

## DivcoWest Acquires Three Silicon Valley Assets For Market Street Capital Partners

Capitalizing On Expansion by Technology Companies

More information available through:

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**San Francisco, CA (October 10, 2006)** -- DivcoWest, the San Francisco-based real estate investment and management firm, [www.divcowest.com](http://www.divcowest.com) has purchased three assets in Silicon Valley for its most recent real estate investment fund, Market Street Capital Partners, LP.

The acquisitions included the headquarters buildings for Business Objects, a global technology firm with major offices in San Jose and Paris, France. <http://www.businessobjects.com/company/> Business Objects' two-building, 126,000 square foot San Jose campus is located at 3000-3030 Orchard Parkway in the heart of Silicon Valley's "Innovation Triangle."

DivcoWest said that it found both the income stream and the quality of facility, built by Palo Alto-based Mozart Development, to be highly attractive. Business Objects recently renewed control of its San Jose space with a longer lease term arrangement.

Another asset acquired by DivcoWest this past week was the multi-building, 400,000 square foot Lake Marriott Business Park in Santa Clara, CA. Silicon Valley Bank holds a long term lease for half of the space in the complex. The property had a 30 percent vacancy at the time of acquisition, but with improving local market fundamentals, DivcoWest expects the vacant space to present a significant value-add opportunity.

The Lake Marriott property and the Business Objects buildings were partially capitalized using a portfolio mortgage structure. By combining the two properties, DivcoWest was able to access a more competitive debt market.

The San Francisco-based investment sponsor also purchased 400 Logue, a free-standing R&D facility located on a 2.55 acre site in Mountain View, CA. The 42,500 square foot facility was completely renovated in 2000. Coupons Inc., a Mountain View-based technology firm, <http://www.couponsinc.com/corp/index.asp> has signed a long term lease agreement for the entire building, and will begin phasing-in its headquarters operations on November 1, 2006.

"We feel that we have acquired three solid assets, all of which are centrally-located in one of the country's premiere technology-related markets," said DivcoWest CEO Stuart Shiff. He added that the growth cycle that has begun a strong return in Silicon Valley is taking hold in pockets all around the country, and that in addition to identifying other business-use commercial property assets for the fund, DivcoWest is investigating other acquisition opportunities in technology sub-markets like Austin, Denver, San Diego and Boston.