



October 13, 2011

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## Deals Updates

### Office

#### [Rudin and Eyal Ofer Sell St. Vincent Campus for \\$260M](#)

*Globe Street - Oct. 5*

Rudin Management Co. and partner Eyal Ofer's Global Holdings have closed on a \$260 million purchase of the nine-building St. Vincent's hospital campus in Greenwich Village. The developers will officially donate the landmarked O'Toole building to North Shore/LIJ-Health System to develop into a freestanding emergency and ambulatory surgery facility pending final city and state approvals. North Shore-LIJ plans to invest \$110 million for the redevelopment of the O'Toole building on the West Side of Seventh Avenue into a Center for Comprehensive Care, which would include 24/7 emergency services and a full-service imaging center, which Rudin is providing \$10 million toward to offset North Shore-LIJ's costs for the historic structure.

#### [Grubb & Ellis Healthcare REIT II Enters Agreement to Acquire \\$166.5M Skilled Nursing Facility Portfolio](#)

*PR Newswire - Oct. 5*

Grubb & Ellis Healthcare REIT II, Inc. announced that it has entered into an agreement to acquire the \$166.5-million Southeastern Skilled Nursing Facility Portfolio, comprised of 10 skilled nursing facilities in Alabama, Georgia, Louisiana and Tennessee. Totalling nearly 460,000 square feet, the 1,364-bed Southeastern Skilled Nursing Facility Portfolio includes facilities that range in size from 20,000 square feet to 82,000 square feet, with an average size of 46,000 square feet. Built between 1969 and 1999, the 10 buildings are master leased through 2026 by Wellington Healthcare Services LP.

#### [CommonWealth REIT Buys New Orleans Office Tower for \\$102M](#)

*Boston Herald - Oct. 4*

CommonWealth REIT has acquired One Shell Square, Louisiana's tallest and largest skyscraper, for \$102 million. The seller was Metropolitan Life Insurance Co.

#### [CBRE Realty Trust Buys Phoenix Office for \\$53.5M](#)

*CityBiz New York - Oct. 4*

CB Richard Ellis Realty Trust reported that it has acquired the Sky Harbor Operations Center, a 396,179 square foot Class A, two-story office and operations center in Phoenix, its first office building acquisition in Phoenix. Sky Harbor Operations Center located at 1820 E. Sky Harbor Circle South in Phoenix, Arizona. Sky Harbor Operations Center is currently 100% net-leased to JPMorgan Chase Bank. It serves as JP Morgan Chase Bank's regional headquarters and operations center.

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Allen Matkins is a full-service law firm with more than 220 attorneys practicing in seven offices throughout California. Some of the areas of focus at Allen Matkins include green and

## [Wells REIT Buys Houston Office Building for \\$70.3M](#)

*CityBiz Atlanta - Sept. 29*

Wells Core Office Income REIT, Inc. has purchased the 10-story, 242,000 square foot office building called Westway II in Houston for \$70.3 million, exclusive of closing costs and net of \$4.2 million of adjustments.

## [HSBC, Edge Buy 51% Balance of 1540 Broadway](#)

*CityBiz New York - Sept. 29*

In an off-market transaction, HSBC Alternative Investments Ltd. and Edge Fund Advisors have gained full control of 1540 Broadway, buying the remaining 51 percent stake after nearly one year as an investor in the Midtown Manhattan trophy.

## [Tishman Speyer Venture Sells Chicago Office Tower for \\$217.5M](#)

*Bloomberg - Sept. 28*

A joint venture including Tishman Speyer Properties LP sold a 45-story office tower in downtown Chicago to real estate equity fund Multi-Employer Property Trust for \$217.5 million. The 928,040-square-foot (86,218-square-meter) building at 200 W. Madison St., was built in 1983 and renovated in 2006, according to New York-based Tishman's website. The property is 88 percent leased, Washington-based Multi-Employer said in a statement today.

## [Health Care Realty Trust Acquires Medical Office Property in \\$173.5M Deal](#)

*CoStar - Sept. 28*

Health Care Realty Trust Inc. (NYSE:HR) recently closed on the first four of the eight medical-office properties in the Richmond area it agreed to buy from Woolfolk Properties for total consideration of approximately \$173.5 million, including prepaid ground rent of \$12.8 million and debt assumption of approximately \$58.4 million.

## [Cupertino City Center Sold for Reported \\$120M](#)

*Silicon Valley/San Jose Business Journal - Sept. 28*

American Realty Advisors has acquired Cupertino City Center I & II, a 300,000-plus square foot office complex that is leased out to Apple Inc. in a deal reported to be worth at least \$120 million. Glendale-based American Realty declined to comment beyond a press release announcing the purchase of the property.

## [Ivy Realty Buys Wells Fargo Tower in Fort Lauderdale](#)

*Globe Street - Sept. 28*

Ivy plans to reposition the tower, including creating pre-built units within the building to appeal to smaller tenants seeking move-in ready conditions.

## [Lehman Brothers Completes Sale of 1107 Broadway for \\$191M](#)

*MarketWatch - Sept. 27*

Lehman Brothers Holdings Inc. announced today that it has completed the sale of its interests in 1107 Broadway, a 16-story former office building in Manhattan, to the Witkoff Group. The purchase price for the building was \$191 million.

sustainable construction, construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. [More...](#)

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## [Savanna Acquires Penn Station Building for \\$130M](#)

*Crain's New York - Sept. 27*

Savanna, a New York-based real estate private equity firm that has been on an acquisition binge in the last 16 months, acquired 132 W. 31st St., an office building near Madison Square Garden and Penn Station in Manhattan. Savanna didn't disclose the price, but CoStar Research said it paid \$130 million for the 18-story building known as 31 Penn Plaza. Savanna said it will spend \$26 million on renovations including a new front entrance, upgraded lobby, new interiors and modernized elevators.

