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Deals Updates

Office

[300 S. Riverside Sale Closes at Around \\$194 Million](#)

Crain's Chicago Business - Dec 30

A group led by New York investors Joseph Mizrahi and David Werner has closed on its acquisition of a 1.1-million-square-foot office tower in the West Loop, the latest in a year-end flurry of big downtown office building sales. An investment fund managed by Toronto-based Brookfield Asset Management Inc. sold 300 S. Riverside Plaza to the New York group for about \$180 a square foot, or roughly \$194 million, sources say. The buyers financed the acquisition with a \$120-million loan from UBS, the Swiss banking giant, according to a news release from Chicago-based Jones Lang LaSalle Inc., which represented the Brookfield fund in the sale and financing.

[John Hancock Tower Sells for \\$930 Million](#)

New York Times - Dec 29

The John Hancock Tower, a 62-story glass skyscraper in Boston's Back Bay, was one of the first real estate trophies to run into trouble when the speculative property boom abruptly ended two years ago. With the market in free fall, Normandy Real Estate Partners and Five Mile Capital Partners bought the building at a foreclosure auction 18 months ago for \$660.6 million, or about half the price in 2006.

[ProLogis to Sell Catellus Retail and Mixed-Use Assets for \\$505 Mil.](#)

Costar - Dec 29

ProLogis agreed to sell its Catellus name and legacy portfolio of U.S. retail and mixed-use assets to affiliates of TPG Capital for \$505 million. The properties to be sold in the transaction include: four shopping centers, two office buildings, 11 mixed-use projects with related land and development agreements, two residential development joint ventures, Los Angeles Union Station, certain ground leases and other right-of-way leases.

[LA Private Equity Firm and Australian REIT Acquire 21 Property U.S. Portfolio](#)

Costar - Dec 29

Sydney, Australia-based investors and Los Angeles-based private equity firm Saban Capital Group have acquired 21 office properties that comprised the U.S. office portfolio of the former Australian REIT Record Realty. The group purchased the portfolio at a 29% discount to net asset value.

[Gramercy Closes on \\$390M in SL Green Deals](#)

Globe Street - Dec 28

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Allen Matkins is a full-service law firm with over 230 attorneys practicing in seven offices throughout California. Some of the areas of focus at Allen Matkins include green and sustainable construction, construction, corporate, real estate, project finance, business litigation, taxation, land use,

Gramercy Capital Corp. said it had closed on \$390.8 million worth of previously announced investment sales to SL Green Realty Corp., including a 45% joint venture stake in the leased fee of the office tower at 885 Third Ave., better known as the Lipstick Building. The three deals combined produced approximately \$89.8 million of unrestricted cash for Gramercy and approximately \$39.0 million of restricted cash for one of its three CDOs, the company said. Along with the Lipstick Building stake for which SL Green is paying \$39.3 million and assuming \$120.4 million in mortgage debt, the other sales entail SL Green taking 100% ownership of the leased fee of 2 Herald Square via a \$25.6-million acquisition plus the assumption of \$86.1 million in debt and buying the entire leased fee interest in 292 Madison Ave. for approximately \$19.2 million, plus assumed mortgage debt of \$59.1 million.

environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. [More...](#)

[Hudson Pacific Expands San Francisco Portfolio with 2 Office Property Transactions](#)

Trading Markets - Dec 23

Hudson Pacific Properties has completed an office property acquisition and property investment in two transactions involving landmark San Francisco office properties. The Company reported that it acquired a 1,012,000-square-foot office tower, in a transaction with Bank of America and Strada Investment Group for approximately \$93.0 million. In a separate [transaction](#), Hudson Pacific noted that it also made an approximately \$40.3 million investment to acquire 51 percent of the 581,000-square-foot One and Two Rincon Center office project, which it intends to own in a [joint venture](#) with an affiliate of Beacon Capital Partners. The Company said that the joint venture includes a put/call arrangement for the company to acquire the remainder of the Rincon Center properties for a pre-agreed price, which is projected to occur in the second quarter of 2011.

[KBS REIT Acquires Granite Tower in Denver](#)

Costar - Dec 20

KBS Real Estate Investment Trust II has acquired Granite Tower, a 31-story office tower in Denver's Central Business District, for \$149 million, or \$265 per square foot. The acquisition of the Class A tower on 18th Street between Arapahoe and Curtis streets is one of the state's largest commercial real estate deals of the year.

