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## **California Pension Fund Relies on Muni Bond Sales for New Office.**

- **Calstrs sold \$15.7 million in debt to finish headquarters**
- **Hybrid work schedule for employees to continue next year**

The California State Teachers' Retirement System sold more municipal debt for a new office building, with yields on some maturities lower than that on benchmark debt, despite the shift to remote work.

The public pension, the second biggest in the nation, offered \$15.7 million in tax-exempt bonds Wednesday with yields ranging from 2.27% to 4.11% for a 4% coupon bond due in 2049, according to data compiled by Bloomberg. It was the fund's second foray into the municipal market since it sold \$272.6 million of tax-free debt in 2019 for the project.

While the remote work shift has hollowed out economic cores in cities such as San Francisco and as rising interest rates and expectations of recession hit commercial property values, Calstrs's new headquarters is considered an investment for the pension, which has a prodigious \$297.6 billion under management. It also helps that municipal-bond investors are largely unflappable when it comes to the impact of working from home on credit markets.

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### **Bloomberg Markets**

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