## [Manhattan Developer Teams with Crown Acquisitions to Buy Fifth Avenue Tower](#)

*Bloomberg - Sept. 26*

New York developer Norman Sturmer and Crown Acquisitions agreed to buy a 26-story office tower on Fifth Avenue in midtown Manhattan from a partnership that includes Joseph Moinian and Joseph Chetrit. The Sturmer-Crown joint venture plans to raise rents at 530 Fifth Ave., which is located at West 44th Street and has 500,000 square feet (46,000 square meters) of space, Sturmer said in a phone interview. He declined to disclose the price.

## [KBS Affiliate Acquires Phoenix Office Plaza for \\$137M](#)

*Globe Street - Sept. 15*

The sale of Fountainhead Office Plaza marks the first major office deal over \$300 per square foot since the first quarter of 2008 in the Phoenix market, according to CBRE.

## [Laurus Corporation Completes Acquisition of San Francisco Office Building](#)

*The Street - Sept. 14*

Laurus Corporation ("Laurus") is pleased to announce that it successfully completed the acquisition of an exceptional office building located at 1155 Market St. in San Francisco, California. Containing approximately 140,000 rentable square feet of office space and strategically located within the Civic Center area, the Property is an institutional quality, 11-story office building, with one level underground parking.

## [TIAA-CREF Buys Boston Office Property from AREA Capital](#)

*Commercial Property Executive - Sept. 14*

"While Boston's CBD still has yet to recover all the jobs lost in this past recession, an impressive numbers of tenants continued to transact this past quarter." That's how a recent Jones Lang LaSalle report characterizes Boston's Financial District. There has been and will be plenty of action, and the recent sale of 33 Arch St. keeps the trend going. The 33-story, Class A office tower was just moved off the books of AREA Property Partners its partner, Ivanhoé Cambridge, and into the rolls of TIAA-CREF, an institutional financial-services firm.

## [Washington REIT Acquires Braddock Place for \\$101M](#)

*Property Funds World - Sept. 14*

Washington Real Estate Investment Trust (WRIT) has acquired Braddock Place, a 345,000 square foot office campus on the Metro in Alexandria, Virginia, for USD101 million in an all cash transaction. Braddock Place consists of four office buildings and a two-level underground parking garage.

## [Brookfield Office Properties Acquires Suburban DC Office Building for \\$150.1M](#)

*Bloomberg - Sept. 12*

Brookfield Office Properties Inc. purchased 3 Bethesda Metro Center, a 17-story office building in the Washington suburb of Bethesda, Maryland, for \$150.1 million. The 368,400-square-foot (34,000-square-meter) building is Brookfield's fourth in Bethesda, the New York-based real estate company said in a statement today. It now has 30 properties in the greater Washington area totaling 7.5 million square feet.

## [CBRE Sells Morris Corporate Center for \\$110M](#)

*The Paramus Post - Sept. 10*

Jeffrey Dunne, Kevin Welsh and Brian Schulz of CB Richard Ellis' New York Institutional Group collaborated with Sam Buckley of CB Richard Ellis' Saddle Brook Office to represent TIAA-CREF on the sale of Morris Corporate Center III. The team was also responsible for procuring the buyer, institutional investors advised by J.P. Morgan Asset Management (J.P. Morgan). The property sold for approximately \$110 million.

## [Hudson Pacific Properties Acquires Two San Francisco Office Properties](#)

*MarketWatch - Sept. 9*

Hudson Pacific Properties, Inc. (the "Company") HPP +0.42% today announced it has completed the acquisitions of the 625 Second Street and 275 Brannan office properties in San Francisco's dynamic South of Market Area ("SOMA"). The Company acquired 625 Second Street, a four-story, approximately 137,000-square-foot property, for \$56.4 million (before closing costs and prorations), including the assumption of a \$33.7 million loan. The loan bears interest at a fixed annual rate of 5.85% and matures on February 1, 2014. The Company also acquired the adjacent 275 Brannan Street, an approximately 50,000-square-foot property, for \$12.25 million (before closing costs and prorations).

## [HFF Closes \\$390 Million Sale of 600 West Chicago Avenue in Chicago](#)

*MarketWatch - Sept. 8*

HFF announced today it has closed the sale of 600 West Chicago, a 1.5 million-square-foot mixed-use property in Chicago. HFF marketed the property on behalf of the seller, 600 West Chicago Associates LLC. Commonwealth REIT purchased the asset for \$390 million and assumed existing financing, which had been arranged by HFF in 2007. HFF also arranged \$180 million in financing for the previous owners in 2005.

## [Lowe Enterprises Acquires Maryland Office Building](#)

*MarketWatch - Sept. 8*

Lowe Enterprises Investors ("LEI") has acquired an 86,000-square-foot office building in Montgomery County, Maryland, a major Washington, DC area submarket, on behalf of a pension fund client. The five-story property located at 11141 Georgia Avenue, in Wheaton, Maryland, is 73 percent leased. "The building is well-located and positioned to benefit from the strengthening market," said Bleecker Seaman, CEO of Lowe Enterprises Investors. "We are currently reviewing plans for improvements to the building."

## [Irvine Co. to Buy 50% Stake in UBS Tower](#)

*Crain's Chicago - Sept. 7*

Irvine Co., a California investment firm, is doubling down on Wacker Drive trophy office buildings, agreeing to buy a joint-venture stake in the 51-story UBS Tower less than nine months after buying the Hyatt Center just a block away. Sources say Newport Beach, California-based Irvine is buying a 50% stake in the 1.4-million-square-foot tower at 1 N. Wacker Drive, a deal that suggests the recent disruption in global financial markets has not curbed investors' enthusiasm for high-end properties.

### [Tishman Speyer Adds Live Nation Entertainment HQ to Portfolio](#)

*CityBiz New York - Sept. 7*

Tishman Speyer has closed on its acquisition of the Beverly Hills, California, office building that serves as the 45,000-square-foot worldwide headquarters for Live Nation Entertainment. The property is known locally as the "Ice House" - built for that purpose in 1925 and later converted and renovated to feature creative modern office space.