[Google Completes Purchase of New York Office Building in Manhattan Expansion](#)

Bloomberg - Dec 22

[Google Inc.](#), owner of the world's most popular search engine, completed the purchase of New York's 111 Eighth Ave. as the company expands its presence in Manhattan. Taconic Investment Partners, Jamestown Properties and the New York State Common Retirement Fund sold the building, the companies said in a statement today. Google agreed to pay about \$1.8 billion for the property, where it is the largest tenant, a person with knowledge of the deal said earlier this month. That would make it the biggest transaction this year involving a single U.S. building, according to Real Capital Analytics Inc., a New York-based real estate research firm.

[National City Tower Sold for \\$115 Million](#)

Louisville Courier-Journal - Dec 20

A California-based investment company has purchased the 40-floor National City Tower for \$115 million, a deal that brokers believe is perhaps the largest commercial real-estate transaction in the Louisville area in the last several years. It's one of the first, if not the first, big office-project sales in the area "since the commercial real estate market slid off the tracks," said Craig Collins,

a broker for Meridian Realty Investors, a group of 30 individuals and investment groups that had owned the tower at Fifth and Main streets about five years.

[Iconic Downtown Miami Office Tower Trades for \\$105.5M](#)

Costar - Dec 21

In a boost for the beleaguered Miami and South Florida economy and investment sale market, the 600,959-square-foot Miami Tower office building has traded for \$105.5 million, or \$175.55 per square foot. It's the largest commercial real estate office sale of the year in Miami.

[Healthcare Trust of America, Inc. Acquires \\$102,045,000 Multi-State Hospital Portfolio](#)

PR Newswire - Dec 20

Healthcare Trust of America, Inc. ("HTA"), a self-managed, non-traded, real estate investment trust, announced the completed acquisition of four long-term acute care hospitals (the "Portfolio"). One hospital is located in Georgia, one in Texas, and two in Florida. The combined purchase price was approximately \$102,045,000. The Portfolio contains approximately 217,710 rentable square feet and 209 licensed beds.

[Brookfield Acquires Houston Tower for \\$321.5 Million](#)

Reuters - Dec 9

Brookfield Office Properties ([BPO.N](#)) ([BPO.TO](#)) said on Thursday it has acquired a 53-storey office tower in Houston for \$321.5 million. The company bought the 1.2-million square foot office tower, Heritage Plaza, in the central business district from Goddard Investment Group LLC, adding to its portfolio in Houston, where it is the city's largest office property owner and operator.

[HRE Capital Oversees \\$122.6M Disposition](#)

Costar - Dec 8

Columbia Development Cos. sold a six-building, 643,555-square-foot medical office portfolio located in Albany, NY and Tampa, FL to Healthcare Trust of America, Inc. for \$122.62 million, or \$190.54 per square foot. The portfolio has an average occupancy rate of 95 percent with large, investment-grade regional healthcare systems and specialty medical practices as primary tenants.

[First Potomac Buys Office in DC's Golden Triangle for \\$49.5M](#)

Costar - Dec 9

First Potomac Realty Trust purchased an eight-story, 137,754-square-foot office building at 1211 Connecticut Ave. in Washington, DC, from Harbor Group International for \$49.5 million, or a little more than \$359 per square foot. Norfolk, VA-based Harbor Group acquired the property from an affiliate of BlackRock Inc. for nearly \$35.23 million or \$281.50 per square foot in July 2009.

[Surge in Growth at Apple Prompts 100-Acre Cupertino Acquisition](#)

Costar - Dec 1

With iPads, iPhones, laptops and other products flying off the shelves this holiday season, fast-growing Apple Inc. has closed on the purchase of Hewlett Packard's nearly 100-acre campus site in Cupertino, CA. The transaction effectively doubles the size of Apple's holdings in its headquarters city in the Silicon Valley.

[Brookfield Sells Washington, DC property to World Bank for \\$216M](#)

RTT News - Dec 10

Brookfield Properties Corporation announced that it sold the eight-story, 240,000 rentable square foot office building at 1225 Connecticut Avenue, NW in Washington, DC to the World Bank for \$216 million. Brookfield acquired the property as part of the Trizec portfolio in 2006, and undertook a \$32 million redevelopment program. The company said the program transformed the property into an attractive, sustainable, trophy asset from a functionally obsolete, class C building in a desirable location.

