

Synaptics Headquarters' Price Trades Down

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Silicon Valley technology company Synaptics Inc. reduced the sale price of its Santa Clara headquarters to Orchard Partners and Apollo Global Real Estate by more than \$1.5 million from the end of last year to the beginning of this.

Mountain View-based Orchard and a real estate investment fund managed by affiliates of Apollo said April 23 that their joint venture has closed on the purchase of the office and research and development building at 3120 Scott Blvd.

According to documents filed with the U.S. Securities and Exchange Commission by the seller, the sales price for the building and 2.6 acres was \$12.6 million—down from the \$14.2 million sale price given by Synaptics in October. Synaptics said the building has 76,522 square feet.

The company offered no explanation for the price drop; Mike Biggar, managing partner for Orchard Partners LLC, declined comment.

Synaptics Inc is divesting itself of the three-story property to relocate to a larger, three-building campus in San Jose, for which it paid \$11.9 million in cash for 151,247 sq ft, \$200,000 less than the original agreed upon price, the company said, also without explanation.

Synaptics specializes in “human-interface technology” including mobile phone touchscreen applications and personal-computing products. The company reported \$143 million in net revenue for the second quarter of fiscal 2013 and net income of \$11.1 million. Both were down compared to the year before, but in a prepared statement President Rick Bergman said the company expects year-over-year revenue growth to return with the third quarter.

Synaptics plans to lease the Scott Boulevard building through the end of May after which time Orchard and Apollo plan a “market-ready” improvement program including a three-story lobby, new open floor plans throughout, extensive landscaping and an outdoor employee-amenity area.

The property has underground and surface parking and is being positioned as a corporate headquarters location.

Jim Maggi, Dave Vanoncini and Jimmy Cacho of Kidder Mathews represented buyer and seller in the transaction. Kidder Mathews also will manage the leasing as well as Christian Marent and Rob Shannon of CBRE Inc.

Biggar and Tyler W. Higgins founded Orchard Partners in 2007 to focus on low-risk and value-add real estate investment opportunities, specializing in office and industrial properties throughout the United States. Since 2007, Orchard has acquired more than 6.6 million square feet valued at more than \$650 million.

Apollo Global Management is a global investment manager with assets under management of approximately \$113 billion in its private equity, credit and real estate funds.