### [Equity One Sells Downtown Los Angeles Office Tower for \\$50M](#)

*Globe Street - Sept. 6*

The chairman of Charles Dunn Co. acquires the remaining 50% interest in the 17-story office tower from Equity One, with which he had been a 50% owner.

### [L&B Realty Acquire Two Plano Office Buildings](#)

*The Dallas Morning News - Sept. 1*

A pension fund investment adviser has purchased two buildings in one of the Dallas area's tightest office markets. L&B Realty Advisors bought the Legacy Place buildings on Tennyson Parkway in Plano from JP Morgan Asset Management. The six-story buildings, which overlook the Dallas North Tollway, were built in 1998 and 1999.

### [Hines Closes Deal on \\$349M Chicago Office Property](#)

*Globe Street - Aug. 31*

The 57-story office tower was the first Chicago building owned by Hines when the firm developed it in 1981.

### [Spear Street Buys Suburban D.C. Office Building for \\$64.4M](#)

*Commercial Property Executive - Aug. 30*

Investment sales volume in metropolitan Washington, D.C., one of the top office markets in the country, continues to rise at a rapid pace and the change in ownership of a 244,600 square-foot office property in Reston, Virginia, is among the latest transactions. Acting on behalf of the California State Teachers Retirement System, Clarion Partners sold the asset at 1881 Campus Commons Dr., to Spear Street Capital for \$64.4 million.

## **Retail**

### [Karlin Acquires Two Scottsdale Retail Centers for \\$50M](#)

*Commercial Property Executive - Oct. 6*

Karlin Real Estate bought two shopping centers in Scottsdale, Arizona, for a combined \$50.3 million. The two centers were built in multiple phases between 1974 and 1994, and were 85 percent leased at the time of sale. The Shea Scottsdale Shopping Center, at 10653 N. Scottsdale Rd., is a 160,228-square-foot retail center anchored by Safeway and CVS Pharmacy. Shea Scottsdale

East, at 7366 E. Shea Boulevard, is a 117,025-square-foot retail center anchored by Harkins Shea 14 Theatre. The sellers were Herberger Enterprises, Inc. and Shea East, LLC.

### [DDR Corp Buys 2 Charlotte Retail Centers for \\$85M](#)

*CoStar - Oct. 5*

DDR Corp. purchased two shopping centers in Charlotte, North Carolina, from Bell Partners Inc. for \$85 million. Built in 1958, Cotswold Village is Class A complex with 262,553 square feet of retail space at 282 S. Sharon Amity Road. The 22-acre property is anchored by Harris Teeter, Marshalls and PetSmart. The Terraces at SouthPark is a 28,658-square-foot building at 4717-4735 Sharon Road. SunTrust Bank and FedEx/Kinko's are its largest tenants.

### [Two NorCal Shopping Centers Sold for \\$56M](#)

*Globe Street - Oct. 3*

Two Northern California shopping centers have been sold for a total of \$55.8 million. The first sale was of Marin Gateway Shopping Center in Marin City, California, which closed for a price of \$36 million. The second sale was of Kohl's Parkway Plaza Shopping Center in Napa, California, which closed for a price of just north of \$19.8 million. Dan Wald, partner and Dave Nord, vice president of Cassidy Turley led the marketing team for both properties. The buyer of Marin Gateway Shopping Center was an affiliate of the Gerrity Group. The seller was the Bay Area Smart Growth Fund. The buyer of Kohl's Parkway Plaza Shopping Center was an affiliate of Cole Real Estate Investments. The seller was an affiliate of Lubert Adler Partners.

### [Blackstone Acquires Retail Centers for \\$473M](#)

*Orlando Business Journal - Sept. 27*

A Blackstone Group subsidiary will buy 36 U.S. shopping centers from Equity One Inc. for \$473.1 million, reports Bloomberg Businessweek. The properties are mostly grocery-anchored centers and will be held by Blackstone Real Estate Partners VII, a fund operated by Blackstone Group LP.

### [Saul Centers Acquires Three Shopping Centers for \\$168M](#)

*Baltimore Business Journal - Sept. 26*

Saul Centers Inc. has paid \$168.5 million for three Giant Food-anchored shopping centers in the Baltimore-Washington region. The Bethesda real estate investment trust acquired the 254,000-square-foot Severna Park Marketplace, also anchored by a Kohl's Department Store, for \$61 million. The center, along Ritchie Highway, is 100 percent leased.

### [SL Green, Sutton Acquire 10-Building Portfolio for \\$400M](#)

*The Real Deal - Sept. 12*

The retail investment team of SL Green Realty and Jeff Sutton, president of Wharton Properties, have struck again, according to the Wall Street Journal, paying more than \$400 million for a 10-building portfolio that includes prime retail on Fifth and Madison avenues. The investment pair will take control of 724 Fifth Avenue, which has a Prada store at its base, and the building at 760 Madison Avenue, which includes an Armani store.

### [Atlanta's Englewood Retail District Sells for \\$82M](#)

*Commercial Property Executive - Sept. 2*

In a move that will bolster the Atlanta retail scene, an affiliate of North American Development Group has paid \$81.7 million for the Edgewood Retail District, a regional shopping center at the intersection of Moreland Avenue and



Caroline Street in the city's Edgewood neighborhood two miles east of downtown Atlanta. The deal was facilitated by CB Richard Ellis' National Retail Investment Group, which represented the seller, North Carolina-based Bell Partners, Inc.

### [SL Green, Wharton Realty Purchase Times Square Building for \\$136M](#)

*CoStar - Aug. 31*

The Riese Organization Corporate Group sold the retail building at 1552 - 1554 Broadway in New York, NY to SL Green and Wharton Realty for \$136.55 million, or approximately \$9,100 per square foot. The 15,000-square-foot, four-story retail property, also known as the I. Miller Shoe Building, was constructed in 1939 and renovated in 2006 in the Times Square submarket of Manhattan at W. 46th Street.