[Navistar Closes on Alcatel-Lucent Campus](#)

CP Executive - Dec 1

Even after it knocked out the competition many months ago, Navistar International Corp. ran into a few roadblocks in its plans to acquire the former Alcatel-Lucent East Campus in Lisle, Ill., for its new headquarters, but all hurdles have been cleared and the trucks and diesel engines manufacturer is now the official owner of the 1.2 million square-foot office compound.

[Tishman Speyer closes North River Tower sale for \\$385M](#)

Crain's Chicago Business - Dec 15

Tishman Speyer Properties said it has completed the purchase of the new River North skyscraper in Chicago developed by the real estate arm of Mesriow Financial. The sale marks the first time since the 1990s that a new downtown office building has been sold for less than it cost to build. Tishman Speyer did not disclose terms of its purchase of 353 N. Clark St., but people familiar with the deal say the price was \$385 million. The price is slightly more than the \$374 million of debt used to finance construction of the nearly 1.2-million-square-foot tower.

[Hyatt Center Trades for \\$625 Million](#)

Crain's Chicago Business - Dec 14

California's Irvine Cos. has a contract to buy the Hyatt Center from the Pritzker family for about \$625 million, people familiar with the transaction confirmed. Irvine Cos. has agreed to buy the 49-story trophy tower at 71 S. Wacker Drive in a deal expected to close in less than 10 days. The price surpasses expectations set when Pritzker Realty Group LLC put the nearly 1.5-million-square-foot skyscraper on the market. Hyatt Center was developed in 2005 by Pritzker Realty, whose chairman and CEO is Penny Pritzker. The building has a roster of tenants, such as law firm Mayer Brown LLP, the Pritzker family's Hyatt Hotels Corp. and investment bank Goldman Sachs Group Inc.

[Harbor Group International Acquires 1412 Broadway](#)

Costar - Dec 10

Harbor Group International (HGI) has acquired 1412 Broadway in the heart of Midtown Manhattan for \$150 million from Murray Hill Properties, LLC. HGI plans to invest an additional \$10 million in capital and tenant improvements for the 24-story, 415,135-square-foot office tower located near Times Square in New York City. The property was built in 1926, renovated in 2000, and recently underwent a multi-million dollar repositioning program including electrical, elevator and mechanical system upgrades initiated by the seller.

[ING Clarion Adds Millennium at Metro Park for \\$119M](#)

Washington Business Journal - Dec 16

ING Clarion has acquired a core multifamily property --the Millennium at Metropolitan Park--for \$118.5 million on behalf of one of its investment funds. The Millennium, an 18-story, 300-unit, building in Arlington, VA, that also includes 7,800 square feet of ground floor retail space, was developed by Kettler. ING Clarion said that it likes the submarket's demographics, with above-average growth in population and median household income.

[HCP to Acquire Assets of HCR ManorCare in \\$6.1B Sale-Leaseback](#)

Costar - Dec 12

HCP Inc. said it will buy all the real estate assets of privately owned HCR ManorCare for \$6.1 billion, including \$3.53 billion in cash. The Long Beach, CA-based HCP announced it has launched a secondary offering of 31 million shares to help fund the purchase, with an option for underwriters to purchase another 4.65 million shares for 30 days. HCP later upsized the offering to 40 million shares priced at \$32 due to "strong investor demand," for total proceeds of up to \$1.28 billion.

Retail

[TPG Capital Buys Catellus Sites for \\$505M](#)

San Francisco Business Times - Dec 21

Investment firm [TPG Capital](#) agreed to pay \$505 million for a portfolio of properties from Denver-based ProLogis, including four retail, mixed use and development sites in the Bay Area. The deal involves non-industrial properties that ProLogis acquired when it bought Catellus Development Corp. in 2005. The portfolio includes four shopping centers, two office buildings, 11 mixed-use projects with related land and development agreements, two residential development joint ventures, Los Angeles Union Station, ground leases and other right-of-way leases.

[Equity One to Pay \\$72M for 3 Long Beach Retail Centers](#)

Costar - Dec 15

Equity One Inc. agreed to purchase three retail complexes totaling 272,997 square feet in Long Beach, CA, from Bixby Land Co. for \$72 million. The shopping centers are at the intersection of Pacific Coast Highway, Los Coyotes Diagonal and Lakewood Boulevard and are 97% leased. The assets consist of:

- Ralphs Circle Center, a 59,837-square-foot Ralphs grocery store-anchored property on Traffic Circle developed in 1985.
- Vons Circle Center, a 148,809-square-foot complex anchored by Vons, Ross Dress for Less and Rite Aid built in 1972.
- Circle Center West, a 64,351-square-foot center developed in 1990.

