected market leaders within the company and the entire real estate industry. They have historically been two of our most successful asset managers," said Rodney Richerson, regional president at KBS.



CLINT COPULOS WINS NEXT GEN AWARD

Senior Vice President Clint Copulos recently won Connect Media's Next Generation Award. Clint is responsible for acquisitions and asset management of properties in Denver, Portland and Seattle totaling over 2.5 million square feet.

Clint won the award due to his ability to recognize a property that may be struggling under prior ownership and how that property can be transformed to create a best-in-class tenant experience, which is good for the property, the community, the tenants and for KBS and its investors. Our story on page 42 details how Clint has made a positive impact on downtown Portland.



KBS PROPERTIES EARN KINGSLEY'S HIGHEST OVERALL TENANT SATISFACTION

Each year Kingsley & Associates conducts a detailed tenant satisfaction survey of all KBS-owned properties (see story, page 39). The survey identifies areas where KBS exceeds expectations and areas where it can provide higher levels of service. Six properties in the KBS portfolio earning the highest marks in tenant satisfaction included: Offices at Greenhouse, Houston, TX; Dulles Station East I, Herndon, VA; 222 Main Street, Salt Lake City, UT; Fountainhead Tower, San Antonio, TX; Main & Gervais, Columbia, SC and Granite Tower in Denver, CO.

KBS WINS MULTIPLE TOBY AWARDS

The year 2018 was a big year for TOBY awards recognizing office buildings of the year. KBS earned four TOBY awards at the local level and two properties earned a win at the regional level and will move on to compete for the international award.

The TOBY Awards are issued by BOMA and are the commercial real estate industry's highest recognition, honoring excellence in commercial building management and operations in specific categories of building size or type. Judging is based on community impact, tenant and employee relations programs, energy management systems, accessibility, emergency evacuation procedures, building personnel training programs and overall quality indicators.

KBS TOBY winners included the following properties:

- **500 W. Madison** Regional TOBY Award (Over 1,000,000 RSF)
- Edens Corporate Center Regional TOBY Award (100,000 to 249,999 RSF)
- **Ten Almaden** Local TOBY Award (250,000 to 499,999 RSF)
- Woodbridge Corporate Plaza Local TOBY Award (250,000 to 499,999 RSF)
- Financial Center at the Gardens Local TOBY Award (100,000 to 249,999 RSF)
- Promenade I & II at Éilan Local TOBY Award (100,000 to 249,999 RSF)



Pictured above is the Ten Almaden property management team at the BOMA Award ceremony.



KBS SIGNS OVER 384,000 SF IN LEASING AT GRANITE TOWER - DENVER

KBS announced the recent signing of 384,693 square feet in leasing at Granite Tower located in Denver's Central Business District. Anadarko Petroleum Corp. signed a renewal lease for 295,743 square feet. Additionally, Inflection Energy LLC, MountainView Financial and Causey Demgen & Moore P.C. signed new leases for 19,200 square feet, 8,827 square feet and 12,000 square feet, respectively. Existing tenants, Bankers' Bank of the West and Personal Capital, renewed and expanded leases for 17,675 square feet and 31,248 square feet, respectively.

A CBD landmark, the 31-story, LEED-Gold Class A tower totals 591,070 square feet and is walking distance to Coors Field, home to the Colorado Rockies, and Union Station, a lively neighborhood known for its dining and shopping options.

"Planned renovations to the property were instrumental in generating the largest lease in Denver in 2018," said Senior VP and asset manager for the property, Clint Copulos. "If you want to attract tenants in this market, you need to provide the experience that employers and employees want. This is not a commodity asset."

Significant renovation plans include an expanded, bright and inviting glass lobby, new coffee/deli bar and a "bike hub" parking area for up to 100 bicycles. The capstone of the renovations will be a new amenity floor with an open lounge for meetings, a new fitness facility with group workout classes, Peloton bikes and full shower/locker rooms. The amenity floor will also include conference facilities that will accommodate over 100 people. To top it all off, the amenity floor will also feature an outdoor deck with great downtown views.

KBS Brings Direct Investing Opportunity to Individual Investors and Registered Investment Advisers



KBS CEO Chuck Schreiber and Mark Krotine, executive vice president of finance and accounting, discuss KBS's direct investment initiative providing a way for self-directed individuals to invest directly into KBS institutional-quality real estate without upfront commissions.

BS is changing the game in the real estate investment universe by offering institutional-quality multitenant office properties directly to investors without upfront commissions.

Investors have always had opportunities to pool their investment dollars into real estate funds. However, often there is a commission paid to an intermediary to sell the product to the investor. This dilutes the purchasing power of their investment.

"We have elected to do things differently," comments KBS CEO Chuck Schreiber. "We created a platform called KBSDIRECT.com and are providing an opportunity for accredited, self-directed investors to participate in institutional-quality real estate without upfront commissions, which has the potential to enhance their overall return."

KBS is seeing interest from individual accredited investors who have the

The financial services industry is changing as educated self-directed investors utilize new platforms for investing directly in alternatives. Advisers are also reacting to this democratization of capital and opening the doors to new types of investments with attractive fee structures.

knowledge to conduct due diligence on the sponsor and on the assets offered in a fund

"We emphasize transparency and place a great deal of information at the investor's fingertips," says Schreiber. "This includes quarterly and annual reporting and an investor relations team that is always available to provide detailed information on the performance of the fund or any of the properties in the fund. We understand that if you want to deal directly with investors, transparency and education are critically important."

Schreiber points out that not all investors are the do-it-yourself type.

"We recognize that many accredited investors prefer to utilize the advice of a registered investment adviser (RIA)," said Schreiber. "We are presently seeing strong interest from these advisers who see alternative investments like real estate as a way to balance portfolio risk for their clients and hedge against stock market volatility."

A major shift has happened in the investment advisory space as many

traditional broker-dealers are changing their fee structures. Many have left the space altogether to become RIAs. A true "fee-based" registered investment adviser does not collect a commission to sell a product, but instead charges a fee to the client based on the client's assets under management, a practice that is aligned with the investor's best interest.

"We are engaging in discussions with a number of well-known RIAs to show how we can place our institutional-quality real estate on their platforms," commented Schreiber. "The accredited investor deals with their adviser and has the opportunity to invest in a KBS fund backed by KBS's extensive institutional experience and a transactional volume that is nearing \$40 billion since KBS was formed in 1992."

At the time of this printing, KBS was raising capital for KBS Growth & Income REIT through RIAs and on KBS's self-directed website platform, KBSDIRECT.com. The fund owns well-located assets in downtown Portland, downtown Chicago, Houston and Irvine, California. As of year-end 2018, the properties in the Fund were nearly 95 percent occupied.

We provide as much info as possible to help investors or advisers to thoroughly examine our firm and our assets under management."

KBS is reaching out to different types of investors for this Fund. The first is the accredited investor who wants to invest cash directly into the Fund through the KBSDIRECT.com website portal. The website is easy to use, and an investor relations team is available to help any investor through the process whether it be better understanding the properties or filling out a subscription to invest.

The second type of investors are those who have discovered they can easily set up a retirement account and invest in commercial real estate through a self-directed IRA (SDIRA) where a custodian is selected for the investor to hold the investments while it is in the IRA. KBS has placed educational materials on the KBSDIRECT site to explain the simplicity of SDIRA investing.

Chuck Schreiber

KBS CEO

"A real estate fund like KBS Growth & Income REIT can potentially be a good fit for a self-directed IRA investor as the Fund is designed for growth over time," commented Schreiber.

The third type of investors are those who already have a registered investment adviser who handles their investments and the adviser would like to diversify their clients into real estate to help offset higher-risk investments or market volatility. KBS is working with several leading RIAs to place the KBS Growth & Income REIT so their clients can gain the benefits available from KBS's institutional-quality real estate on the adviser's own platform.

Schreiber says he is entering the direct investment space at a time when a lot of online syndicators are emerging due to relaxed sales rules offered by the JOBS Act of 2012.

Continued on PAGE 12 ▶



KBS launched KBSDIRECT.com as a portal where self-directed investors can invest directly with cash or through a self-directed IRA into a fund with institutional-quality assets managed by KBS and backed by the experience KBS has earned over the last 26 years.

Direct Investing

✓ Continued from PAGE 11

"I applaud the emergence of these syndicators," commented Schreiber. "They reflect the spirit of entrepreneurship. However, I have seen marketplace websites where sponsors seem to compete to see who can offer the highest yield or IRR. The problem with only focusing on yield in real estate is that it encourages investors to contribute dollars to a particular investment just because the return profile is high without considering the fundamentals of real estate and the sustainability of the sponsor's strategy."

66 I have seen marketplace websites where sponsors seem to compete to see who can offer the highest yield."

Schreiber commented that his model is similiar to an institutional fund he would establish for a large pension fund client. The beauty of KBS Growth



The Commonwealth Building is another key asset in KBS's Growth & Income REIT and is one of the dominant addresses for Portland's tech and creative tenants.



The Offices at Greenhouse is one of the first acquisitions for KBS's direct investment fund, KBS Growth & Income REIT. The property was acquired at an attractive price during a downturn in the Houston market, and within seven months, KBS brought the property to an occupancy level of 100 percent.