### [Washington REIT Acquires Baltimore Retail Complex for \\$58M](#)

*CoStar - Aug. 31*

Washington Real Estate Investment Trust (NYSE: WRE) purchased Olney Village Center in Olney, Maryland, from Carl M. Freeman Cos. for \$58 million, or nearly \$292 per square foot. The 198,901-square-foot retail complex is 50 minutes west of Baltimore and north of Washington, DC. The 32-year-old property had a major renovation in 2003. Shoppers Food Warehouse anchors the shopping center, which is 99 percent leased to 32 retailers including T.J. Maxx, HomeGoods and SunTrust Bank.

## ***Industrial***

### [Washington REIT Completes Sale of Industrial Portfolio for \\$235.8M](#)

*MarketWatch - Sept. 6*

Washington Real Estate Investment Trust (WRIT) has completed three separate sale transactions involving an aggregate of approximately 2 million square feet of its industrial portfolio as well as two office assets. The aggregate sales proceeds for the three transactions were \$235.8 million.

## ***Resort/Hotel***

### [LaSalle Hotel Properties Acquires the Villa Florence in San Francisco](#)

*MarketWatch - Oct. 5*

LaSalle Hotel Properties announced that it acquired the Villa Florence hotel in San Francisco for \$67.2 million. The 182-room full service hotel is located at 225 Powell Street in the heart of the Union Square district of San Francisco. The transaction was funded with cash on hand. The hotel features 182 guestrooms, including 23 suites. Additionally, the property contains 6,955 square feet of fully leased retail space.

### [170 Broadway Sold for More than \\$60M](#)

*Crain's New York - Sept. 15*

A trio of firms has purchased 170 Broadway in lower Manhattan and plan to turn the office building into a hotel, sources familiar with the deal said. The partnership, comprised of Highgate Hotels, Crown Acquisitions and The Carlyle Group, bought the 165,000-square-foot building between Liberty Street and Maiden Lane for about \$60 million, and will put at approximately \$40 million

into the conversion.

### [Los Angeles Hotel and Retail Center Refinances for \\$73M](#)

*Globe Street - Sept. 15*

The 802-room Sheraton Gateway Hotel Los Angeles refinances for \$47.5 million, and the Rancho Penasquitos Towne Center in San Diego refinances for \$25.6 million.

### [Inland American Acquires Napa Valley Marriott for \\$72M](#)

*iStock Analyst - Aug. 29*

Inland American Lodging Group, Inc., a wholly owned subsidiary of Inland American Real Estate Trust, Inc. ("Inland American"), announced today that it has acquired the Napa Valley Marriott Hotel and Spa for \$72 million, or approximately \$261,000/key. The property is a 275-room upscale retreat located in the heart of Napa Valley, California's prestigious wine country, on a spacious 9.3-acre site.

## **Residential**

### [Equity One Sells 2 California Assets for \\$124.9M](#)

*CoStar - Oct. 6*

Equity One has sold two assets for \$124.9 million. The first was the 304-unit Trio Apartments complex in Pasadena, California. The five-story structure at 621 E. Colorado Blvd. traded for \$112.2 million including the assumption of a \$62.8 million loan. Equity One owned a 50 percent interest in the structure. The second is Park Plaza, a 72,971-square-foot office building in downtown Sacramento, for \$12.7 million, including the assumption of a \$7.4 million mortgage. Equity One fully owned the 30-year-old, seven-story building at 1303 J St.

### [Trade Street Capital Sells Nashville Multi-Family Property for \\$71M](#)

*Commercial Property Executive - Oct. 4*

Trade Street Capital has sold the 560-unit Wyndchase Aspen Grove multi-family property to a real estate fund advised by Crow Holdings Capital Partners, L.L.C. for \$71 million. The sale was facilitated by Jones Lang LaSalle's capital markets team. The apartment community, located in the Nashville submarket of Franklin, Tennessee, was built in 1998 and has undergone significant renovations.

### [SL Green Teams with Stonehenge Partners to Acquire NYC Retail/Residential portfolio](#)

*MarketWatch - Oct. 3*

SL Green Realty Corp. announced that it has formed a venture with Stonehenge Partners and entered into a contract to acquire eight retail and multifamily properties for \$416 million. Stonehenge will reposition and manage the residential portion of the portfolio. The transaction is expected to be completed in the first quarter of 2012. SL Green indicated that a key component of the transaction is 724 Fifth Avenue, a retail location located between 56th and 57th streets in Manhattan's Plaza District. The residential portion of the portfolio includes a total of 402 rental units located in prime Midtown and Upper East Side submarkets. The SL Green/Stonehenge venture plans to significantly upgrade a selection of units and building amenities in an effort to maximize value.



## [Vornado Buys New York Rental Building for \\$170M](#)

*The Real Deal - Sept. 28*

Vornado Realty Trust went into contract to buy an Upper East Side rental building for \$170 million, the New York Post reported. The 11-story, 41-unit apartment building at 11 East 68th Street, with two rental units along Madison Avenue, hit the market in July, with some experts predicting it could fetch as much as \$220 million, in part because of its potential for a condominium conversion. Adam Spies and Doug Harmon, senior managing directors at Eastdil Secured, marketed the property for Abro management, which acquired it for \$191.8 million in 2008. Abro will have a continuing interest.

## [Behringer Harvard Acquires Luxury Multi-Family Community in San Francisco's East Bay](#)

*MarketWatch - Sept. 26*

Behringer Harvard announced today its acquisition of Renaissance, a 132-unit luxury multifamily community approximately 30 miles east of San Francisco in Concord, California. The property also includes an adjacent 2.7-acre land parcel slated for future development.