[Promenade Shops at Centerra Sold for \\$75M](#)

The Coloradoan - Dec 19

The bank-owned Promenade Shops at Centerra sold Friday for \$75 million to a New York-based real estate company. On Friday afternoon, G&I VI Promenade LLC purchased property in the Millennium East first subdivision from CLC REO LLC, a limited liability corporation created for the purpose of handling real estate and other assets acquired by Key Bank, for \$75,500,000, according to a special warranty deed issued by Larimer County.

[Premier 352,000-SF Retail Center Commands \\$70M](#)

Globe Street - Dec 3

The 351,871-square-foot Arcadia Hub Shopping Center has sold for \$70 million. The property, at the signalized intersection of West Duarte Road and South Baldwin Avenue, is a two-level community shopping center that was

more than 95% occupied at the time of the sale, according to Reza Etedali of Newport Beach, CA-based REZA Investment Group Inc., which represented the seller. The Arcadia Hub center's infill location means that there is little or no potential for new developments nearby, Etedali says. The Pavilions market in particular, he said, is a very high-performing store. The shopping center was built in 1948, then was remodeled in 1986 and 2009. The seller, who was represented by an in-house asset manager in the sale, had owned it for 25 years.

[Washington Real Estate Investment Trust Acquires Gateway Overlook Shopping Center for \\$88.35 Million](#)

MarketWatch - Dec 1

Washington Real Estate Investment Trust (WRIT) ([WRE](#) 30.90, -0.08, -0.26%) has acquired a 214,281 square foot Class A shopping center in Columbia, Maryland for \$88.35 million. Gateway Overlook is a 528,350 square foot premier retail center anchored by Costco and Lowe's Home Improvement. WRIT purchased 214,281 square feet of the center which excludes the Costco and Lowe's parcels. The property, built in 2007, is located immediately off of I-95 at the intersection of Little Patuxent Parkway/Route 175 and Waterloo Road/Route 108 in Columbia, Howard County, Maryland. The property is 90% leased to 21 tenants, including national retailers Trader Joe's, Best Buy and Office Depot, as well as Wachovia Bank and Capital One Bank.

[Temecula Shopping Center Purchased](#)

The Press-Enterprise - Dec 1

A Honolulu-based [real estate](#) investment firm has purchased the Rancho Temecula Town Center from Temecurich LLC for \$48 million. The new owner, A&B Properties Inc., is a subsidiary of Alexander & Baldwin Inc. A&B said it was attracted to the Temecula market for its "above-average growth prospects and favorable demographics," and the Rancho Temecula Town Center is one of the city's "best-performing retail centers."

[Shopping Center Deal Closes in Arizona](#)

PR Newsire - Dec 7

Vestar Development Company and Rockwood Capital acquired the 120-acre, 1.3 million square foot Tempe Marketplace for \$280 million by buying out an original partner. In conjunction with the closing, Tempe Marketplace received a new \$200 million permanent financing package from GACC. Vestar was the developer of Tempe Marketplace and had previously partnered with DLJ/Credit Suisse. Both Rockwood and Vestar made significant investments in the acquisition. Under terms of the deal Vestar will be the managing partner.

[Regency Buys Chicago Area Shopping Center for \\$64M](#)

Costar - Dec 16

Shopping center owner and developer, Regency Centers, acquired Willow Festival, a 405,227-square-foot neighborhood retail complex in suburban Chicago in an off-market deal. The property's developer, Hamilton Partners, sold the three-year-old asset for \$64 million in the second largest retail real estate transaction in metropolitan Chicago this year. Willow Festival is at 840-1090 Willow Road in Northbrook about 25 miles north of Chicago. It is 96 percent leased with tenants like HomeGoods, REI, DSW and CVS/pharmacy, and anchored by Lowe's, Whole Foods Market and Best Buy.

