

California Bank and Trust Lends \$33M on Silicon Valley Office Park Acquisition

The transaction marks Machine Investment Group's market debut

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Miramar Capital and **Machine Investment Group** have landed \$33.3 million in financing for their \$54.5 million acquisition of **Stevens Creek Executive Park** in San Jose, Calif., Commercial Observer has learned.

California Bank and Trust provided the three-year, interest-only loan in a transaction negotiated by **JLL's Alex Witt, Brandon Roth** and **Spencer Bergthold**.

"Despite the market uncertainty caused by COVID-19, California Bank and Trust delivered accretive financing for the acquisition," Witt said. "This speaks to the quality of the sponsor's reputation and business plan that they successfully obtained non-recourse bank financing at a time of limited liquidity for like kind assets."

The 165,500-square-foot property comprises 137,500 square feet of office space, 28,000 square feet of retail space and sits on 9.2 acres of land at **4300 Stevens Creek Boulevard** in San Jose. Located within the largest city in Silicon Valley, it's exposed to more than 100,000 vehicles per day. The asset is also entitled for a significant redevelopment that would add 582 residential units, more office space and 10,000 square feet of retail.

The transaction marks Machine Investment Group's platform debut. The newly-formed New York-based firm is led by **Andy Kwon** and **Eric Rosenthal**, previously senior leaders of real estate investing at **Garrison Investment Group**, and focused on opportunistic, distressed and special situations across the U.S.

“Our first acquisition together as Machine exemplifies who we are as investors, and is consistent with our track record of successfully pursuing middle-market investment opportunities at Garrison,” Kwon said. “We acquired Stevens Creek Executive Park at an attractive basis and we have an open mind about the possibilities for its best use. For example, multiple factors indicate that multifamily residential, both market-rate and affordable, should be in high demand in this location. Our investment process involves evaluating assets utilizing a diligent and unemotional approach to allocating risk and protecting capital, which often leads to plays that seem contrarian but that stand up well to fact-based analysis.”

During their time at Garrison, Kwon and Rosenthal personally invested over \$1.5 billion of equity. “We have invested together for many years with considerable success, and Machine is the natural evolution of our journey in real estate,” Kwon said.

“Machine seeks out opportunities within all major and specialty property types, located in emerging and existing institutional markets across the United States,” Rosenthal added. “The common theme is that these are growth markets with diverse demand generators that offer attractive yields and advantageous entry points. In the case of our investment in Stevens Creek Executive Park, we see this section of San Jose as more than a ‘tech market.’ Other less cyclical businesses like health care lend just as much support to our belief in the local job market, and long-term demand fueling an already supply constrained residential market.”