## [Essex Spends \\$165.1M for Two Seattle Apartment Properties](#)

*Commercial Property Executive - Sept. 26*

Essex Property Trust Inc. has expanded its presence by nearly 1,000 residences in the booming metropolitan Seattle apartment market with the recent purchases of Redmond Hill in Redmond, one of the largest apartment communities in Washington state, and The Bernard in Seattle. The company acquired the two assets, both located in King County, for an aggregate \$165.1 million.

## [Fifteen Group Acquires Miami, LA Properties](#)

*Commercial Property Executive - Sept. 23*

Fifteen Group has been on a bit of a buying binge in the metropolitan areas of Miami and Los Angeles. The company shelled out \$65 million in cash on various investments, predominantly in the multi-family sector, over the last several months. In Miami, Fifteen Group acquired distressed debt instruments on a six-acre site near the Midtown Miami mixed-use development; a two-acre parcel along the Biscayne Bay that can accommodate the development of 300 multi-family units; and the final judgment secured by the remaining unsold units at the Platinum condominium building and a neighboring 2.7-acre waterfront site. In addition to the distressed-debt instruments, Fifteen Group snapped up the direct fee interest of two developable land parcels in the Design District.

## [AREA Property Acquires San Francisco Multi-Family Portfolio for \\$59.6M](#)

*San Francisco Business Journal - Sept. 13*

AREA Property Partners has bought a portfolio of San Francisco multifamily properties previously owned by the Lembi family, paying \$59.6 million for 422 units in 20 buildings. The parties involved declined to discuss the sellers identity but sources familiar with the transaction said it was the special servicer LNR, which had taken over the properties after the Lembi-controlled company defaulted on a commercial mortgage-based securities (CMBS) loan.

## [Stone Street Properties Acquires Manhattan Residential](#)

## [Portfolio for \\$90M](#)

*The Real Deal - Sept. 8*

Stone Street Properties, a real estate investment firm recently formed by Gotham Organization alumnus Jeffrey Kaye and former Gumley Haft Kleier broker Robert Morgenstern, has acquired a small portfolio of five rental buildings in the East Village and the Upper East Side from Icon Realty Management, a representative from Icon confirmed. The deal, which has not yet hit public records, is valued at \$90 million, Kaye said. Rockwood Capital is Stone Street's equity partner in the deal, he said.

## [Equity LifeStyle to Acquire 75 Manufactured Home Communities for \\$1.4B](#)

*Commercial Property Executive - Sept. 6*

Equity LifeStyle will be able to say it went on one big shopping binge this summer. The lifestyle-oriented property REIT recently entered into an agreement to acquire 75 manufactured home communities, a single RV resort and certain manufactured homes and loans associated with the 75 communities from for a whopping \$1.4 billion from Hometown America L.L.C.

## [UDR Inc. Acquires DC Residential Community for \\$84M](#)

*CoStar - Sept. 2*

Denver-based multifamily operator UDR, Inc. (NYSE: UDR) continues its acquisition spree in key East Coast markets, closing its \$325 million purchase of the former J.P. Morgan headquarters in downtown Manhattan from The Moinian Group, and also this week expanding its joint venture with one of the world's largest Middle East banks through the \$84 million acquisition of a luxury property in the Arlington, VA. The REIT has acquired more than \$1 billion in New York City assets in recent months, including 10 Hanover Square for \$261 million, the Rivergate complex in Murray Hill for \$443 million and last week, 21 Chelsea for \$138 million. The company also announced that its joint venture with Kuwait Finance House (KFH) has completed the \$84 million acquisition of Twenty400, a 217-home luxury apartment community. The five-story property in Arlington, developed by Trammell Crow Residential in 2010 and formerly named Alexan 24, is now in the final stages of lease up.

## [Chicago Apartment Complex to Sell for About \\$160M](#)

*Crain's Chicago - Aug. 31*

A New Jersey apartment investor with a thing for Hyde Park has boosted its bet there in a big way, agreeing to buy a 1,031-unit lakefront property in the South Side neighborhood. Antheus Capital LLC is buying Regents Park, a two-tower complex at 5020-5050 S. Lake Shore Drive, according to people familiar with the transaction.

## [UDR Inc. Closes on 21 Chelsea Acquisition](#)

*Globe Street - Aug. 26*

After entering an agreement to buy Dwell95 for \$325 million, the 201-unit luxury apartment building is the REIT's latest Manhattan acquisition.

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## **EQUITY & DEBT UPDATES**

### [Invesco, Square Mile Capital, Canyon Combine to Acquire \\$880 Million Loan Portfolio](#)

*MarketWatch - Sept. 29*

Invesco Ltd. today announces that its wholly-owned subsidiaries WL Ross & Co. LLC and Invesco Advisers, Inc., and, Square Mile Capital Management LLC and

the Canyon-Johnson Urban Funds have teamed to acquire a portfolio of performing and non-performing commercial real estate loans from Bank of America. The 29 loans are secured by office, retail, industrial, multi-family, and lodging assets located across 16 states and have an aggregate unpaid principal balance of approximately \$880 million.

#### [MetLife Closes on \\$550M in Loans on 2 Buildings](#)

*Crain's New York - Sept. 29*

New York-based insurer MetLife Inc. said Thursday that it has made \$550 million in new real estate loans on commercial properties in San Francisco and Washington. The company's real estate investments department closed on a \$300 million loan for the Bank of America Center in San Francisco and on a \$250 million loan for the Washington Square building in Washington.

#### [CMBS Market Splits as Investors Avoid Taking on Risk](#)

*CoStar - Sept. 28*

After a promising first half of the year, the CMBS market finds itself back in uncertain territory with the more than \$4 billion of new deals currently in the marketplace getting mixed investor interest. The latest deals all involve public offerings that have been bolstered with extra credit enhancements to appeal to the higher level of class holders. And the appetite for the highest rate portion of those deals (dubbed CMBS 3.0) has been strong.

