



KBS is transforming buildings to make next-generation spaces people can't wait to work and play in.

Making Great Buildings Better

By Laura Rote

The historic Meier & Frank Building in downtown Portland is a standout example of what KBS does best.

PHOTO: HALL + MERRICK

Commercial tenants demand a lot. And they should, considering competition for the best employees is steep. Today's top companies have shown they are willing to invest in buildings where they feel wanted—and that goes beyond standard office amenities. “Tenants are signing longer leases,” says **Charles J. Schreiber**, CEO of **KBS**, which serves nearly 3,000 tenants nationwide—primarily investing in well-located multi-tenant office properties in strong employment growth markets. Having formed KBS in 1992, Schreiber knows what tenants demand. The real shift, he says, started in 2012, a few years after the capital crisis, when tenants began to reconsider location. “The tenants who were expanding or re-locating were very sensitive about having locations that would attract and retain employees,” Schreiber says. “They also began moving from Class B to Class A buildings, and once they got in those buildings they realized that not only was it great as a presentation of their company to clients; it was great for their employees.”

Location is Key. KBS is often drawn to properties close to universities and public transportation. “There’s a huge importance on attracting and retaining talent,” says **Clint Copulos**, senior vice president and asset manager for KBS. “If you go back and look at how real estate decisions were made 10 years ago, it was all about where the CEO or executives lived. Fast-forward to today and it’s all about where our employees live and what is the experience our employees want.”

When it comes to being well located, Copulos says KBS considers things like access to walkable restaurants and bars, hotels, and nearby public transit combined with cost of living. “On the West Coast, Portland has been a huge winner lately because San Francisco, LA, Seattle—their cost of living is very high.” When companies announce they plan to open a Portland office when their current location is in, say, Silicon Valley, it’s not hard to fill those positions with people who want to >

At 500 West Madison tenants include Expedia, Industrious, Accenture, Amazon Go, and Oppenheimer & Co, to name just a few. The Chicago property is the perfect example of a KBS success, as it's connected to public transit and has plentiful dining options and diverse programming that tenants love.



PHOTO: COURTESY OF KBS



PHOTO: HALL + MERRICK

Making History in Portland, Oregon

The 15-story **Meier & Frank Building** (circa 1909) in downtown Portland shows how KBS takes an iconic property to the next level. In 2017 KBS bought and transformed the first five floors for high-end offices, retail, and an entire floor of amenities in what was a former Macy’s department store. The terra-cotta building was already an icon; now it’s a highly sought-after commercial property with tenants ranging from higher education to clothing and soft goods. “We just opened the building in June of last year and we’re close to being

100% leased,” Copulos said in May. KBS also took advantage of having a large floorplate. “Tech companies and companies looking for a more open floor plan are attracted to these larger floor plates,” Copulos says. “We knew the character, location, and amenity package we’d be able to deliver within the building, coupled with the retail amenities, would be attractive.” KBS brought their vision to life and then some. They gutted the basement—with 14-foot ceilings, you wouldn’t know it’s a basement—and

made a lounge, conference center, storage for 200 bikes, a fitness center, and locker rooms. “In Portland a lot of people bike to work no matter what the weather is like. It rains a lot so we created heated lockers. You can roll into the building with your bike on a rainy day, put your clothes up in these lockers, and when you return at the end of the day your clothes and shoes are dry,” Copulos says. The building also has a coffee shop, and the upper floors are home to the exclusive Nines Hotel, Portland’s only five-star hotel.

KBS worked with **Bora Architects** to transform the Meier & Frank building in Portland. Currently **Oregon State University**, Japanese retailer **Muji**, financial tech firm **Finastra**, and more call the building home.

< relocate. “Millennials want to be there for the quality of life and the cost of living,” Copulos says. “Austin’s the same way, Raleigh’s the same way.”

Giving Them What They Want. KBS has a spec suite program that benefits everyone—it’s so good potential tenants sometimes take a spec suite as-is. “We really do a lot of the thoughtful work up-front to design a space that ultimately is for the tenant, but also benefits the landlord,” says **Dan Park**, senior vice president and asset manager.

KBS worked with **GREC Architects** on the spec suite program, including larger spec suites—anywhere from 8,000 to 20,000 square feet. While prospective tenants may be used to “vanilla” spec suites, KBS offers exciting finishes, colors, and accents. Some spec suites even have barn door partitions, and open kitchens may have kegerators.

Programming, Programming, Programming. But it’s not just what’s in a building that makes it desirable; it’s also what’s happening there. In Portland, just as it does everywhere, KBS keeps the Meier & Frank Building fully programmed, all the way down to spin classes and Whiskey Wednesdays. “Anyone can spend \$5 million to amenitize a building. They can look at what we’re doing and copy it, but it’s the programming, the ecosystem, the multiple venues for people to cross-pollinate and collaborate—whether it’s within their own company or with other companies—that’s the differentiator and what creates the experience,” Copulos says.

Park says events happen at least once a week at 500 West Madison—and they aren’t just ice cream socials. Events range from margarita happy hours to executive coaching workshops to Puppies and Pinot with an animal shelter.