[PS Business Parks Buys Tysons Portfolio for \\$140M](#)

Washington Business Journal - Dec 16

DLJ Real Estate Capital Partners has flipped seven buildings in Tysons Corner

to PS Business Parks Inc. after owning them for about five months. The Glendale, Calif.-based business park owner bought the 738,000-square-foot portfolio from DLJ for \$140 million, the company announced

Industrial

[Duke Realty Beefs up Industrial Portfolio](#)

Bloomberg - Dec 20

Duke Realty will sell 20 office buildings valued at \$516.7 million and acquire a portfolio of mostly industrial properties in South Florida for \$450 million, the company said Monday. Duke is beefing up its portfolio of industrial properties even as it dials back its suburban office real estate holdings. When the deals close, the company's property portfolio will be about 42 percent industrial.

Resort/Hotel

[Chesapeake Buys Le Meridien Hotel for \\$143M](#)

San Francisco Business Journal - Dec 14

Chesapeake Lodging Trust is buying the 360-room Le Meridien San Francisco for \$143 million. The sale of Le Meridien is the latest example of a national REIT swooping in and buying a San Francisco hotel for top dollar.

[NYC-Area Hotel Portfolio Sells for \\$164M](#)

The Real Deal - Dec 20

MCR Development has acquired a portfolio of 10 Marriott and Hilton hotels for \$164 million, marking one of the largest hotel deals in the country so far this year, according to commercial real estate services firm CB Richard Ellis, which brokered the deal. The collection of mostly extended-stay hotels includes 1,100 rooms across New York, New Jersey, Connecticut and Pennsylvania.

[Sheraton Premiere Hotel in VA Sells for \\$84.5 Million](#)

Costar - Dec 17

The JBG Cos., a Chevy Chase, MD-based commercial real estate investor and developer, purchased the 443-room Sheraton Premiere Hotel at Tysons Corner in Vienna, VA, for \$84.5 million in cash. A partnership between FelCor Lodging Trust (NYSE: [FCH](#)) and Starwood Hotels & Resorts Worldwide (NYSE: [HOT](#)) sold the property for \$190,745 per room.

[Chartres Lodging Completes Acquisition of 451-Room Ocean Resort Waikiki](#)

Hospitality Net - Dec 22

[The Chartres Lodging Group, LLC](#) (<http://www.chartreslodging.com/>), the San Francisco hotel investment and advisory firm, has completed its purchase of the 451-room Ocean Resort Waikiki in a joint venture with a fund managed by [Morgan Stanley Real Estate Investing](#), and has announced plans for complete renovation, rebranding and repositioning of the property. [Kokua Hospitality](#), an independent management firm affiliated with Chartres Lodging, will take on the management of the hotel.

[Irvine Co. Buys Pacific Arts Plaza in Costa Mesa](#)

Real Estate Channel - Dec 15

The Irvine Co. of Newport Beach, CA has acquired Pacific Arts Plaza, an 827,000 square foot property comprising four institutional-quality high-rise and mid-rise office buildings and four free standing restaurants in Costa Mesa, CA.

Terms on the multi-million-dollar deal were not disclosed in Irvine's prepared statement. This transaction represents the company's expansion into the Orange County Theatre & Arts District (OCTAD) office sub-market of Orange County. Tenants in the acquired four-building property include Mastro's Steakhouse, TGI Fridays and Jerry's Deli. Pacific Arts Plaza office towers include addresses 611 Anton Blvd., 675 Anton Blvd., 3200 Park Center and 3200 Bristol in Costa Mesa, Calif.

[LaSalle Adds Fourth Hotel in Market for \\$39M](#)

Globe Street - Dec 8

Hotel REIT LaSalle Hotel Properties has acquired its fourth West Hollywood property, the Chamberlain West, for \$38.5 million in an all-cash transaction. LaSalle bought the 113-key all-suite hotel at 1000 Westmount Dr. from Abington Holding Co., according to industry sources. Michael D. Barnello, president and CEO of LaSalle, said that West Hollywood has been one of LaSalle's strongest markets this year with occupancy at above 80% year-to-date through the third quarter. The building was originally constructed in 1970 as an apartment building, subsequently converted to an all-suite hotel and was later repositioned as the Chamberlain West Hollywood in 2005.

[Blackstone Acquires Westin San Diego](#)

San Diego Union Tribune - Dec 10

The Blackstone Group has acquired the 436-room Westin San Diego in Downtown as part of a group of distressed properties that had been in danger of being foreclosed. The firm took back the 14 hotels it sold to Columbia Sussex five years ago. Blackstone recently purchased the debt on the properties at a large unnamed discount. Managing 13 of the hotels, including the Westin San Diego, will be Interstate Hotels & Resorts. The hotels account for more than 5,400 rooms. In addition to Westin, they are branded as Hilton, Sheraton, Marriott and Wyndham.

