

**From the Silicon Valley / San Jose Business Journal:**

**<http://www.bizjournals.com/sanjose/print-edition/2011/07/08/four-corners-buys-third-site-south-bay.html>**

## **Four Corners LLC buys third site in Silicon Valley and is looking for more**

**Premium content from Silicon Valley / San Jose Business Journal - by Mary Ann Azevedo**

Date: Friday, July 8, 2011, 3:00am PDT

Four Corners Properties LLC is on a buying spree, and the San Francisco real estate investment firm is looking south for prime commercial opportunities.

Its most recent purchase is an 82,278-square-foot building on Patrick Henry Boulevard in Santa Clara, picked up from Campbell-based South Bay Development Co. for a reported \$13.6 million, or \$165.50 per square foot. The building sits on 6.5 acres and was listed for sale at \$14.4 million.

This makes the third acquisition for Four Corners so far in 2011. The company has also purchased a 103,000-square-foot office and research and development building on Bowers Avenue in Santa Clara for \$7.6 million, and will buy a site in Mountain View where it plans to construct a 97,500-square-foot, three-story, Class A office building.

The developer plans to tear down the existing 33,000-square-foot building on the 3.5-acre Mountain View site, which it is purchasing from Santa Clara County for \$5.93 million. Four Corners hopes to start construction during the fourth quarter with completion slated for the third or fourth quarter of 2012.

The company doesn't yet have any tenants for the space, although Bruce Burkard, Four Corners' co-managing partner, is optimistic considering Mountain View's increased popularity.

"We are definitely active in the market and figuring out who's interested in our building," he said.

This continues a trend of an increasing number of investors purchasing older construction in the South Bay to renovate and modernize for new tenants, as economic conditions have improved and demand for large Class A office space grows, said Kevin Cunningham, vice president in the Palo Alto office of Cornish & Carey Commercial Newmark Knight Frank.

As for the Patrick Henry site, Four Corners is planning only minor upgrades to the building that was once home to ROLM Corp.'s first corporate campus. MontaVista Software LLC is currently the sole tenant in 20,000 square feet, said Kalil Jenab of Cassidy Turley BT Commercial, who represents Four Corners.

The property has been listed for lease with an asking rate of \$1.75 a square foot, he said, but only for tenants who will take up either half or all of the building.

Four Corners has an agreement in place with MontaVista that the software company will have to

vacate if Four Corners finds a new tenant. The building has very heavy power and HVAC capacity.

"It was a competitive pricing scenario," said Craig Leiker of Kidder Mathews, who represented South Bay Development. "There's a hunger now. The investment market is very active."

### **Out of hibernation**

Burkard said his firm bought about 1.2 million square feet of office and R&D space from 2005, when it was founded, through 2007 for a total investment of more than \$200 million. While activity quieted during the recession, Burkard said Four Corners is now taking advantage of a significant pickup in the market.

In particular, he said Four Corners likes Santa Clara and "what's going on there." Specifically, he pointed to the area's opportunity in terms of building rehabs, demolition of vacant Yahoo Inc. buildings, and growing tenant demand.

An example of this is the Bowers Street deal in Santa Clara, a former home of Agilent Technologies Inc., which Four Corners plans to convert into a 90,000-square-foot Class A office and R&D.

The property was vacant at the time of purchase, and Four Corners has tapped Korth Sunseri Hagey Architects to design the new space.

It won't tear down the building, which Burkard said has a steel frame and is "built exceptionally strong." Burkard declined to say how much Four Corners was investing in the conversion other than to say it will likely amount to more than it paid for the space.

"It will look exactly like a brand new building," he noted.

Mary Ann Azevedo can be reached at 408.299.1820 or [mazevedo@bizjournals.com](mailto:mazevedo@bizjournals.com).