#### [Prudential Mortgage Capital Company Arranges \\$77M FHA Loan for College Park Apartments](#)

*MarketWatch - Sept. 28*

Prudential Mortgage Capital Company, through its Federal Housing Administration lending business Prudential Huntoon Paige, closed a \$77.2 million loan on behalf of the FHA for Orange County-based real estate developer Hutton Companies' College Park Apartments. Prudential Mortgage Capital Company is the Newark, N.J.-based commercial mortgage lending business of Prudential Financial, Inc.

#### [AREA Properties Partners JV Acquires \\$215M in Defaulted Multi-Family Debt](#)

*National Real Estate Investor - Sept. 26*

AREA Property Partners, a real estate investor and fund manager, and joint venture partner McDowell Properties, a real estate investment company, have acquired a portfolio of defaulted loans secured by 17 apartment complexes with 4,733 units located in four states. The property portfolio has its greatest concentration in Austin, Texas, with seven properties. There are three other properties in Dallas, two properties in Phoenix, three in Tulsa, Oklahoma, and one each in Tampa, Florida, and Jacksonville, Florida. The overall occupancy rate for the portfolio is 84%, providing strong upside potential when leased to market occupancy.

#### [Downgrades of BofA, Wells Fargo and Citigroup Leave CRE in Limbo](#)

*Globe Street - Sept. 23*

Sources tell GlobeSt.com's Jacqueline Hlavenka that the larger issue behind Moody's latest action is a potential lending chill.

#### [Sabal Financial Acquires \\$158M FDIC Loan Portfolio](#)

*Globe Street - Sept. 15*

The company acquires the commercial loan component of the failed FirstTier Bank of Louisville, Colorado, from the FDIC's Small Investor Program.

### [Redwood Trust Set to Launch \\$375M Private RMBS](#)

*IB Times - Sept. 14*

Redwood Trust, a California-based REIT, is about to launch its second private-label RMBS of the year, a \$375.2 million prime-mortgage offering called Sequoia Mortgage Trust 2011-2, according to a presale report by Fitch Ratings.

### [JPMorgan Chase Brings \\$1B CMBS to Market](#)

*Housing Wire - Sept. 13*

JPMorgan Chase is coming to market with \$1 billion of commercial mortgage-backed securities to the market containing 44 loans on 209 properties, according to the pre-sale report from credit rating agency Morningstar. Seven classes within the security were rated AAA. One class was given AA status and another was given an A rating. Morningstar gave the rest of the classes a noninvestment grade.

### [Miami Airport Corporate Center Secures \\$79M Refinance](#)

*Globe Street - Sept. 8*

With interest rates at historic lows, local industry watchers expect more commercial real estate property owners in the region to explore opportunities to refinance.

### [\\$93M Refinancing for Mixed-Use D.C. Apartments](#)

*Commercial Property Executive - Sept. 7*

Vaughan Place at McLean Gardens, a 389-residence mixed-use apartment complex in Washington, D.C., has been refinanced to the tune of \$93 million, courtesy of a loan provided by Walker & Dunlop Inc. through its subsidiary, Walker & Dunlop L.L.C. Capital Properties has owned Vaughan Place since 2007 when, according to Washington, D.C., property records, the company acquired the asset for approximately \$137.4 million.

### [Vornado Realty Trust Completes \\$600M Refinancing of San Francisco Office Building](#)

*Vornado Realty Trust - Sept. 6*

VORNADO REALTY TRUST (NYSE:VNO) announced today that it has completed a \$600 million refinancing of 555 California Street, a three-building office complex aggregating 1.8 million square feet in San Francisco's financial district, known as the Bank of America Center, in which Vornado owns a 70% controlling interest. The 10-year loan bears interest at 5.10%. The loan amortizes based on a 30-year schedule beginning in the 4th year. The proceeds of the new loan and \$45 million of existing cash were used to repay the existing loan and closing costs.

### [BSC Group Arranges \\$75M in Funding for Sovran Portfolio Acquisition](#)

*Globe Street - Sept. 6*

The financing covers 17 New Jersey and two Pennsylvania self-storage properties in the second joint venture for Sovran and an affiliate of Heitman.

### [Prudential, MetLife, NY Life Complete \\$200M Financing for 601 Lexington Avenue](#)

*CityBiz New York - Sept. 1*

Prudential Mortgage Capital Company reported Thursday that it completed

\$200 million in financing for Boston Properties' 601 Lexington Avenue, formally known as the Citigroup Center. Prudential Mortgage Capital Company joined with MetLife, which provided \$375 million, and New York Life, which provided \$150 million, for a total loan of \$725 million. Prudential Mortgage Capital Company is the commercial mortgage lending business of Prudential Financial, Inc.

### [Gramercy Capital Settles \\$549.7M in Mezzanine Loans](#)

*CityBiz New York - Sept. 1*

Gramercy Capital Corp. (NYSE: GKK) has entered into a collateral transfer and settlement agreement with respect to its \$549.7 million senior and junior mezzanine loans with Goldman Sachs Mortgage Company, Citicorp North America, Inc. and KBS Debt Holdings, LLC, its mezzanine lenders.

### [Hertz Investment Group Gains \\$42M Refinance Loan for LA Office Building](#)

*Globe Street - Aug. 29*

HFF worked with owner Hertz Investment to refinance the 68%-occupied, 625,765-square-foot building, bought in 2006 for \$36 million.

### [HFF Announces \\$268M in New Retail Financings](#)

*Retail Traffic - Aug. 29*

HFF announced financings on three retail properties in separate deals worth a cumulative \$286 million. In the largest deal, HFF announced that it has arranged \$230 million in acquisition financing for the 950,000-square-foot Landmark Center mixed-use complex in Boston.