[Radisson Boston Hotel Hooks \\$75M Financing](#)

Globe Street - Dec 9

Northwood investors secured \$75 million of senior debt financing from Wells Fargo Bank for the purchase and renovation of the Radisson Boston Hotel. Holliday Fenoglio Fowler, L.P. arranged the four-year adjustable-to-fixed rate loan. The acquisition closed in October, nabbing the hotel and the 743-space parking garage for \$143.5 million. A portion of the loan was used to fund this purchase. The 28-story hotel, located at 200 Stuart St., boasts 358-rooms as well as a bistro—the Rustic Kitchen—an auditorium, 20,000 square feet of meeting space, a 490-seat theater and a 120-seat café.

[Aspen Hotel Management Group and AEW Capital Management Acquire Three San Francisco Hotels](#)

Insurance News Net - Dec 2

Aspen Hotel Management Group (Aspen) in partnership with AEW Capital Management, L.P. (AEW) is pleased to announce the acquisition of a portfolio of three boutique hotels in San Francisco. AEW acquired the assets on behalf of AEW Partners VI, L.P., the sixth of a series of real estate opportunity funds managed by AEW. The hotels, Hotel Frank, Hotel Metropolis and Hotel Vertigo, are all well-located in the Union Square submarket, one of the premier visitor and retail destinations in San Francisco. The hotels range in size from 102 to 153 rooms.

[Hyatt Sells 3 Local Hotels for \\$51 Million](#)

Chicago Real Estate Daily - Dec 1

Hyatt Hotels Corp. sold three suburban Chicago hotels for a combined \$51 million as part of a strategy to reinvest its capital in new markets. The Chicago-based hotel company said Wednesday that it sold the 316-room Hyatt Lisle, the 301-room Hyatt Deerfield and the 206-room Hyatt Rosemont to a joint venture of AREA Property Partners, a New York-based investment firm, and Aimbridge Hospitality, a Carrollton, Texas-based hotel management and investment firm.

Residential

[Financing, Location Drive \\$53M Apartment Sale](#)

Globe Street - Dec 9

The 402-unit Crystal View Apartments complex has sold for \$52.5 million in a deal that attracted strong investor interest. The buyer was MG Properties Group of San Diego. Mike Murphy, a director in Moran & Co.'s Irvine office who represented the institutional seller along with Moran president Mary Ann King. The property, at 12091 Bayport St., is an 11-building complex that was built in 1968 and consists of studios, one- and two-bedroom units ranging from 400 to 1,060 square feet.

[CBRE Closes \\$74M in Apartment Sales](#)

Florida Real Estate Journal - Dec 1

CB Richard Ellis announced the \$74,725,000 sale of two more apartment communities in the Orlando MSA - Patterson Court and Highland Oaks. The assets sold in separate transactions to different buyers. Built in 2008, Patterson Court has 384 units and consists of one-, two-, and three-bedroom floor plans. Highland Oaks was completed in 1992 and was 93% occupied at closing.

[Magic Johnson Firm in \\$20M Purchase of Oakland Complex](#)

San Francisco Business Times - Dec 2

Basketball legend Magic Johnson is part of an investment group that has bought the foreclosed Thomas Berkley Square in downtown Oakland for \$20 million. The complex consists of 88 residential units and ground-floor retail.

[Fallon/Cornerstone JV Sells Boston Multifamily Complex for \\$194M](#)

Costar - Dec 14

A joint venture between The Fallon Co. and Cornerstone Real Estate Advisers LLC sold a 465-unit apartment complex in Boston, MA, to institutional investors advised by JP Morgan Asset Management for \$193.8 million. In 2006, Fallon developed Park Lane Seaport, the 469,000-square-foot multifamily community with a 13-story and 21-story tower on 1.8 acres at 225 Northern Ave. The property is in the Seaport neighborhood 1 mile from downtown and overlooks Boston Harbor. Park Lane is fully leased and includes three restaurants---LTK (Legal Test Kitchen), Salvatore's and J. Pace & Sons---which occupy 18,000 square feet and a 4,000-square-foot sports club.

