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## **DivcoWest Completes Purchase of Office Complex in “SoMa”**

SAN FRANCISCO – November 21, 2011 -- DivcoWest, a privately-owned real estate investment firm based in San Francisco with offices in Boston, announced today that it completed the purchase of Howard/Hawthorne, a 237,123 square foot, two-building office complex with a five-level parking structure located in SoMa, San Francisco’s new-technology business district. The property was sold by RREEF and marketed by Jones Lang LaSalle. Terms of the transaction were not disclosed.

DivcoWest, one of the country’s most active investors in technology-oriented office markets, chose the property because of its close access to public transportation and SoMa’s strong amenity base - important factors for younger workforces. The San Francisco-based investment sponsor is no stranger to investing in downtown San Francisco. In the decade prior to the real estate downturn, the company purchased the former Chevron headquarters on Market Street, leased it and sold its interest in the complex to RREEF in 2006.

The Howard/Hawthorne property consists of two contiguous office buildings: **631 Howard Street**, a five-story building totaling 100,315 square feet and situated in a high profile location at the base of New Montgomery Street, and **55 Hawthorne Street**, an 11-story tower built in 1970 with 136,808 square feet of office space. 55 Hawthorne also includes a five-story parking garage with spaces for up to 340



valet-parked cars. At closing, the two office buildings were approximately 80% leased.

A number of factors drove DivcoWest's decision to acquire the assets, including proximity to the Transbay Terminal redevelopment, access to the Bay Bridge and public transit including BART. Divco believes the transaction offers an opportunity to add further value to the assets. "We are well positioned with the specific expertise needed to undertake a capital and leasing program, attract technology tenants and fill existing vacancies," said Sam Hamilton, DivcoWest's Director of Acquisitions. DivcoWest will invest significant capital in the buildings including cosmetic improvements to the entryways and facades of both buildings. Divco will also immediately begin a program to partially build-out vacant space on the ground floor of 631 Howard and 7<sup>th</sup> floor of 55 Hawthorne.

DivcoWest is an active buyer in the Bay Area, the greater Boston area and other technology markets. Within the past two months, DivcoWest closed three transactions: Howard/ Hawthorne, Genesee Executive Plaza in San Diego's University Town Center, and 1275 Market Street in San Francisco. In July, DivcoWest acquired an ownership position in Quadrus, a premier office complex located on the prestigious Sand Hill Road in Menlo Park. Last year, the real estate investment firm purchased Jack London Square on the Oakland Estuary and 11 Beacon Street in downtown Boston.

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#### **About DivcoWest**

Founded more than 18 years ago in Northern California, DivcoWest has become one of the nation's leading fully integrated real estate investment and management firms. In addition to investing more than \$1.3 billion in equity, DivcoWest has acquired more than 22 million square feet of high-level commercial space in locations throughout the US. The company has offices in San Francisco and Boston. [www.divcowest.com](http://www.divcowest.com)