& Income REIT is that there are no upfront commissions, which has the potential to enhance the overall return. KBS is one of the first large-scale owners to offer this strategy to investors who are comfortable doing their own due diligence.

"We provide as much info as possible to help investors or advisers to thoroughly examine our firm and our assets under management," said Schreiber. "KBS Growth & Income REIT is publicly registered with the SEC, which sets the bar higher in terms of the reporting we provide to investors. We provide quarterly and yearly reporting so investors can see the detailed performance of each property in the Fund. We also have a board of directors that we report to that includes three independent directors. Every asset is thoroughly vetted before it is admitted into the Fund."

When asked about what level of transparency KBS provides to its direct investors, Chuck commented that KBS has an open door policy and is eager for investors to get to know the firm and the assets in the Fund.

"We recently held a conference for investors at the Commonwealth Building in Portland, one of the properties in the Fund," said Schreiber. "It was a great venue for the conference and also gave advisers and investors a chance to see and engage with one of the properties

in the REIT. We often invite advisers in to meet our team and to understand our active asset management philosophy. Our goal is to provide the highest level of openness and transparency to any individual investor or adviser."

Schreiber added that the company also holds annual meetings of stockholders that are open to any stockholder. Schreiber also hosts a live quarterly webinar for investors where they can hear the latest performance details on the Fund and have an opportunity to ask questions.

For more information please visit KBSDIRECT.com, or contact the KBS investor relations team at (855) 434-4527 or ir@kbsdirect.com.

Investing in KBS Growth & Income REIT includes substantial risks. These risks include, but are not limited to: the possibility of losing your entire investment; no guarantees regarding performance; upon sale or distribution of assets you may receive less than your initial investment; fluctuation of the value of the assets owned by KBS Growth & Income REIT; lack of a public market for shares of KBS Growth & Income REIT; limited liquidity; limited transferability; reliance on the REIT's advisor to select, manage and dispose of assets; and various economic factors that may include changes in interest rates, laws, operating expenses, insurance costs and tenant turnover. Shares of KBS Growth & Income REIT are not suitable for all investors. Investors should read and consider the PPM carefully before investing.

In business, "can-do" does.





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HEART OF GENOSITY



or many, building a billion-dollar firm that's revolutionizing the health care industry — and then selling it for a profit — justify retiring to a tropical island. But not for Dr. Marc Grodman. Even after the pioneering doctor and lifelong entrepreneur led Bio Reference, Inc., a highly successful innovator in cancer diagnostics, women's health and genomics, for 30 years and grew its revenue to \$1 billion, he felt compelled to form another startup. Why? As Grodman puts it, "I left something on the table. Genomics needs to be more accessible to more people. Now at Genosity, we're building the tools to allow that to happen."

For Grodman, starting Genosity, the company he began a year ago with president and CTO Robert Daber, is just another chapter of a life filled with innovative achievements. Born in 1951 and raised in Newark, New

Jersey, Grodman is the son of active community member and pharmacist Sidney Grodman, who ran Olshin's Pharmacy, once the busiest pharmacy on the East Coast. Today the corner where Olshin's still stands is called Sidney Grodman Place.

Genomics needs to be more accessible to more people. Now at Genosity, we're building the tools to allow that to happen."

Like his father, Marc Grodman spent most of his life in Newark's Ironbound neighborhood and has always sought to make the world a better place. During college at the University of Pennsylvania, he took time off to write and review arbitration cases for the Newark Board of Education after a prolonged teachers strike. He also helped create a new medical/ambulance program for his beloved hometown. After graduating from Penn, he attended Columbia University, College of Physicians and Surgeons, where he later returned as an assistant professor of clinical medicine and made attending rounds for over three decades.

As CEO of Genosity, today Grodman is dedicated to improving the accessibility of genomics: the study of genes, their interrelationships and their combined influence on the growth and development of an organism. By understanding an organism's entire DNA content, scientists can map and edit genomes to better understand and treat disease. Genosity wants to unlock the power of precision medicine in

improving patient care by providing a technology platform to advance genomics and facilitate collaborative research. It has a CLIA-certified lab that offers genomic services for clinical research and consulting services to assist clients — generally pharmaceutical researchers, academic health centers and small diagnostic labs — with the design, development, setup and validation of new tests and the regulatory challenges that can come with them.

Genosity has a great team of individuals with diverse skill sets, many of whom have worked with Grodman or Daber in the past. Raves Grodman, "It's amazing how much our team has accomplished within the past year." He continues, "As a startup, in the beginning, you need people who don't need much handholding and can wear multiple hats. We have around 30-40 people currently working with us in either full-time or contractual capacity."

But with the company in growth mode, new hires are on the horizon. Since Genosity's business model spans lab testing, software offering and consultation services, it's hard to find people who understand the company's specific niche. To address the challenge, Grodman and his team are planning to visit universities in the area to hire fresh graduates and train them on Genosity's processes.

Fortunately, Genosity can lean on the great reputation of its founders as well as its office building and location to attract top talent. Rather than settling for a typical industrial-feel R&D building, the company selected KBS's Woodbridge Corporate Plaza in Iselin, New Jersey, for its headquarters. The



flexible, steel-framed building with reinforced concrete slab foundations offers customized workspace and excellent curb appeal — a great mix of purpose and aesthetics that lets Genosity provide a highly attractive work environment and impressive destination for clients. Dr. Grodman's wife, Pam, who had been president of Calvin Klein's Women's Wear when they met 35 years ago, envisioned a state-of-the-art, glass-enclosed automated laboratory, designed the space and brought it to life.

As Grodman points out, "Iselin is centrally located in New Jersey, which makes it the perfect location to offer services locally to pharma and biotech companies based in New Jersey and Pennsylvania. Being based in Woodbridge Corporate Plaza means we're on major highway Route 1, five minutes away from Metropark Train Station and 25 minutes from Newark

Liberty International Airport. The close proximity to transit makes it very easy to travel to and from the office for our employees and business partners."

Additionally, Grodman appreciates KBS's help in creating what Genosity needs to do business. He says, "KBS has been a good landlord and partner for us. They've worked with us to transform this space into a modern office building and an automated lab space. We're very happy they opened a brand new gym in our building and that our employees have access to it. That definitely adds a benefit for our potential new hires."

Stephen Close, senior vice president of KBS and asset manager for the property, shares the enthusiasm. "Genosity was a welcome addition to Woodbridge Corporate Plaza in 2017. Since then, they've been a great tenant and recently doubled in size," says Close. "We look forward to their continued success and a great working relationship with Dr. Grodman and his team."

Driven by Grodman's entrepreneurial spirit, Genosity is well on its way to bringing more important innovations in science and medicine. With its mission, people and an amazing balance between office and research/technology space at Woodbridge Corporate Plaza, Genosity continues the Grodman legacy of working to make things better.

by Dara Holland



Service Champion Awards



Customer service is the hallmark of KBS' management philosophy. Each year, KBS selects building personnel who exemplify the following standards of excellence:

- · Goes above and beyond the call of duty to serve the needs of building occupants
- Maintains the highest possible standard of professionalism in carrying out his or her duties
- Exhibits consideration and respect toward fellow employees and initiates and promotes cooperation
- Exhibits a positive attitude toward all business endeavors and associates



RUBEN VALENCIA Chief Engineer

Park Avenue at Morris County, Florham Park, NJ

- Ruben is a top-notch engineer capable of managing the needs of Fortune 500 companies.
 Ruben also possesses substantial IT skills and has become our de facto IT expert on all of our amenity projects.
- One Thursday evening, a building at Park Avenue lost all power. Ruben arrived shortly thereafter and was able to diagnose the problem. Ruben remained on-site until 3 a.m. the next morning so that he could address any issues that might arise due to the power outage. He also contacted all the tenants in the building to manage their expectations for when they arrived at the office Friday morning. Ruben was back on-site by 6 a.m. Friday morning to supervise the repairs and help ensure that power was back on by noon on Friday.



KEISHA WALKER Assistant Property Manager

One Washingtonian, Gaithersburg, MD

- Keisha's customer service skills are exceptional. This was recognized in the annual Kingsley survey. Several tenants singled Keisha out for her friendly attitude and willingness to assist with any issues. One tenant even said that she is one of the best assistant property managers they have ever had, and that she is very easy to work with and always helps out when she can.
- Keisha is passionate about tenant events and always makes sure they are well planned and
 executed. She is very creative and comes up with new ways to engage the tenants. For Cinco de
 Mayo, instead of doing typical margaritas or chips and salsa, she suggested giving tenants Choco
 Tacos for an unexpected sweet treat. Tenants all raved about the new and enjoyable event.



SCOTT McMASTER Chief Engineer

Ten Almaden, San Jose, CA

- Scott's willingness to go above and beyond to ensure the tenants' comfort and satisfaction has enabled him to establish a great rapport with them at the building.
- Through KBS, Scott became involved with an energy software provider, Gridium. Since the start of the company's service in May, Scott has worked closely with Gridium to find ways to reduce our energy costs. He has also been in close contact with a PG&E rep to get the maximum rebates possible for any lighting or electrical project we perform. As a result, we are on track to save more than 5 percent on annual electrical costs and have a projected savings of \$135,000 in maintenance costs by converting areas of the building to LED lighting.