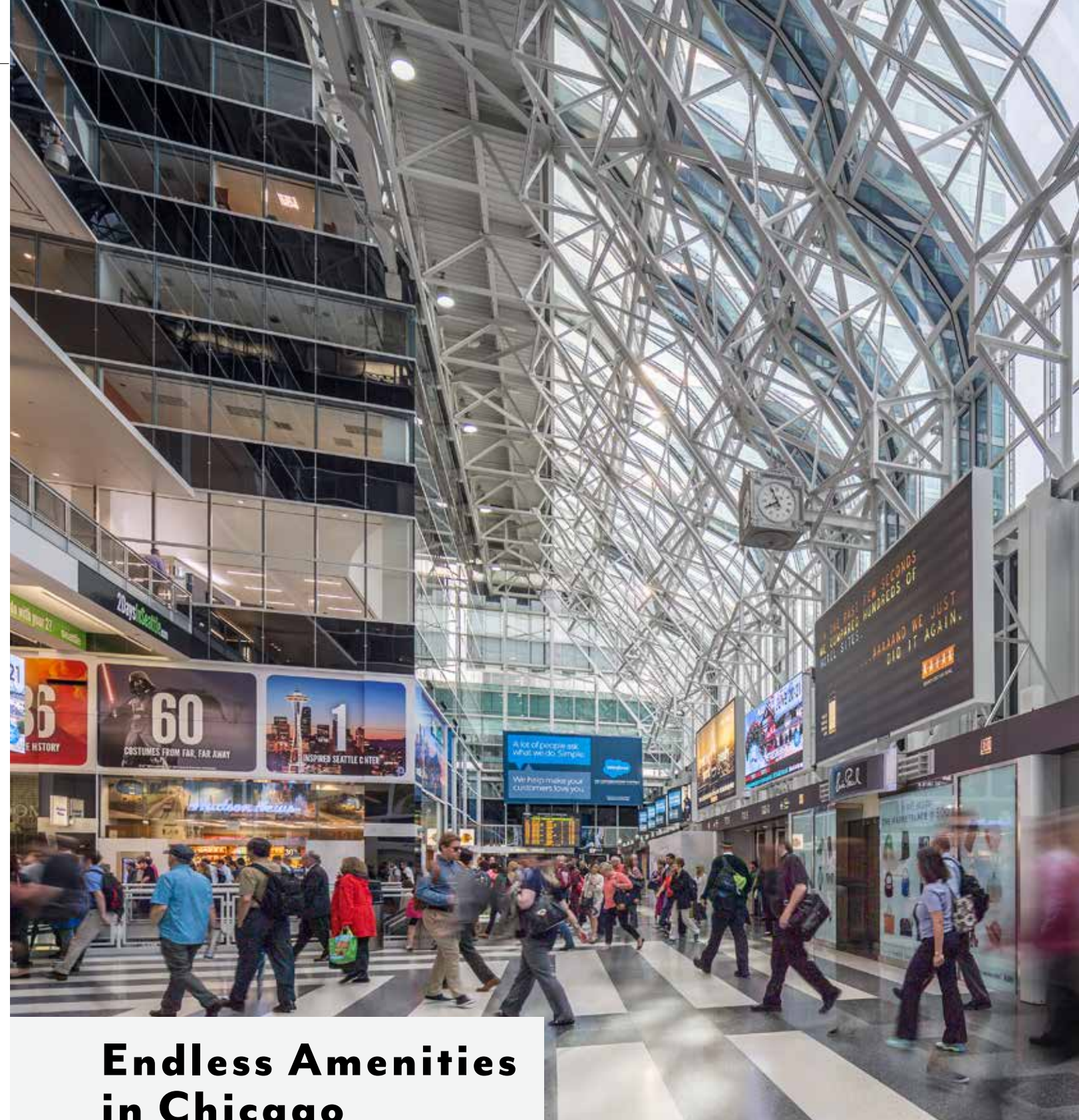
KBS knows what tenants want because it spends a lot of time asking them. “If they are thinking about leaving the building, that’s the tenant I want to talk to,” Schreiber says. “I’m going to ask, ‘Why do you think there is a better opportunity in a different building? That information is priceless.’”

At the end of the day, KBS looks for buildings that allow tenants to do their best work. “The design, the efficiency, the amenities, when we’re looking at buying well-located properties we’re going to put capital improvements into those properties to elevate the opportunity for tenants to be successful in those locations,” Schreiber says.

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PHOTO, ABOVE: MILLER + MILLER ARCHITECTURAL; PHOTOGRAPHY, BELOW: HALL + MERRICK



Endless Amenities in Chicago

In downtown Chicago, on top of Ogilvie Transportation Center, 115,000 people a day travel through **500 West Madison** to and from work or appointments. The 40-story, 1.5 million-square-foot, LEED Gold-certified property is KBS’s largest asset. The property itself may have been built in the late ‘80s, but KBS

keeps the building on the cutting edge with energy and lighting upgrades, new HVAC controls, and more, according to Park.

The commute to the building is easy; it’s connected to the train station, for starters, plus KBS was instrumental in getting the city’s bike share program, Divvy, onsite.

Inside you’ll find 70,000 square feet of retail, a two-level fitness center with basketball court, conference facilities, and 20-plus restaurants. The most popular amenity at the property is a 4,000-square-foot tenant lounge with air hockey, shuffleboard, private wine lockers, and a kitchen.

When you work at 500 West Madison in Chicago, you never have to leave the building if you don’t want to. The property connects to trains at the Ogilvie Transportation Center, and amenities like restaurants, a basketball court, a salon, and more are all onsite.

PHOTO: COURTESY OF KBS