[EQUITY & DEBT UPDATES](#)

[Real Money: The FDIC Sells Four Loan Portfolios Totaling \\$1.22 Bil.](#)

Costar - Dec 27

The Federal Deposit Insurance Corp. closed on the sale of a series of loan portfolios. In the first deal, the FDIC sold a 40% equity interest in a newly-formed limited liability company created to hold assets with an unpaid principal balance of approximately \$204 million from 12 failed bank receiverships.

[Starwood Property Trust Extends \\$271.9 in Loans](#)

Bloomberg - Dec 28

Real estate investment company Starwood Property Trust has extended \$271.9 million in loans to fund hotel, drugstore and retail projects around the country. The company said it is paying for the loans by using cash on hand and dipping into \$434.8 it recently raised through a stock offering. One loan, worth \$206 million, will fund ten full-service hotels throughout. A second \$33.9 million loan will go toward a portfolio of drugstores nationwide. The third loan for \$32 million will fund retail development at the Vail, Colo. ski town.

[GE to Sell Mortgage Assets to Santander](#)

Wall Street Journal - Dec 26

Spain's Grupo Santander agreed to purchase a \$2 billion mortgage portfolio of Mexican real-estate assets from General Electric Co.'s finance division for \$162 million plus the assumption of debt. The deal, expected to close next year, involves Grupo Financiero Santander Mexico acquiring all of GE's consumer-mortgage business in Mexico, including its \$2 billion consumer-mortgage portfolio.

[Kennedy Wilson Acquires \\$82.5M Loan Portfolio](#)

BusinessWire - Dec 22

International real estate investment and services firm [Kennedy Wilson](#) (NYSE:KW) today announced that it and its partners acquired a portfolio of 19 real estate loans with an unpaid principal balance of \$82.5 million. The loans are all secured by real estate located primarily in Southern California. This transaction brings the company's total note acquisitions over the past 12 months to \$653 million of unpaid principal balance. The aggregate purchase price on these notes totals \$402 million, or 62% of the unpaid principal balance.

[Partnership Acquires Two FDIC Portfolios](#)

Globe Street - Dec 20

Several investors have banded together to acquire two FDIC portfolios that hold more than 700 commercial real estate loans with an unpaid balance of \$341 million, which originated from 14 now-failed financial institutions. The firms are Cogsville Group, Colony Capital, WL Ross & Co. LLC, Invesco Ltd. and Mount Kellett Capital. The companies did not discuss pricing other than to say that properties in portfolio that are concentrated in the Western US were purchased at 60% of the unpaid principal balance. Properties in the portfolio that are concentrated in the Northern US were purchased at 27% of the unpaid balance. The portfolio consists of both performing and non-performing loans.

[Charter Hill Retail REIT Sells Interest in U.S. Portfolio](#)

NREI Online - Dec 21

Australia-based Charter Hill Retail REIT entered into a conditional agreement to sell its 60% interest in a United States portfolio of 32 properties, owned in partnership with Desco Group and Regency Centers. Parties associated with the Desco Group will acquire the REIT's interest for a gross sale price of \$168 million, representing a yield of 8.5%. At the same time, Regency has elected to take a distribution in kind of four assets for its 16% interest.

[CBRE Arranges \\$166.6 Million National Multi-Housing Portfolio Refinance](#)

Boston/SF - Dec 6

CB Richard Ellis Group, Inc. (CBRE) Capital Markets division announced the completion of a \$166,654,000 multi-housing portfolio refinance on behalf of a fund managed by Eaton Vance Management. The portfolio consists of seven apartment communities and over 2,100 units located in Riverside, CA; Phoenix, AZ; Houston, TX; Atlanta, GA; Pembroke Pines, FL; Altamonte Springs, FL and Boynton Beach, FL. The seven loans were underwritten individually and on a non-crossed basis.

[Hudson Realty Grabs \\$102M in Loans at FDIC Auction](#)

Crain's New York Business - Dec 9

Hudson Realty Capital, in partnership with the Federal Deposit Insurance Corp., has purchased 109 non-performing commercial real estate loans auctioned off by the agency last week. This marked Hudson's first-ever winning bid in an FDIC auction.