DAVE FAIR Chief Engineer
TRAVIS GREGORY Assistant Engineer
DON HALEY Assistant Engineer

222 Main, Salt Lake City, UT

Our expert engineering team's immediate response and subsequent actions greatly reduced the damage to the facility from a failing standpipe that was flooding the building. Dave, Travis and Don were instrumental in getting the building open in just two weeks. They immediately implemented a work schedule so at least one engineer was on-site 24/7 overseeing the flood remediation and the construction crews that were working to get the evacuation routes rebuilt so the upper floors of the building could reopen. Once the building was reopened, they continued to oversee the 24/7 reconstruction efforts, took care of their regular duties and monitored the system for potential other failure points. Their knowledge, dedication and ability to direct such a remarkable response shows what amazing individuals these people are. They are true professionals in their field.



RASHID LAVERGNE Security Supervisor

One Washingtonian, Gaithersburg, MD

- Rashid makes a special effort to go the extra mile when on duty. During his rounds on a rainy night, he noticed some water on the concrete floor in the penthouse. He contacted engineering to notify them, but reported that since the rain had stopped, the water was no longer coming in and was not causing any damage. Rashid took it upon himself to clean up the water so engineering did not have to come to the building in the middle of the night.
- Rashid leads his security team by example. His security team respects him and looks to him for leadership. Rashid has been at the building for 15 years and knows the building inside and out. Rashid always stands and greets tenants and guests as they arrive. Tenants look forward to seeing him and notice when he is out or on vacation.



The One and the Nine

Premier Office Magazine editor Phil Diment chats with former U.S. Marine scout sniper Jake Wood, who leveraged his military and leadership experience to form Team Rubicon, a global organization made up of thousands of volunteer vets who help in large-scale emergency disaster relief across the world.

Premier Office Magazine: Jake, what is it that attracts you to chaos?

Jake Wood: We're coming out of the gates with that question, huh? I guess I've always been a competitive person, and I think I found out early on that I'm pretty good at navigating ambiguity and uncertainty and dynamic environments. I think responding to emergencies makes me feel alive. I don't know that stability is really something that I've searched for in life, whether it's in athletics or the military or being an entrepreneur. I just kind of enjoy the opportunity that's afforded in chaos.

POM: Did you come from a military family?

Jake: I didn't. My dad actually worked in manufacturing for a big conglomerate that moved him around to different factories in various states of non-profitable status.

POM: Where did you attend college?

Jake: I attended the University of Wisconsin Madison from 2001 to 2005 on a full athletic scholarship to play football. Coach Alvarez recruited me. It turns out I wasn't all that good at playing football, but it was an incredible experience.

POM: What inspired you to join the U.S. Marines?

Jake: During my freshmen year at Wisconsin the September 11 attacks happened. I was graduating with a degree, but I didn't really feel motivated to go out into the job market. Right before graduating, Pat Tillman was killed in Afghanistan, and that had a formative impact on me as a football player. Looking at his conviction and sacrifice, I realized that's the type of person I wanted to be.

POM: In 2007 you were deployed to the Anbar province of Iraq, the bloodiest part of the war — you led 12 men into combat. Comrades of yours were killed. How do you prepare for that?



In college, Jake (left) played for the University of Wisconsin Badgers.

Jake: The reality is the military spends a lot of money, time and effort preparing people to lead troops in combat, and I guess if you look at it they do a pretty good job. But the reality is nothing really prepares you for it. All the training in the world — I think it gets you ready to just simply not fail, but war, and particularly the wars we have fought in Iraq and Afghanistan, are challenging in a lot of different ways. Nothing really prepares you. You just have to be ready to hold on, not let go, and be willing to learn.

POM: You had to set the standard every day for your team. How do you do that?

Jake: In the Marine Corps they often define the standard for you, but it's your job as a leader to live it every day. The people that are following you don't care about the 99 times you live up to it. They care about the one time that you don't. So there's this burden of perfection on leadership that is daunting and in many ways crushing — but what I tell people is too bad. That's the price, right? If you don't want to bear that burden then you should rethink what your role is.

POM: In a number of leadership events you have spoken at, you refer to a principle known as "The One and the Nine." Can you explain that?

Jake: The one and the nine refer to an ancient philosopher, Heraclitus, from Greece who had a parable of the 100

men that go into battle. He talks a lot about the 90 people that really don't have any impact, including the 10 that shouldn't be there and the 80 that have no impact, and then he ends it by talking about these nine who are the fighters and make the battle and the one person who's responsible for bringing them all home. What I try to tell our organization or any organization I speak to is that you don't have to resign yourself to having these 90 people who have no impact on the bottom line of your company. You should really focus on how do you identify people who can commit to the vision and the mission that you have? How you build a culture that guides their decisions in the absence of orders. Then finally how do you aspire to be that type of person that others turn to in times of chaos and uncertainty? If you can do that, if you can build that type of leadership density throughout your organization, then you can have an organization that's fast, that's resilient, that's flexible. It can make the difference between winning and losing in any industry and any sector. Those three things are gonna usually win the day.

POM: You ended your term of service but later went back to scout sniper school in 2008. What led you in that direction?

Jake: While I was in Iraq in '07, my squad did some work with a scout sniper team, and I grew to admire the men on

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One and the Nine

✓ Continued from PAGE 19

that team. They were proficient, mature and highly intellectual. A lot of adjectives people probably typically wouldn't attribute to snipers, right? They were just the types of people I wanted to associate with. The Marine Corps only graduates about 80 to 100 snipers a year from their schools, with a 60 to 70 percent failure rate. It's one of the hardest schools in the military. Ultimately I was assigned into a six-man scout sniper team in Afghanistan.

POM: When you finally came home in what directions were you being pulled?

Jake: This was 2009 — the height of the pirate scare off the Horn of Africa, and so all of these security and shipping companies were paying ridiculous sums of money to snipers to run security contracts for ships. At \$1,000 a day you could go to be a pirate security guard, which I thought sounds kind of cool — go hunt pirates. I ended up not doing that. I always wanted to be an entrepreneur. I never really knew how that would manifest itself so I went to business school to figure out what was next.

POM: Everything changed for you in 2010 when a massive 7.8 earthquake hit the Caribbean country of Haiti. How did you personally respond to this?

Jake: I'd been out of the Marine Corps not even three months when it happened. I sat there for a couple hours and just watched that unfold on TV, and then I kind of got a wild idea to call a couple of organizations and see if they'd let me volunteer with them. I probably called two or three, and they all said the same thing: "Thanks, but no thanks. Just text us \$10.00. Leave it to the pros." I thought, well, I'm kind of a pro. This is the type of situation where I thrive. So not wanting to take no for an answer I called a handful of buddies, my friend William McNulty and my college roommate Jeff Lang, and we got a group of eight people together and got down to Port-au-Prince about four days after the earthquake.

POM: Did you have any idea what you were going to do?

There's this burden of perfection on leadership that is daunting and in many ways crushing."

Jake: We had an idea for what we could do. We went and grabbed a bunch of medical supplies, and the idea was just to go down there, at least just deliver these supplies and help who we could. We thought we'd be down there for about five to six days. That's about all the supplies that we took. In total, the team, which really grew from eight to about 50 or 60, was down there for about 20 days, treated a few thousand people, and the idea just really took off.

POM: Did major media catch wind of what your team was doing?

Jake: Yeah, well, situations like that — we call them these Anderson Cooper moments, right? The world is paying attention. CNN and every other network's down there. People are looking for good stories. There are more than enough stories of despair and trauma and loss, and those stories need to be told, but people are looking for stories of hope. I think we offered that for people. This idea that there were a bunch of Iraq and Afghanistan veterans running around Port-au-Prince — off the radar of the major aid agencies helping people — got positioned a bunch of different ways. Cutting through the bureaucracy, whatever it was, it was this story of hope, kind of like this American spirit of grit and tenacity. So it really caught fire with local media and some

online blogs, enabling us to raise money and execute the mission. Those first couple days were insane. I often say it was like the Wild West in Port-au-Prince for the first week. The first couple days we were going to these informal internal camps, with people sleeping under bedsheets in the hot Caribbean sun. They were like Civil War battlefields. Having seen a lot of war trauma, there was a lot of similarity.

POM: In what ways?

Jake: No gunshot wounds, but you had people with limbs amputated from falling cinder blocks. You had people with horrific open wounds that were festering with gangrene and infection, and so you really had to cut through the chaos you observed and just prioritize who needed help and make really tough decisions about who needed help, who could be helped and who couldn't be helped. It takes a certain mindset to make those life-and-death decisions.

POM: Did you have a team doctor?

Jake: We didn't travel down with doctors — we actually found them on the way. I was literally at the Santo Domingo airport in the Dominican Republic, and my bag had been lost on the way from Miami. So I'm sitting there, and I'm looking at this empty baggage belt. The only other person whose bag was lost was wearing scrubs, and he walks over to me and says, "Hey, you look like you're going to

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One and the Nine

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Haiti." I said, "Yes." He said, "I used to volunteer with the Red Cross, but I haven't been able to get ahold of them. I'd love to travel with you into Haiti." He was an emergency room doctor from Washington, D.C., and a former Army vet from Vietnam. It was just fortuitous.

POM: Did Haiti help lay the foundation for what Team Rubicon is today?

