



DivcoWest buys office complex in San Francisco

The San Francisco-based firm has acquired two contiguous office buildings in San Francisco's new technology business district from RREEF for \$77.5 million.

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DivcoWest has purchased two contiguous office buildings in San Francisco's new technology business district from RREEF. Data from Real Capital Analytics lists the total purchase price of Howard/Hawthorne, a 237,123-square-foot, two-building complex, at \$77.5 million.

The Howard/Hawthorne complex consists of 631 Howard Street, a five-story, 100,315-square-foot building situated at New Montgomery Street; and 55 Hawthorne Street, an 11-story, 136,808-square-foot tower built in 1970. At closing, the two office buildings were 80 percent leased. Broken down by property, DivcoWest is acquiring 55 Hawthorne for \$45.9 million and 631 Howard for \$31.6 million, according to RCA.

An announcement from DivcoWest stated that the San Francisco-based real estate investment firm chose the property because of its close access to public transportation and the neighbourhood's "strong amenity base," which serve as "important factors for younger workforces."

DivcoWest will invest significant capital in the buildings, including cosmetic improvements to the entryways and facades of both buildings. The firm also will begin to partially build out vacant space on the ground floor of 631 Howard and the seventh floor of 55 Hawthorne. Sam Hamilton, DivcoWest's director of acquisitions, said in a statement: "We are well positioned to undertake a capital and leasing programme, attract technology tenants and fill existing vacancies."

Within the past two months, DivcoWest has closed three transactions. In addition to the Howard/ Hawthorne acquisition, the firm purchased 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, an office complex in Menlo Park, California.