



NEWS RELEASE

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California State Office Portfolio Hits the Market

Acquisition of green offices viewed as a 'generational' opportunity for investment capital

Downloads: [Sales Brochure](#) - [Graphic Illustration](#) – [Video B-Roll](#)

SACRAMENTO, Calif — The California Department of General Services announced today that 11 state office properties, totaling nearly 7.3 million rentable square feet, are now on the market and expected to draw significant interest from capital investors worldwide, potentially eliciting offers in excess of \$2 billion for the state. DGS' broker, CB Richard Ellis Group, Inc. (CBRE) has listed the properties online. Offers are due by April 14, 2010.

In June, Governor Schwarzenegger and the legislature authorized the sale of the properties located in Los Angeles, Oakland, Sacramento, San Francisco and Santa Rosa. Once sold, the state anticipates retiring more than \$1 billion in bond debt, saving California hundreds of millions in interest payments over the next two decades. The sale is also expected to net at least \$660 million in proceeds that will be funneled directly into the General Fund, helping to save Californians from increased taxes and deeper cuts in state programs and services.

"This sale will allow California to pay off debt, tap equity, and lock in some of the lowest rental rates seen in years," said DGS Acting Director Ron Diedrich. "The short and long-term financial gains will be real to help shore up the state budget in the years to come."

[The 11 state office properties](#) are among some of California's most energy efficient and environmentally friendly, making the properties attractive to a market that is seeking sustainable, green designs. The US Green Buildings Council's Leadership in Energy and Environmental Design (LEED) certification has been achieved on nearly all of the buildings.

[Click here to learn more about the sale leaseback program.](#)

"What the real estate investment community is looking for in today's market are secure, low-risk investment opportunities – occupied buildings with long term, credit-worthy tenants, as well as increasingly 'green' product, both of which the State's portfolio offers," said Kevin Shannon, Vice Chairman for CBRE and the lead broker on the sale leaseback assignment. "We are confident that the expansive global marketing campaign we're launching today will attract strong national and international interest in this generational acquisition opportunity."

"California should not be in the volatile real estate business," said Diedrich. "As we lease these properties for the next 20 years, we can predictably budget our costs, knowing that the state will no longer be liable for unforeseen repair costs that are inherent in owning real estate."

[The Department of General Services \(www.dgs.ca.gov\)](http://www.dgs.ca.gov) serves as the business manager for the State of California, with more than 4,000 employees and a budget in excess of \$1 billion. DGS helps state government better serve the public by providing services to state agencies including innovative procurement and acquisition solutions, creative real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and innovative funding for the construction of safe

schools.

[CB Richard Ellis Group, Inc. \(www.cbre.com\)](http://www.cbre.com) (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2009 revenue). The Company has approximately 29,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide.

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