Jake: It was the foundation. We didn't plan Team Rubicon. It's not like we thought of it in a business school competition. We went with no expectation of starting an organization, but we discovered that there was a problem and we might have a solution. That's how any good business idea starts. So we came back and decided to incorporate as a 501(c)(3), and for nine years since Haiti we've been building what we hope to become the best disaster response organization in the world.

POM: How have vets helped to alleviate human suffering and made an impact through Team Rubicon's efforts?

Jake: We have a lot of veterans who have service in their heart. It's a part of

their DNA. They join the military out of a sense of service, a higher calling. Our taxpayers have invested a lot of money in providing them with training and skills, and when they get out of the military they don't necessarily want their service to be done. We've recruited nearly 100,000 volunteers in the organization, and they give of themselves to help people in their worst day, putting that skill and goodwill to use. It's a part of who they are — fulfilling that best sense of themselves.

POM: The purpose of your organization is to help in national and global disasters, but is there a byproduct of this for veterans willing to join hands with Team Rubicon?

Jake: By giving these veterans the opportunity to continue to serve, they really do discover this sense of purpose, this sense of community and this sense of identity. Many veterans spend the formative years of their life in the military wearing a uniform with this noble calling. Many of them get out, and they discover that it's really actually hard to recreate that, whether it's going and being a mechanic or going and being a student or whatever it might be that they do. We're able to give them a new sense of community that in many ways

is the same as that band of brothers or sisters they had in the military, and then finally that sense of identity. When you wear the uniform of our country, you're proud. You look in the mirror, and you've got ribbons on your chest and rank, and people will shake your hand in the airport and all that stuff. You come out, you take that uniform off for the first time, and nobody really cares anymore. So you give them a new uniform, and suddenly they're proud of who they are again. It's pretty powerful.

We've been building what we hope to become the best disaster response organization in the world."

POM: Are vets' skill-sets underutilized after they leave the military?

Jake: I think what blows my mind as a businessman is that we have 20 million veterans in the U.S. We've probably invested \$1 trillion in those 20 million people. That's not even counting the money we spent deploying them overseas. That's just in their training. So when they get out of the military we don't ask them to do anything with it. Some of them will take it and they'll go be a police officer. Some of them will take it and they were a combat engineer in the Army, and they'll go work for an engineering firm in Omaha. We're not as taxpayers asking, "Hey, what can you continue to give back?"

I think a lot of people are afraid to ask them to continue to give back. A lot of people say we've already asked so much of them. How can we possibly

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Jake immediately went to work in Haiti setting up mobile triage stations and helping thousands of people in the days after the massive 7.8 quake.





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One and the Nine

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ask more? In my opinion, I think that veterans are hoping to be asked for more. I think psychologically as human beings, we want to feel like we are needed, and I think that's particularly true for veterans.

POM: Let's talk about Team Rubicon today. How many are on the TR team?

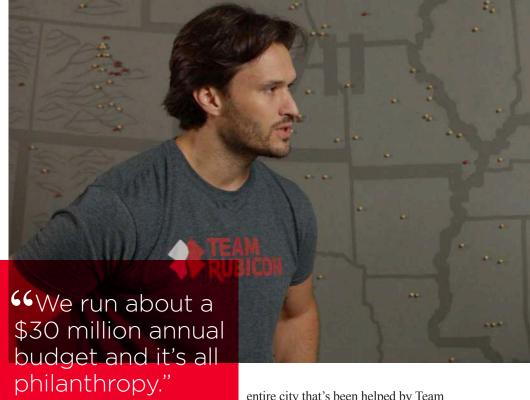
Jake: We have about 150 full-time staff and another 100 or so part-time contracts. So about 250 are on our payroll. We've got about 1,500 volunteer leaders who put about 20 to 30 hours a week in overseeing various functional areas of responsibility at regional, state, or local levels. The size of the iceberg is below the surface, right? So beyond that we've got nearly 100,000 registered volunteers, and among them about 70 percent are military veterans. The other 30 percent, include a lot of police, fire and emergency services, but there's really no requirement that anybody have any specific background. We'll take anybody who's willing to work hard, be humble, and get trained.

POM: How many disasters do you respond to in a year?

Jake: We'll respond to about 90 this year, but there'll be 200 that we didn't respond to. Since our inception we've done about 350. So year over year, the number that we're going to is increasing significantly.

POM: What are some of the largest disasters Team Rubicon has responded to?

Jake: If you've heard of it, we've probably been there, so ranging from Hurricanes Harvey, Irma, and Maria last year, where we deployed probably close to 3,000 people across all three of those disasters, to the Nepal earthquake, the typhoon in the Philippines, Hurricane Sandy, the Joplin tornado. Those are the big ones. It's the little ones that have just as much impact on the communities that get hit. Maybe the tornado's smaller, maybe the flood isn't as high, but don't tell that homeowner in small-town America that their personal disaster is



any less tragic than a homeowner in Hurricane Harvey.

POM: So how do you get the funding for all this?

Jake: We run about a \$30 million annual budget and it's all philanthropy. Less than 0.1 percent of our money is government money. We don't get reimbursed for our services. We don't charge any of the homeowners for the work that we do. So this is funded entirely by generous citizens and companies and foundations opening up their coffers and investing in our vision for a better future.

POM: What type of talent have you been able to recruit?

Jake: We've had no problem attracting talent to the organization. We have a compelling mission and story. That's what people want to be a part of. We have a culture that empowers people to solve problems, and that creates a compelling environment for a talented person who wants to work. As long as they're passionate and have a cultural fit, they can thrive on our team.

POM: I want to close by asking if you could share a memory of a disaster victim, a family, or maybe even an

entire city that's been helped by Team Rubicon's efforts.

Jake: I could share hundreds. I often answer that question by talking a little bit in the abstract about the scenes that I see time and time again. That scene might be an elderly widow standing on her front yard looking at the remains of her house that she'd lived in for 50 years, in tears, thinking about what's next. Like it's all gone. What happens from here? Then seeing a grizzly, maybe even disgruntled, veteran walk up to her, put his arm around her, and say everything's gonna be all right, and in that moment they're both healing in some way or they're both discovering hope in some way. I've seen that scene in various forms play out dozens of times, and it's always pretty powerful. POM

To view the full video interview with Jake Wood, please visit our website at www.premierofficemag.com.

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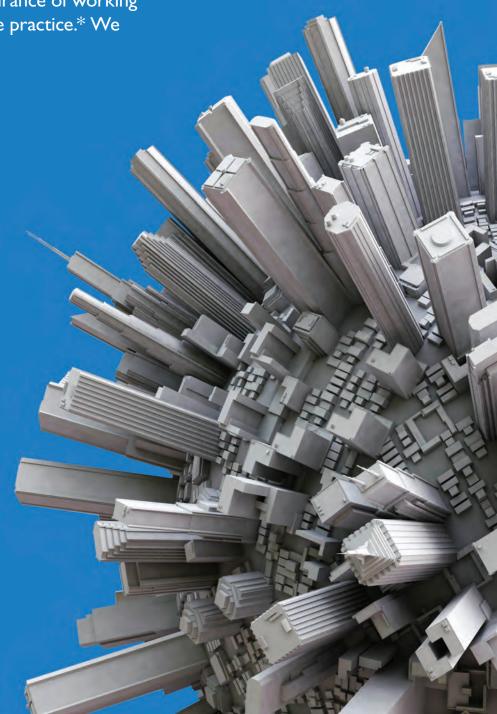
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t's hard to forget that all-too-familiar, high-pitch screeching followed by the eerie ring tone and rhythmic beeping of the fax machine. Or the cacophony of the scratchy digital scramble of dial-up internet. Those are the sounds of early innovation that helped make the modern world possible.

The colossal technology advances in the last 30 years have had massive implications for the way we do business. At its core is net operating income (NOI). How will integrating new technology help my business make money? This mentality has given way to a massive influx of alternative, non-traditional tech companies.

For example, Amazon.com is ranked as the second-most valuable company in the world by Statistica, just behind Apple. Its business isn't technology. It's online retailing. What started as an online bookstore has morphed into a \$1 trillion e-commerce empire. About five years ago, Amazon received 1,000 orders per day. Today that number averages 308 items per second. That is the power of technology.

About five years ago, Amazon received 1,000 orders per day. Today that number is averages 308 items per second.

Commercial real estate (CRE) firms are entering the tech sphere, not as providers of tech, but because new innovations are fundamentally changing their business models. There are many exciting opportunities on the CRE horizon that will revolutionize leasing, management, vendor and tenant relationships. Think image and video analysis recognition, automation, artificial intelligence, machine learning and a new telecommunications network so fast that smart cities are actually a real possibility. Looking ahead, CRE operators and owners are gaining fluency in tech-talk as the value and

impact of technology and innovations on bottom lines become more evident.

Commercial Real Estate 'Tech Companies'

CRE's adoption of technology is motived by the tenant experience. Because of the rapid evolution and instant gratification of technology, there's a new standard for how employees expect to interact with their workplace. They want connectivity and convenience via digital portals, mobile apps and a tech-savvy environment.

KBS is well-known for its tenant acumen and has created property-level mobile apps that engage workers by simplifying their professional lives and enhancing their personal lives. For example, at its Park Avenue at Morris County property in Florham Park, New Jersey, the property's mobile app allows tenants to reserve conference rooms, schedule an exercise class, view building events, review dining options and many other conveniences — creating a fully immersive building experience that is a win for KBS and a bigger win for the tenants.