### [Wells Fargo, JPMorgan, Loan Star Win Anglo Irish Loans](#)

*Reuters - Aug. 28*

Wells Fargo & Co, JPMorgan Chase & Co and Lone Star Funds were the winners of the \$9.5 billion pool of U.S. commercial real estate loan sold by failed lender Anglo Irish Bank Corp, two sources familiar with the deal said. The sale marks one of the biggest since the downturn in U.S. commercial real estate four years ago.

## **Government Action & Analysis Updates**

### [Massachusetts Prepares to Sue Banks over Foreclosures](#)

*Los Angeles Times - Oct. 5*

Massachusetts Attorney General Martha Coakley said she is preparing to sue the nation's big banks for allegedly wrongfully foreclosing on borrowers after having "lost confidence" in settlement talks aimed at resolving the matter. The banks -- Bank of America Corp., JPMorgan Chase & Co., Wells Fargo & Co., Citigroup Inc. and Ally Financial Inc. -- are in settlement discussions with state and federal officials and seeking releases that would protect them from future lawsuits. Coakley has said she won't sign on to a deal that includes broad legal release. New York, Delaware, Nevada, Kentucky and Minnesota have also signaled that they are unhappy with the proposed deal being discussed because of legal release from liability being offered to the banks.

### [California Pulls out of Talks on Foreclosure Abuses](#)

*The Sacramento Bee - Oct. 1*

California has pulled out of nationwide settlement talks with U.S. banks over abuses in the foreclosure system, citing a "troubling" upsurge in recent foreclosure filings in the state. California Attorney General Kamala Harris'

decision to exit the talks means they likely will fail, banking experts said. In a letter to Associate U.S. Attorney General Thomas Perrelli and Iowa Attorney General Tom Miller, Harris said the proposed settlement – widely reported to be \$20 billion – is "inadequate" for homeowners and provides too much immunity for bank officials.

## [Industry Reacts to FHFA Proposal on Mortgage Servicing Fees](#)

*Housing Wire - Sept. 28*

The Federal Housing Finance Agency proposed two mortgage servicing compensation models. Analysts Henry Coffey Jr. and Jason Weaver with Sterne Agee released a note evaluating the proposals.

## [FHFA Releases Paper on Changing MSR Fees, Wants more Input](#)

*National Mortgage News - Sept. 27*

The Federal Housing Finance Agency released a 37-page "talking paper" on changing GSE servicing fees, while noting that GNMA compensation – for now – will not be part of the discussion. "Because Ginnie Mae differs from the Enterprises in its model, powers and limitations, any change to servicing compensation or to servicer risk exposure" would have to be examined by the Government National Mortgage Association, which is part of HUD.

## [20 Percent Down Payment Rule has Stiff Opposition](#)

*Seattle Times - Sept. 23*

Remember the proposed requirement from six federal agencies that homebuyers make minimum 20 percent down payments if they want the lowest interest rates? Remember the controversy that erupted over the plan last spring, when labor unions joined with bankers, civil rights groups, mortgage companies, realty agents and consumer advocates to get it changed? A bipartisan group of 39 senators and more than 250 Democrats and Republicans in the House even signed letters demanding that the agencies ditch the proposal on the grounds that it would be deeply harmful to a housing market mired in deep trouble.

## [SEC Determines Future for Profitable Mortgage REITs](#)

*The Real Deal - Sept. 14*

Nine real estate investment trusts have filed to sell approximately \$2.5 billion in shares since the beginning of the year, the most significant volume of deals since 2009, the Wall Street Journal reported, and the sales aren't over yet. A \$600 million offering from Pacific Investment Management and a \$500 million deal by a unit of hedge fund Fortress Investment Group are both slated for the coming months.

## [Freddie Mac Finalizes New Modification Option](#)

*Housing Wire - Sept. 13*

Freddie Mac finalized requirements for a new modification option that will be made available to qualified borrowers on Oct. 1. Mortgage servicers must evaluate borrowers deemed ineligible for the larger Home Affordable Modification Program for the new "Standard Modification" beginning in January. Trial period plans can begin in October. Through the new program the borrower's principal and interest payments drop at least 10%, according to Freddie.

## [Fannie and Freddie Regulator Mulls Obama's Mortgage Program](#)



*Bloomberg - Sept. 9*

Fannie Mae and Freddie Mac are exploring ways to help homeowners refinance into cheaper mortgages, said the companies' regulator, who stopped short of a promise to deliver on a proposal from President Barack Obama. Edward DeMarco, acting director of the Federal Housing Finance Agency, said he is working with the administration to reduce "frictions" in a two-year-old program for borrowers who owe more than their homes are worth.

### [CBO Casts Doubt over Federal Refinancing Plan](#)

*Housing Wire - Sept. 8*

A federally induced mortgage-refinancing plan would cost private bond investors \$13 billion to \$15 billion, while doing little to improve the overall mortgage default rate, the Congressional Budget Office said in a new report. The proposed refinancing plan suggests the process of moving borrowers into refinanced mortgages will save homeowners with federally insured loans from defaulting while creating economic stimulus in the form of enhanced household liquidity.

### [FHFA Says Estimates on Damages From 17 Banks Are Premature](#)

*Bloomberg - Sept. 6*

The U.S. Federal Housing Finance Agency, which sued 17 banks over \$196 billion in mortgage-backed securities bought by Freddie Mac and Fannie Mae, said it's premature to estimate how much it may recover. Damage estimates that said the FHFA is seeking about \$200 billion from its suits -- the total cost of the securities -- are "excessive," the agency said in a statement it called "a fuller statement of purpose."

### [The SEC May Change the Game for Mortgage REITs](#)

*Seeking Alpha - Sept. 4*

The appeal of mortgage REITs is the stable cash dividend during an exceptionally low interest rate environment. The SEC sent the mortgage REIT market into a tizzy after saying that it is considering changing the exemption status of the mortgage REIT market.

