

# Non-Traded REIT Sells Office Building for \$127.3 Million

KBS Real Estate Investment Trust II (KBS REIT II) has done it again. The public, non-traded REIT sold properties throughout 2014 and has continued that trend into 2015.

Most recently, KBS REIT II sold National City Tower, a Class A office building in downtown Louisville, Kentucky. The property boasts 723,300 square feet across 40 floors with a glass and steel construction design.

The amenity-rich property provides a deli and restaurant, a Wi-Fi lounge for tenants, a Starbucks, a full-service bank, and executive parking garage.

KBS REIT II acquired the building in December 2010 for \$113.6 million and has since upgraded major base building components and systems plus renovated common areas and amenity space including development of a new conference facility. National City Tower's total cost to the REIT including purchase price, capital expenditures, lease commissions, and acquisition fees was \$124.6 million.

An unaffiliated party purchased the property from KBS REIT II for \$127.3 million on February 13, 2015. After concessions and credits, the REIT earned \$124 million for the sale.

According to a filing by the REIT, "National City Tower was primarily acquired for its strong and secure cash flow, not for capital appreciation."

As a result of the sale, KBS REIT II repaid an \$89.7 million loan that was partially secured by the property.

The REIT has sold over 10 properties since May 2014. Those sales generated profits that allowed KBS REIT II to pay a

special distribution of [\\$4.50 per share to shareholders in September 2014.](#)

At that time, early investors had earned an aggregate of \$8.50 per share in returns.

