FedEx Ground property sells in San Jose's Golden Triangle

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By Silicon Valley / San Jose Business Journal by Nathan Donato-Weinstein, Real Estate Reporter
SAN JOSE, CA — FedEx Ground leases most of a 206,000-square-foot building at 696 E. Trimble in San Jose. An institutional investor has purchased a 206,000-square-foot industrial building on 13 acres in San Jose's Golden Triangle that is mostly leased to FedEx Ground. The Multi Employer Property Trust, a commingled real-estate equity fund with $5.56 billion in net assets, picked up 696 E. Trimble from F.E. Trimble LLC, a partnership controlled by Barry Swenson Builder.

Representatives for the buyer and seller declined to disclose the purchase price. Unaffiliated sources with knowledge of the deal said the property traded for around $27 million. Jim Howard, a senior vice president for Bentall Kennedy, which advised the fund, said the address was attractive for its location, build quality, long-term tenant, and "favorable returns consistent with the investment objectives."

MEPT has about 145 investments in 30 metropolitan markets, according to its website. Bentall Kennedy is one of North America's largest North American real estate advisers. "The general Bay Area is one of the preferred areas nationally for commercial real estate investment, and we're actively seeking additional investment opportunities," Howard said.

Barry Swenson Builder had owned the property since 2003. FedEx Ground occupies about 70 percent of the building. MVP Arena, an indoor sports center, is another substantial tenant.
The site originally included 17 acres, but Swenson has retained 4 acres and is marketing it as a build-to-suit prospect for office or R&D users."We think eventually as the market grows, that'll be a good spot for a potential office tenant," said Joshua Burroughs, development manager for Barry Swenson Builder.

According to Burroughs, Chip Sutherland and Charles Strouss of CBRE represented the seller, while Tyler Higgins of Orchard Partners worked with Bentall Kennedy.

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