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Tech Revolution

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On the leasing front, mobile apps enable agents to quickly respond to requests and inquiries from any location — improving tenant satisfaction and overall occupancy potential. Additionally, leasing agents can easily access, collect and report competitive market data, which is an essential marketing and negotiation tool.

Management teams can also track from their mobile devices and tablets security, custodial services and maintenance programs to effectively remedy potential issues before they arise, providing an uninterrupted tenant experience. For example, Angus AnyWhere is one of the main apps KBS uses at several of its properties to manage tenant work orders, building preventative maintenance and reservation systems.

Over at the 500 West Madison building in Chicago, KBS uses Kimberly-Clark's Onvation, a wireless technology embedded in the restroom paper and soap dispensers that gives real-time alerts to maintenance staff when product is low or the dispensers are jammed. Historically, 95 percent of issues within a restroom are reported by the tenants. This lessens their workloads and allows for a more proactive approach to tenant service and restroom cleanliness.

The value of mobile technology is only as strong as the network. Latency is a big concern for many building owners. Ten years ago, tenants may not have noticed a lag in their cellphone conversation or a delay in an email delivery. But with greater adoption of video conferencing, accounting functions and a greater shift toward digital work, the connectivity capability — the latency — is becoming more evident.

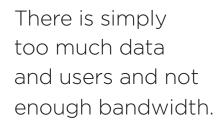
Enter the 5G network

CRE Prepares for 5G

The '80s marked a decade of extreme innovation. It brought us the Walkman, the first home computer, the VCR and the space shuttle. The '80s also gave us the 1G network — the first generation of wireless cellular technology. The newest generation — the 5G network — is currently under development and is predicted to disrupt our world in unimaginable ways. It's dubbed the next utility and should hit the market by 2020.

The eminent need for the 5G network is that there is simply too much data and users and not enough bandwidth. According to Lifewire.com, 5G will operate at speeds 20 times faster than the current 4G network, connect and accommodate more devices, significantly minimize latency and will require less energy.

There is a big incentivized shift for CRE operators to invest in the 5G network on the property level because it adds value



and moves the NOI needle. KBS is already leading the charge and working with various providers and carriers on different 5G solutions for its portfolio.

From a management perspective, 5G will connect more building functions and streamline operations and services. Think surveillance capabilities with high-definition video imaging, maintenance assessments and reporting, and maximizing vendor relationships and fulfillment.

There is also revenue opportunity for building owners to lease interior space to telecom providers looking for locations to set up microdata centers (likened to the size of a briefcase) in an effort to create a stronger network and optimal user experience. And with the 5G network emerging, carriers are actively looking for space to claim their stake as the next best-in-class provider. Additional income streams could also come from tenants subscribing to the building's network instead of incurring the expense of installing their own wireless network. It's estimated that tenants will save 20-30 percent on utilities in a building equipped with a 5G network.

As we look ahead, the rising value of amenities, the importance of datadriven decision-making and the shift from a property-focused industry to a tenant-centric one is what will fuel future technologies and adaptations. The CRE industry is poised to experience significant growth IF they choose to embrace their new tech identity. Disruption, innovations and digitization will continue to reinvent how professionals interact with real estate. From how a lease deal is transacted to managing building systems, every tenant, investor, broker, owner/operator, vendor and employee is affected. POM

by Cindy Peterson



Select KBS Properties With Mobile Apps





PARK AVENUE AT MORRIS COUNTY Iselin, NJ

- PARK AVENUE AT MORRIS COUNTY's dedicated app provides tenants with access to information about amenities and services.
- Services include an online portal for meal delivery to your desk; info on fitness classes, shuttle hours of operation, conference center, dry cleaning services, etc.; access to a traffic map, commuter rail map, and shuttle pickup and dropoff schedule; online service request portal; and a blog section for other property-related info and events.

RESTON SQUARE Reston, VA DULLES STATION EAST I Herndon, VA

- FOODSBY is a lunch delivery service specifically for office professionals.
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- The restaurant delivers to the lobby with no tipping and no minimums, and the employee is notified when the meal arrives.











TEN ALMADEN San Jose, CA

- FOODA is a service app that provides lunch for purchase Tuesday through Thursday from 11:30 a.m. 1:30 p.m. with a new restaurant on-site to order from each day.
- The app allows tenants to review the restaurant of the day, review the menu, pre-purchase lunch and access reward points for discounts.

TOWERS AT EMERYVILLE

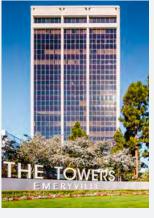
Emeryville, CA

FINANCIAL CENTER AT THE GARDENS Palm Beach Gardens, FL

ANGLIC ANDAMIEDE is a madeila son fo

- ANGUS ANYWHERE is a mobile app for tenant work orders, security requests, communicating vendor access and activities, etc.
- Tenants also have access to a desktop website version of the app.







ATTRACTING A NEW GENERATION OF TALENT

right. Entitled. Adaptive. Restless. Tech-obsessed. However you choose to describe the newest generation of talent, one thing is certain: These young professionals are transforming the modern business landscape in more ways than one.

Many entering the workforce today bring with them big ideas, youthful enthusiasm and a healthy disdain for the status quo—qualities that businesses need to capitalize upon in order to maintain their competitive edge.

Yet as expectations around what constitutes a great career opportunity change, recruiters and HR professionals are often left feeling uncertain about what young workers look for in a new job.

"It's not just smart for businesses to consider how they are attracting young talent in today's changing employment landscape, it's critical," says Marc Rosenow, president of LINK Staffing, a leading talent firm in the United States. "If companies are looking to stay ahead of their competition, they should first look to their workforce."

From high-tech office spaces to greater workplace flexibility, these are three surefire strategies for attracting a new generation of talent:

Elevate the importance of workplace flexibility

The rise of digital technology has blurred the lines between home and the office, and for many millennials and Gen Y professionals, this means that achieving work-life balance is a top priority. A 2016 Deloitte survey found that millennials value work-life balance higher than all other job characteristics.

Employers who champion greater workday flexibility will inevitably attract young job seekers who value flexibility and balance between work and home. This is especially true of companies that provide access to remote working technology. In fact, the same Deloitte survey found that 75 percent of millennials want more opportunities to work from home at least a few days out of the week.

Even companies unable to offer remote working options can create offices that provide some of the creature comforts of home, including game rooms and rest areas. Workplaces within walking distance of bars, restaurants and entertainment venues may also appear more desirable to younger, more socially inclined workers.

Ease the stress of the workday commute

The stress of a daily commute to and from the office is a major deterrent for plenty of job seekers, and it's often a deciding factor for whether or not a young professional takes a job offer. According to a study conducted by Canada's University of Waterloo, workers with the longest commutes are also those with the lowest overall satisfaction with life.

Many younger people have very different expectations around driving and car ownership. According to a University of Michigan study, only about 60 percent of today's 18-year-olds have a driver's license compared to 80 percent in the 1980s. Simply put, the prospect of a long commute is likely to drive away younger talent.

Consequently, businesses with offices in close proximity to public transportation will likely have an easier time attracting millennial and Gen Z workers who would rather skip the rush hour traffic and take the train instead.

Stay up to date with new technology

Many young professionals can't remember a time they didn't have access to internet or a smartphone in their hands. Consequently, their expectations around workplace technology are much higher than those of their more mature counterparts.

According to The Future Workforce Study conducted by Dell and Intel, more than 80 percent of millennials say workplace tech would have an influence when deciding to take a job.

For employers, this means taking a closer look at their office's digital offerings. Cloud-based productivity software, advanced video conferencing options and AI-powered workspaces could all play a major role in attracting and retaining young talent in the near and far future.

KATHRYN MUJEZINOVIC

is the vice president of LINK Staffing, the premier provider of light industrial, professional, administrative and skilled trades talent on a contract, project and direct-hire basis. LINK, an award-winning staffing and recruiting firm, has 45 offices nationwide and is a KBS tenant at 1800 Bering Dr. in Houston, Texas.







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TENANT PROFILE

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INDUSTRIOUS



At 500 West Madison in Chicago, RBC Plaza in Minneapolis and 6Y in Portland, Industrious brings world-class experience to coworking and proves that shared workplaces aren't just for startups anymore.

icture the stereotypical member of a coworking space. If you're like many, you see a fresh-out-ofcollege app developer or the hiplooking staff of an upstart online media outlet. Industrious co-founder and CEO Jamie Hodari, however, sees companies like Pfizer, Freddie Mac and GM. In fact, all three of those blue chip behemoths — along with players from the new establishment like Lyft, Pinterest and Mashable — have recently chosen flexible workspaces from Industrious over more traditional office build-outs.

As Hodari explains, shifting the shared workplaces model from startup rent-adesk to Fortune 500 partner has been core to the company since its inception. "Our mission is to deliver an amazing day at work," he says, "while providing workplaces that are commensurate with the level of professionalism that American businesses expect."

It's the latter part of the equation that truly differentiates Industrious from its peers. In a Forbes profile last year, Hodari elaborated. "Our goal, from the beginning, was to create a more social or communal work environment that takes advantage of sharing economy dynamics, but still is absolutely beautiful and professional enough that any business can feel totally comfortable and proud of doing business there."

