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SANTA CLARA CAMPUS

Colliers International represented both parties in the sale and was then retained under exclusive agency to lease what SCCPO would build, either to suit or speculatively.

Client Objectives

Santa Clara Campus Property Owner I, LLC (SCCPO) acquired an unencumbered 30.6 plus acre site in Santa Clara, CA from Applied Materials in 2011.

After 15 months of marketing and coming close but not securing the desired leasehold, SCCPO, based largely upon the steadily recovering local economy in the San Francisco/Oakland/San Jose MSA, decided to move forward and develop three four story class A office buildings in a campus setting on a purely speculative basis. They broke ground in 2012 and completed construction during the summer of 2013. Total speculative rentable footage was set at 459,655 SF.

Transaction Profile

While the first three buildings required approximately 10 acres to build and provide surface amenities and a parking lot, there

remained just under 20 acres for additional speculative development in stages; Phase II and Phase III.

Silicon Valley's ever tightening supply of Class A office space and Santa Clara's lower electrical rates allowed Colliers International to successfully attract the interest of Palo Alto Networks, Inc (PAN). PAN's requirements were to match their headcount need to their facility demands.

Solution

A deal was structured for three 8-story buildings, and one 2-story amenity and support building on the Phase III land. The deal structure timed the watertight building shell construction, the necessary interior improvements, and floor by floor delivery to match PAN's planned headcount and growth commitments.

Transaction Type & Details

Date:
October 15, 2015

Type:
Lease

Building Type:
Office

Building Size:
1,106,953 SF

Sale Price:
\$372,007,043