[Blackstone Said to Seize 14 Columbia Sussex Hotels it Sold Five Years Ago](#)

Bloomberg - Dec 10

[Blackstone Group LP](#) took ownership of 14 hotels it sold to Columbia Sussex Corp. five years ago after buying junior debt on the properties and seizing control, a person with direct knowledge of the transaction said. Thirteen of the hotels will be managed by Interstate Hotels & Resorts Inc., according to a statement by Arlington, Virginia-based Interstate. They include properties under the Westin, Sheraton and Hilton brands.

[Blackstone Said to Near Agreement on Restructuring of Equity Office Debt](#)

Bloomberg - Dec 16

Blackstone Group LP may reach an agreement by the end of the year to restructure \$4.94 billion of debt remaining from its 2007 purchase of Sam Zell's Equity Office Properties Trust, according to two people familiar with the discussions. Maturities on the debt, which was packaged and sold through a commercial-mortgage bond offering, would be extended by two years and interest payments to bondholders would rise more than 1 percent, said the people.

[Beacon Capital Closes on Loan Modification](#)

Wall Street Journal - Dec 15

Beacon Capital Partners has closed on a modification of a troubled \$2.7 billion loan, which was one of the largest commercial-real-estate loans to ever be securitized, a company official confirmed. Beacon used the loan, which was carved up into commercial-mortgage-backed securities, to buy a 20-building office portfolio in Seattle and Washington, D.C., in 2007 near the top of the market. The deal marks Beacon's second major debt restructuring this year. It follows Beacon's reworking of a \$380 million securitized loan on a separate property in Seattle, the 76-story Columbia Center, for which Beacon received a three-year extension, with options for two more years. While full details about the modifications weren't available, the restructurings appear to allow Beacon to escape the risk of CMBS investors foreclosing on its giant holdings, which hit trouble when higher rents failed to materialize amid the economic crisis.

Government Action & Analysis Updates

[Riding the Unlikely Commercial Real Estate Rebound](#)

CNN - Dec 20

A slowly recovering economy is part of it, though no one expects to make a quick killing on loans and securities tied to office buildings, hotels, shopping malls and the like. The bigger drivers of this rally are the low rates pushing investors to reach for yield by taking on more risk, and the wide open junk bond market that has allowed lots of companies once left for dead to refinance loans and trudge forth.

[Revival of CMBS Market Expected](#)

Crain's New York Business - Dec 12

According to a report by Jones Lang LaSalle, the revival of the commercial mortgage-backed securities market is expected to accelerate next year. The report indicates \$8.3 billion worth of CMBS had been issued, four times as much as last year's total. The brokerage firm expects this year's total to end up at \$10 billion. Meanwhile, Wall Street banks are lining up deals to market early next year. Jones Lang LaSalle predicts \$8 billion of new CMBS will be sold in the first quarter of 2011, and Citigroup forecasts the entire market at between \$25 billion and \$41 billion for all of next year.

[FDIC Plans to Sell \\$1B of Bonds Tied to Real Estate](#)

Bloomberg - Dec 13

The Federal Deposit Insurance Corp. plans to sell almost \$1 billion of securities tied to residential and commercial real-estate debt once held by failed banks, according to a person familiar with the transaction. The agency is selling guaranteed notes backed by the debt, said the person, who declined to be identified because the transactions are private. The FDIC is offering bonds from three securitizations through Barclays Capital, the person said. Two are tied to residential debt, and total \$160.2 million and \$135.7 million, the person said. An additional \$679 million of bonds are tied to commercial-property debt, the person said.

SPECIAL FEATURES

[\\$876.45 Million CMBS Issue from Goldman And Citigroup Announced](#)

Wall Street Journal - Dec 7

An \$876.45 million commercial mortgage-backed security deal from Goldman Sachs Group Inc. (GS) and Citigroup Inc. (C) was announced Tuesday. The deal is part of the year-end rush as issuers hobble together deals to meet investor demand for strong performing assets such as commercial mortgage bonds. Already, there are a couple of other deals in the market including the \$327 million unrated senior mezzanine floating rate real-estate loan from Caesars Entertainment and the \$600 million Americold issue backed by loans to warehouse properties.

[CalPERS Transitions \\$1.9 Bil. U.S. Industrial Real Estate Portfolio to GI Partners](#)

Costar - Dec 1

The California Public Employees' Retirement System (CalPERS) has shifted the North American assets of its CalEast Global Logistics LLC, valued at \$1.9 billion, to GI Partners. In addition, it has transitioned its European industrial assets, valued at approximately \$60 million, to RREEF. CalEast was previously managed by LaSalle Investment Management.

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