And when Hodari says any, he means it. Industrious services individuals and fledgling outfits in need of basic infrastructure, emerging companies looking to expand their geographic footprint without the pressure of a long-term lease and established players looking to outsource their workplace management needs.

Building upon the basics

Catering to this wide array of companies can be challenging. But while others in the coworking industry have focused on solving the problem through trendy space design, Industrious has gone beyond simply designing a space solution to redefining the workplace experience. Its combination of research-driven design and a deeply humanistic view of service leads to workspaces that are well-suited to any modern workforce, regardless of age or industry.

It starts with choosing the right building. In addition to centrality and access to important perks like on-site gyms and dry-cleaning services, Hodari cites other assets that have been shown to increase happiness and productivity. Natural light, for example, can matter a great deal, with World Green Building Council research concluding that workers with windows got 46 more minutes of sleep per night. Proximity to outdoor space is also key. "Our research has shown that employees will be happier if there's a good park within a few minutes walk," says Hodari. "So we look for that instead of spending up to be in an austere building with a big marble lobby."

Industrious architects and designers then decide on what mix of private, collaborative and community space is appropriate for the location, local industry and likely clientele. Research shows that an employee's perception of how much space they have will impact their satisfaction (and crucially, dissatisfaction) more than any other common measure of indoor environment quality. But what constitutes adequate space depends on a company's needs, tasks and workstyles. This is why, as Hodari puts it, "A mix of open and closed spaces is core to Industrious's design theory."

Community as a foundational principle

Furniture and decor are then selected with the aim of projecting the confidence and professionalism members need. Industrious is careful to accomplish this without putting style before substance. "We make our spaces about our customers, not about us," says

Making it about others ... means that we have to create workspaces that embody the vibe and personality of the communities in which they're situated."

Hodari. "Industrious branding is elegant and minimal, which makes it possible for us to work hand-in-hand with companies to celebrate their own brands and make their spaces their own."

"Making it about others," he continues, "also means that we have to create workspaces that embody the vibe and personality of the communities in which they're situated." Food and coffee, for instance, are sourced from local establishments, and color schemes, furnishings and artwork are chosen so as to play off of the aesthetics of the neighborhood in which a workspace is situated.

But of everything that separates Industrious from its competitors, Hodari insists that the real difference is his company's core focus on the communities that its spaces foster. "People spend more time at work than anywhere else. That's why our community managers are focused on not only meticulously maintaining the space itself, but also understanding the unique personalities, wants and needs

of the people within it. It takes a lot of work to do it right."

Fueling stability through collaboration

That work, it seems, is paying off. With 52 spaces in 34 cities and with the company's footprint having doubled between 2017 and 2018, Industrious is proving itself to be a key player in the space. And with significant domestic and international growth planned for the next 12 months, its showing no signs of slowing down.

Industrious believes that its growth also means good things for real estate at large. "Landlords and workplace providers should share in the financial upside of coworking. We want to be a close ally to landlords and to create a new standard of collaborative, symbiotic partnership between providers and the real estate industry as a whole."

To that end, working with KBS has been a major step forward. "KBS has been impressed with the quality space that Industrious offers to tenants nationwide," said KBS Senior VP and Asset Manager, Giovanni Cordoves. "Its vision for quality and community complements our vision to always provide the best locations and the best possible space for our tenants."

The end result, Hodari hopes, will be happier employees at thousands of organizations, more productive companies and a more stable, sustainable real estate market that will benefit not just Industrious and its partners like KBS, but the cities in which they operate and the economy at large.



500 West Madison

hen you're a key team member at a Fortune Global 500 Company, you can't let a little bad weather slow you down. But when the temperature is 10 below, snow is coming down sideways and the streets are nearly impassible, even the most motivated executive might be forced to rethink the day's meeting schedule — or cancel it altogether. Unless your address is 500 West Madison.

Enviably situated in Chicago's West Loop district, 500 West Madison offers an amenity unlike any other — it sits directly above the Ogilvie Transportation Center so it's hardwired into the city's transportation grid. Not only does that take the bite out of Chicago's formidable snowstorms, the location puts tenants and their workforce at the epicenter of a thriving neighborhood in one of America's most vibrant cities.

To the west of the property is the Fulton Market. Google's Chicago headquarters is there. McDonald's new global headquarters just opened nearby. Its streets are small and walkable with wonderful restaurants. To the north is the River North submarket with its historic buildings, great architecture, mature tree-lined streets, tons of restaurants and residential. So in every direction around 500 West Madison you have tremendous growth. Add in its location above one of the two largest train stations in the city, KBS feels like it owns an important piece of the city of Chicago.

With 1.5 million square feet of space, 500 West Madison is the largest single office building in the KBS stable of properties. Built in 1987, the 40-story structure is also the largest Class A LEED Gold certified building in the entire city. Since acquiring the property in 2013, KBS has invested several

The location puts tenants and their workforce at the epicenter of a thriving neighborhood in one of America's most vibrant cities.

million dollars renovating everything from first impression amenities (entry, lighting, signage and concierge) to key safety features like modern security and surveillance.

Today the property perfectly embodies the KBS philosophy of combining a great location with lifestyle-focused, amenity-rich workspaces to attract a diverse and progressive mix of tenants. KBS was also able to attract a new Amazon Go store at 500 W. Madison which debuted in November 2018 and offers ready-to-eat breakfast, lunch and dinner options for people on-the-go. Unlike most brick-and-mortar retail operations, Amazon Go's Just Walk Out Shopping experience allows shoppers to enter the store by scanning the Amazon Go smartphone app at a turnstile, shop like they would at any other store and when done, they are good to go. A little later, Amazon Go sends a receipt and charges the shopper's Amazon account.

"We are in a great job market," says Dan Park, KBS senior vice president and asset manager. "Younger employees are smarter consumers. They're not going to waste their lives sitting in a car. So once you're here, you don't need to leave. We have everything you would want either in the building or connected to it."

Another key factor driving this property's success is the unique nature of its spec suite offerings.

The property currently boasts over 80,000 square feet of fully furnished spec suites.

"Spec suites are everywhere, but brokers tell us ours are the most unique," says Park. "We've achieved that by working with architects who have a strength in hospitality, residential and hotels so they are naturally going to create warm, inviting environments with open, collaborative spaces. One of our spec



suites even incorporates a garage door as an easy way to open up the conference room to the larger work area."

The property currently boasts over 80,000 square feet of fully furnished spec suites with more on the way. "There's nothing cookie-cutter about them," says Park. "The finishes and configurations are fresh and appealing. Our tenants are thrilled. It sets us apart in the marketplace."

The vibrant environment at 500 West Madison is further enhanced by a sense of community that comes from the lifestyle-enriching amenities and tenant-focused programs going on inside. With more than 64,000 square feet of retail space on the first two floors, this property offers an enviable mix of 45 retail and dining options with more to come. There's also a private, 14,000-square-foot fitness center with a basketball court. The property's tenant lounge is modern yet comfortable and filled with standout amenities — such as private wine lockers — and special events that bring together dynamic professionals from a roster of tenants

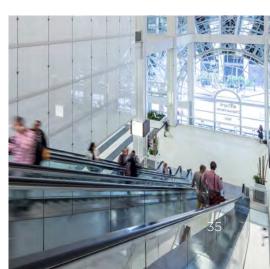
that includes firms like Expedia, Accenture, Oppenheimer and AIG.

According to Dan Park, much of the credit for this dynamic tenant environment goes to his on-site management team. "We're very intentional in terms of creating events for our tenants. Typical properties have events once or twice a year. We take that tenant appreciation up five more notches with multiple events every month. Tenants enjoy these programs because they get to know each other and mingle with KBS building staff as well."

"Productivity moves the needle for a big company," says Park. "Its biggest asset is its workforce. We've worked to create an environment that promotes employees' well-being and boosts productivity. So we have a hospitality mindset. What can we do every day to enrich the lives of the tenants and their employees? KBS partners with its tenants to improve the lives of their employees, and that, in turn, improves the health of the company."

by Sharon Dymmel







A Technopolis Tale

ustin, Texas' slogan is
"Keeping Austin Weird."
If that means earning the
rank as one of the country's
most prolific cities — America's
biggest boomtown — in terms of jobs,
population and business growth, then
yes, Austin is VERY weird.

For several years now, Austin has been dominating headlines as "the place for opportunity," and companies and professionals are flocking to the area in droves to capitalize on massive employment prospects, affordable housing, low taxes, nice neighborhoods, an educated workforce, intricate business networks and its central location to the rest of the country. According to the Austin Chamber of Commerce, 30,000 net new jobs were added over a 12-month period, making Austin the 11th fastest growing major metro in the country.

From an investment standpoint, Austin is high on property owners' lists. KBS currently owns seven properties in the city totaling over 1.5 million square feet. In September of this year, KBS

sold Stonebridge Plaza I & II, a twobuilding, Class A office property after a very successful two-year hold due to the strength of Austin's leasing market. It was an investment slam dunk.

Companies and professionals are flocking to the area in droves to capitalize on massive employment prospects.