### [KBW Analysts Believe Fed Would Support Streamlined Refinancing Plan](#)

*Housing Wire - Sept. 1*

Comments from Federal Reserve Chairman Ben Bernanke last week indicate the central bank has given its stamp of approval to a streamlined refinancing program for American homeowners, according to one investment bank. Analysts at Keefe, Bruyette & Woods said Bernanke's comments, in conjunction with an article in The Wall Street Journal saying White House and Fed economists believe such a program could boost the economy, show the Fed will likely adjust monetary policy to support a new refinancing program should the Obama administration decide to implement one.

### [SEC Considers Changing Exemption Status for Some REITs](#)

*Housing Wire - Aug. 31*

The Securities and Exchange Commission could close the exemption status real estate investment trusts have from the Investment Company Act when pooling and selling mortgage-backed securities. Passed in 1940, the Investment Company Act regulates how some investment firms are organized in order to minimize conflicts of interest in complex operations. But an exemption was given to companies engaged in the mortgage banking business.

## [Bi-Partisan Group of House Members Urges SEC to Include Credit Scores in Dodd-Frank Risk Retention Regulations](#)

*Jim Hamilton Blog - Aug. 30*

In a letter to the SEC and federal banking agencies, a bi-partisan group of seven House members urged that credit scores be part of the qualified residential mortgage equation in the Dodd-Frank risk retention regulations. Credit risk retention is intended to help foster a strong and healthy securitization market, said the Representatives, and, it is important that elements of the regulation are done right.

## [Fannie Mae Creates Program for Borrowers to Refinance, with Little or No Equity](#)

*The Examiner - Aug. 29*

As mortgage interest rates have continued to decrease in recent years, many homeowners with little or no equity in their homes, but with good credit scores and income levels have not been able to take advantage of lower rates. This is due to the fact, that often times homeowners either could not qualify for a home loan due to the value of their homes or could qualify, but only with the addition of mortgage insurance, making the financing more expensive.

## [FDIC Objects to BofA's \\$8.5B Mortgage-Bond Settlement](#)

*Bloomberg - Aug. 29*

The Federal Deposit Insurance Corp. filed an objection to Bank of America Corp. (BAC)'s proposed \$8.5 billion mortgage-bond settlement with investors, joining investors and states that are challenging the agreement. The FDIC, the receiver for failed banks, owns securities covered by the settlement and said it doesn't have enough information to evaluate the accord, according to a filing yesterday in federal court in Manhattan.

## [Ending GSEs Would Reset Mortgage Finance: Aite Group](#)

*Housing Wire - Aug. 26*

Financial analysts with the Aite Group say a complete dismantling of Fannie Mae and Freddie Mac would thrust regulated banks and credit unions into a world where finding capital to lend is virtually impossible, completely revamping the mortgage finance landscape. "For most banks and credit unions, a world without Fannie and Freddie would thrust responsibility for securitizing mortgages back to the originator," Aite Group analysts said in their latest research note.

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### **SPECIAL FEATURES**

## [U.S. Bank Loan Workouts Help U.S. Avoid Global CRE Funding Gap](#)

*CoStar - Oct. 5*

According to research from DTZ, money available to replace maturing debt over the next three years globally is coming up short. The global debt funding gap is estimated to total \$202 billion. The upside of that, though, is that the amount represents a 17% reduction on the \$245 billion estimated. And, in the United States, the funding gap is now estimated to be zero over 2011-2013, down from \$49 billion. The report also shows that despite the overall reduction in the global figure there are significant variations at a regional level. Both Europe and North America have seen a reduction in their debt funding gaps.

## [U.S. Real Estate Deals Hindered by Financing, Investors Say](#)

*Bloomberg - Sept. 27*

Rising borrowing costs and anemic economic growth are hindering investments in U.S. commercial real estate, said panelists at the Bloomberg Dealmakers Summit in New York. "In the last 60 days, it's really slowed down," Related Cos. President Jeff Blau said at the conference. "People are throwing term sheets around, but I don't think anyone's really closing deals."

## [Eastdil President Says Capital to Continue Flowing into Real Estate](#)

*Globe Street - Sept. 14*

Inflation fears and other factors will continue to push capital into real estate, according to a presentation at the annual Allen Matkins View From The Top conference.

## [Banks May Fight Banks as Mortgage Securities Investors Try for Class Suits](#)

*Bloomberg - Sept. 9*

Bank of America Corp. (BAC), JPMorgan Chase & Co. (JPM) and other banks may pay more to resolve claims over their alleged roles in the collapse of a \$2.3 trillion mortgage-backed securities market if sophisticated investors are allowed to sue as a group along with less savvy ones. Class-action status allows investors to pool financial and legal resources, giving them greater leverage to win larger settlements or verdicts. The banks, however, have a court ruling on their side that may help fend off such blockbuster cases. It says class status is barred because some investors are too sophisticated -- in fact, because some of them are other banks, including JPMorgan.

## [Banks Overwhelmed by Mortgage Refinancing After Job Cuts](#)

*Bloomberg - Sept. 2*

Mortgage rates near historic lows have sparked a refinancing boom that has U.S. lenders struggling to handle the surge. "There's just so much volume," said Kristin Wilson, a senior loan officer in Bloomington, Minnesota, for Fairway Independent Mortgage Corp., who has seen clients seeking lower rates climb to about half of her business from 20 percent a month ago. "We can't just ramp up by hiring inexperienced people because they don't know what they're doing."

## [Bank of America May Sell or Shut a Mortgage Unit](#)

*Crain's New York - Aug. 31*

Bank of America Corp., the largest U.S. lender, plans to sell or shut its correspondent-mortgage unit as the company seeks to stanch losses on home loans. "We intend to sell the correspondent-mortgage lending division or, if a suitable deal is not identified, we will consider other options," including winding down the business, Dan Frahm, a company spokesman, said in an e-mail. For now, those operations "continue business as usual," he wrote.