Texas' Silicon Valley

At the center of Austin's economic engine are its tech-producing and tech-using industries, which is so significant it's been described as the "Silicon Hills" of Texas. Companies of all stripes, including insurance, real estate, energy and private equity firms, are expanding their technology focus, thereby adding vigor to the Austin tech industry. Household names like Charles

Schwab, General Motors, Facebook, Amazon, Google and even the U.S. Army have made huge commitments to their technology strategies in the Austin area. Recently Indeed also announced a new expansion that could add upward of 3,000 new jobs in Austin over the next several years.

Secondary Downtowns

According to Politifact, 150 people move to Austin's MSA every day. The demand for that unique work, live and play



experience is so hot that alternative locations are transforming into secondary downtowns. In north Austin, the Domain is a massively successful planned development offering walkable high-density office, retail and residential options.

Already known by locals as Austin's second downtown, Austin Tenant Advisors suggests this hub will employ more than 12,000 professionals and house more than 6,000 residents over the next decade.

Adding to the vibrancy of Austin living is the prospect of gaining a pro sports team plus a new soccer stadium to be constructed near the Domain. In southeast Austin, there is talk of another Domain-style development that will span 5 million square feet and include more than 4,500 apartments, 600 hotel rooms, 435,000 square feet of retail and dining and 4 million square feet of office space.

Merging Economies

Eighty miles southwest, San Antonio has been absorbing some of the Austin overspill with significant company moves and expansions, including Hulu, TaskUs and CaptureRX. As a result, we are starting to see the two metros become more connected by their respective suburban growth. The Texas Water Development Board estimates the Austin-San Antonio population to swell to 5.71 million in 2030, up nearly 34 percent from 2014 figures. This has many wondering — and speculating — if this corridor is on pace to become the next Dallas-Fort Worth.

Future Ready

Austin's thriving economy, open business environment and adoption of new technology in an ever-changing world have earned it the title as one of "America's most future-ready cities" by Dell. This means that its workforce is equipped with the right skills to drive social and economic change, its infrastructure is adequate to support demand and there are sustained opportunities for businesses to accelerate growth. The city is currently working toward revamping its economic incentive programs, which were put into place following the 2000 dot-com bust. This spurred economic recovery and is largely attributed to the city's massive growth and opportunities for small businesses.

Austin is one of the greatest success stories in the United States, one that is far from over. In fact, it's just the beginning. Its economic engine is running at full throttle, which should only continue to get stronger.

by Cindy Peterson

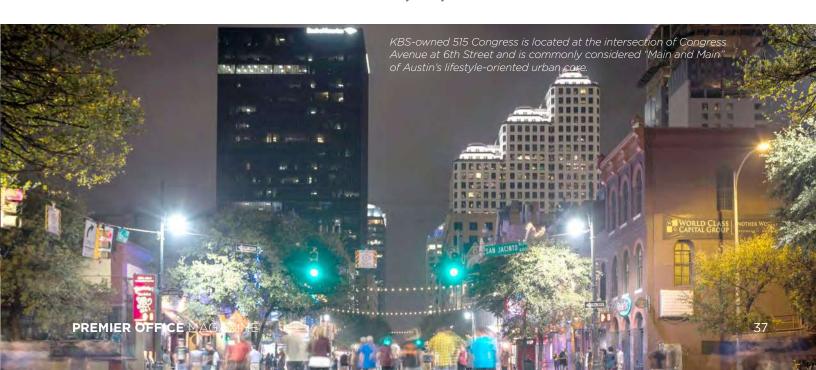
NOTABLE AUSTIN JOB CREATION IN 2018*

- Oracle Corp. 1,000 new jobs
- Progressive Insurance 278 new jobs
- Pimco 200 new jobs
- Indeed 1,500 new jobs
- Charles Schwab 1,500 new jobs
- General Motors 500 new jobs
- U.S. Army Futures Command 500 new jobs
- H-E-B 200 new jobs
- Essentium 170 new jobs

AUSTIN RANKINGS

- One of the Top 10 Places to Retire (WalletHub, August 2018)
- No. 1 U.S. City Attracting the Most Workers (LinkedIn, August 2018)
- 4th Most Pet-Friendly Cities (WalletHub, August 2018)
- 6th Tech Talent Market, (CBRE, July 2018)
- 3rd Best Performing Economy (Business Insider, June 2018)
- 6th Best City to Raise a Family (SmartAsset, February 2018)

*Based on Austin Chamber of Commerce Relocations and Expansions Log





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- » New tenant fitness studio with showers, lockers and towel service, new conference center with tenant lounge
- » New expansive tenant lounge and cafe under construction and coming soon.

- » Efficient open floor plan layouts
- » High-quality modern finishes
- » Free covered parking

BRAND NEW:

- » High End Spec Suites
- » Skybridge Tenant Lounge
- » Modern Café



Steve Hoffeditz Ed Clark Wes Evans shoffeditz@ngkf.com eclark@ngkf.com wevans@ngkf.com



magine you're a tenant in a commercial building and there's an issue with your heating or air conditioning. Or maybe there's a recurring problem with the toilets. What if your building never really seems clean, or you're concerned about sustainability and the impact your leased space has on the environment? What if a slow response rate to any building problems makes work less productive and you become dissatisfied with your landlord? As an employee, you might decide you don't want to work there anymore. And as a tenant, when your lease came up for renewal, you might already have found a new place to house your company.

As a landlord committed to being in touch with tenants' wants and needs, KBS is always seeking ways to offer the best commercial space with the best customer service. One tool that's helped KBS get inside tenants' heads for the last three years is the Kingsley Survey. San Francisco-based Kingsley Associates is the industry leader in tenant satisfaction initiatives and known for providing actionable business intelligence. By collecting tenant data and comparing them against customized index benchmarks, the Kingsley Survey provides KBS with a clear picture of what it's doing right and where it can do more to create excellence in property services and management.

On its website, Kingsley says, "High tenant satisfaction can be leveraged to enhance retention and occupancy rates, lower expenses and improve asset positioning. With so much riding on the satisfaction of your tenants, it is critically important to stay close to their priorities, perceptions and concerns." Customer-centric KBS takes this matter to heart. So while KBS communicates daily with tenants via on-site property management teams, it also invites all tenants to critique KBS every year through the Kingsley Survey.

High tenant satisfaction can be leveraged to enhance retention and occupancy rates, lower expenses and improve asset positioning quality."

In 2018, to quantify satisfaction at a portfolio, asset manager and property level, the Kingsley Survey was emailed to KBS office and industrial tenants encompassing 94 properties, 1,992 unique tenants, 17 property management companies and 75 property managers — 2,590 individuals in total. The 2018 survey generated the largest number of responses ever.

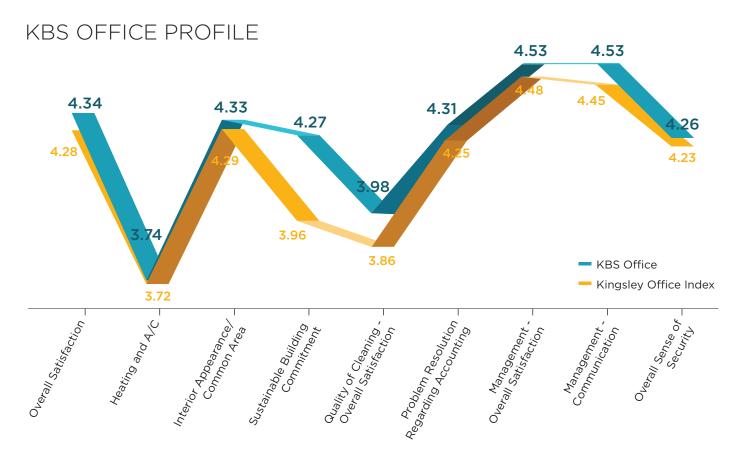
Through the survey, participants were asked a variety of questions about their satisfaction with management and property. These included a "deep dive" into the relationship with property management and maintenance/engineering (communication, responsiveness, tenant appreciation events), a services assessment (accounting, quality of cleaning, security and maintenance/engineering), detailed questions about property features (elevators, appearance, parking, HVAC) and amenities (conference center, fitness center, bike rooms, tenant lounge). Lastly, there were also questions about future space needs and renewal assessment.

Continued on PAGE 40 ▶

KBS and the Kingsley Survey

✓ Continued from PAGE 39

In several areas, KBS properties surpassed the customized Kingsley IndexSM benchmarks. For example, the graph below shows the performance of KBS office properties consistently exceeded the Kingsley index and was especially strong in areas like interior appearance, sustainability commitment, cleanliness, problem resolution, property management and security.



So that tenants could make comments directly to KBS, this year's surveys were submitted confidentially to the company. This allowed both asset managers and property managers the opportunity to look at responses by property instead of tenant by tenant, making it easier to spot consensus regarding certain issues. When the surveying was completed, Kingsley reviewed the results and distributed reports to both sets of managers to allow results to be analyzed by each team. High-scoring properties were recognized and best practices were shared to help improve lower performers. Next, Kingsley launched an action planning tool for each property manager so he or she could create action plans for areas where tenant response fell short of the index and help drive tenant satisfaction and retention. These plans were then reviewed with the asset manager and approved, thereby setting goals for measured improvement in the next survey period.

The feedback and clear action plans sparked by the Kingsley Survey have been invaluable for KBS property managers. Says Transwestern's Martin Flanigan, general manager of 3001

The Kingsley Survey has been invaluable for KBS property managers.

Washington, 3003 Washington, Dulles Station East I and Reston Square, "The Kingsley Survey is a great tool that allows our management teams to assess tenant satisfaction. The surveys help us understand tenant expectations and help achieve the ultimate goal of retaining existing businesses." By partnering with Kingsley Associates, KBS not only stays on top of immediate tenant needs, but also can get a head start on what tenants may want from their space in the future. In this way, the Kingsley Survey helps KBS be the best landlord it can be today while helping it prepare to be the best landlord of tomorrow.

by Dara Holland

AUTHENTIC WITHAN EDGE.









The first five floors of the 16-story architectural classic Meier & Frank Building have been transformed into creative office space unlike anything else in Portland.

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t would take an entire city block to plan and implement all the ideas and amenities KBS has in store to create the perfect mixed-use space for young Portland.

To accomplish that mission, KBS chose the city's most cherished glazed terracotta property, the historic Meier & Frank Building at 621 SW 5th Avenue. Portland peeps can't miss it: it's the 15-story landmark strategically located at the intersection of Downtown Portland's Tech Triangle, retail core and hotel district, a perfect storm of tech office, retail hub and hip nabe.

Pioneer Square is known as "Portland's living room."

The Meier & Frank Building offers "location" to the third power. Directly across the street is the Pioneer Place Mall and Pioneer Square. Great for hanging and chilling, the Square is

known as "Portland's living room." Within only a mile, you'll find endless choices of restaurants, cafes, local and national retailers, breweries and a food truck Nirvana. A few blocks away is the newly opened Pine Street Market, a dynamic food hall featuring gourmet vendors.

This hot spot is also the epicenter of Portland's public transit system, with four MAX Light Rail lines intersecting right in front of the Meier & Frank Building. A number of bus stops and Biketown stations are also within reach of the property — a dream shared by both millennials and business owners. The property is also situated near Portland's Tech Triangle with a 30-year history of strong tech demand.

The property, originally built in 1909, is beloved and revered by city residents. KBS rolled up its sleeves and got to work bringing it into the 21st century. KBS is doing what it takes to make the building a high-priority consideration by the city's brightest talent, and all this without compromising its important history or architectural significance.

Once the headquarters of the famous Meier & Frank department store chain, the building is currently offering a grand total of 208,520 rentable square feet to companies — tech and otherwise — who want to emit their entrepreneurial energies from the very center of Portland.

Let's take a quick look at the recent history behind this landmark building. It was acquired by the May Department Store in 1996 and then by Macy's in 2006. Macy's sold the top 10 floors



to Pebblebrook, which initiated a \$100 million renovation to the entire building. In 2007, Pebblebrook converted the top floors into The Nines Hotel. Macy's put its five-floor interest up for sale in 2016; KBS and its partner, Sterling Bay, jumped on the opportunity to redevelop the space, and here we are.

KBS gutted the basement and the first five floors — formerly the Macy's store. While the first floor is dedicated to retail, the basement is 100 percent amenity space — 12,500 square feet of storage for 200 bikes, locker rooms, showers, fitness center, cycling, yoga, lounge and a conference room. The drying lockers will prove to be a tenant favorite for those who have employees biking to work as it can get pretty wet in Portland.

Floors 2-5 are all office. So far, about 40,000 square feet of office space on the second floor officially belongs to Oregon State University (OSU), which will service its graduate programs, alumni activities and administrative functions, and about 27,000 square feet of office space on the third floor officially belongs to a FinTech company called Finastra. Still remaining is 91,500 square feet of available office space.

So far, soft goods merchant Muji is taking at least half of the available street-level retail space. The other half — at this publishing — remains open to restaurants, food service and those retailers who want lots of foot traffic in exchange for customers who want "experience."

Up top, floors 6-15 are home to the exclusive Nines Hotel, one of the most happening gathering places in the city. It's Portland's only five-star hotel and a favorite of NBA teams when they come to town to challenge the Trailblazers. All Meier & Frank tenants and their guests are welcome to experience the hotel's two restaurants and expansive rooftop bar and lounge.

The ultimate goal: attracting the companies that want to work in an environment that looks and feels like Portland now. KBS is bringing the very design features that a young workforce officially loves: 40,000 square feet of

The workspace is flexible so that once a small company goes supernova, it can expand without leaving the property.

oversized floor plates, 13-foot-6-inch to 18-foot-6-inch ceilings, all of it bathed in natural light. The work space is flexible so that once a small company goes supernova, it can expand without leaving the property. The architectural charm remains untouched, but full LEED certification is non-negotiable.

Sterling Bay, a prominent developer, is working with KBS as the Meier & Frank Building's transformation partner. KBS's leasing partner is CBRE, and it reports that Portland is one of the fastest-growing tech markets in the country. In fact, Portland's tech talent labor pool grew 25 percent in the past five years. That makes it the sixthfastest-growing market on CBRE's Scoring Tech Talent report, which ranks 50 U.S. and Canadian markets according to the ability to attract and grow tech talent. With 49.6 percent of residents over the age of 25 holding a bachelor's degree or higher, Portland has the sixth most educated urban population in North America.

Is KBS excited about this innovative city's newest innovation? Clint Copulos, senior vice president and asset manager, puts it this way: "It's going to be very high end and to a scale Portland's never seen before."

by Ronald Sklar













riginally left for dead after the Great Recession of 2008, Nashville is now a major destination for job seekers and corporations.

NerdWallet ranked Nashville as the No. 3 city in the nation for job seekers in 2017. Factors in the ranking: The local unemployment rate is a low 2.9 percent, population growth between 2010 and 2015 was nearly 30 percent and earnings for full-time workers average over \$40,200/year, which isn't as much as some other markets, but the cost of living is low.

Greg Adkins, the CEO of the Tennessee Hospitality & Tourism Association and Greater Nashville Hospitality Association, told Bisnow that the city reached an all-time record in visitors in 2017 (14.5 million), representing about \$6 billion in direct economic impact.

On a net basis, 20,000 people are expected to move to Nashville annually over the next five years."

As of 2017, Nashville was ranked among the nation's top 10 real estate markets to watch according to the annual PwC/ULI Emerging Trends in Real Estate report. This is the city's third year in a row to make the top 10. In actuality, Nashville dropped from sixth to ninth place, but the reason is that new cities had placed on the list.

PwC/ULI partner Mitch Roschelle explained to The Tennessean that part of the reason for Nashville's ranking is that the cost of doing business is 88 percent of the national average, and local growth in disposable incomes is projected to be 40 percent higher than the national average over the next five years.

Also, the city benefits from a growing population of those aged 15-34 (millennials and Generation Z). Roschelle said that this demographic is estimated to grow as much as four times the nation's average over the next five years.

"On a net basis, 20,000 people are expected to move to Nashville annually over the next five years, and that's a very positive trend," he said.

AllianceBernstein, one of the nation's largest money managers (managing \$550 billion in assets), is moving its headquarters from New York to Nashville after 50 years in Manhattan. The reason: cost savings, including lower property taxes, easier commutes and a cheaper cost of living for its employees. More than 1,000 employees will participate in the move, which will be completed by 2022.

In Nashville, health care is the largest and fastest-growing industry, with 250 health care companies headquartered in the region. Additionally, a \$5.2 billion proposal for a revamped mass transit system for greater Nashville would expand light rail, bus service, and install a major tunnel beneath downtown Nashville that would be the nexus of the city's new transit lines.

One of KBS' feature properties in Nashville is The McEwen Building located at 1550 West McEwen Drive in, Franklin, Tennessee.

This Class A, 175,262-square-foot mixed-use building was constructed in 2009 and sits on 10.9 acres in the Cool Springs submarket. The property is part of the Southside at McEwen planned development, which includes Whole Foods, Pei Wei restaurant, Lululemon and other nationally branded retail shops. The property's common area, which features a fountain and plush landscaping, has been used by several tenants to promote team-building activities.

The McEwen Building is comprised of seven floors with six floors of office space and the ground floor dedicated to retail. The building boasts two grand lobbies.

STEPHEN CLOSE

is a senior vice president for KBS overseeing over 2.8 million square feet in the eastern U.S.



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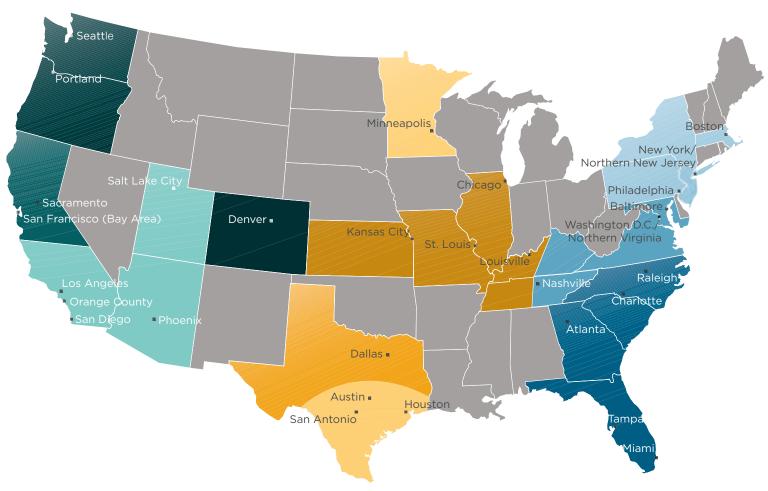
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