

REAL ESTATE RECAP – JULY 2017

## Willkie Clients at Forefront of Noteworthy Real Estate Transactions in the First Half of 2017

### CLIENT NEWS

From the last quarter of 2016 through the first half of 2017, Willkie's diverse group of real estate clients have been involved in a variety of sophisticated transactions concerning all types of asset classes. Our practice has been exceptionally busy working to help facilitate these complex matters and maximize benefits from the current climate, including the active real estate refinancing market in 2017.

### TRANSFORMATIONAL TRANSACTIONS

#### Colony NorthStar, Inc.: Creation of a \$58 Billion REIT

We represented Colony Capital in the \$17 billion, three-way merger of Colony Capital, NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. The companies combined in an all-stock merger of equals transaction with \$58 billion of assets under management. This industry-changing mega merger, which was heralded as one of the largest and most significant real estate transactions of the year, closed January 10, 2017.

#### From Oklahoma City to Malibu: A New Open Air Retail JV for Washington Prime Group

We represented Washington Prime Group, a publicly traded retail REIT, in connection with its formation of a joint venture with O'Connor Mall Partners, L.P., an affiliate of O'Connor Capital Partners. The joint venture owns seven of Washington Prime's open-air properties in Oklahoma, Michigan, California and Texas, valued at approximately \$600 million.

#### Generation Companies: A Major Hotel Portfolio Recapitalization

We advised The Generation Companies in connection with the \$215 million recapitalization and roll-up of four portfolios comprising 23 extended-stay and select-service hotels, consolidating them into one portfolio with the company's new joint venture partner, a fund controlled by StepStone Real Estate Group. The transaction was structured as a merger of the new



### DEPARTMENT NEWS

**Carly G. Saviano** was promoted to partner in the Real Estate Department, effective January 1, 2017.

**Lior Ohayon**, a noted funds lawyer with specific experience in real estate fund formation, joined Willkie as partner in the Asset Management Group in New York in June 2017. [Read Willkie's press release.](#)

Our continuously growing Real Estate Department now comprises 25 attorneys, including three real estate partners and two counsel.

In June, partner **David Drewes** was a featured speaker at a PLI conference, titled "Negotiating Real Estate Deals 2017," specifically on a panel regarding Joint Venture Agreements.



### RELATED LINKS

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joint venture with four existing joint ventures between the company and multiple investors, and was also financed with a \$145.5 million mortgage loan from Blackstone.

## RECENT MAJOR REFINANCINGS

### Paramount Group: Refinancings of Landmark Towers in New York and San Francisco

We represented leading public office REIT Paramount Group, Inc. in the:

- \$975 million CMBS refinancing (with joint venture partner Blackstone Group) of One Market Plaza, a 1.6 million square-foot Class A office and retail property comprising two office towers located in the South Financial District of San Francisco.
- \$850 million CMBS financing of 1301 Avenue of the Americas, a 1.8 million square-foot Class A trophy office building located in Midtown Manhattan.
- \$300 million CMBS refinancing of 712 Fifth Avenue, a 543,000 square-foot Class A office and retail building located in the Plaza District of New York.

### Colony NorthStar: Two CMBS Refinancings Secured by Interests in Nearly 100 Hotels Across the Country

We represented Colony NorthStar, Inc. and Chatham Lodging Trust (CLDT) in an \$850 million refinancing secured by interests in 47 hotels located in 16 states, and in a subsequent \$780 million refinancing secured by interests in 48 select service, extended stay and limited service hotels located in 21 states.

### DiamondRock Hospitality: A Term Loan for Leading Hospitality REIT

We represented DiamondRock Hospitality Company in connection with its \$200 million Term Loan Agreement among the company, DiamondRock Hospitality Limited Partnership and Regions Bank, in addition to several other lenders. Longtime client DiamondRock Hospitality Company is a self-advised real estate investment trust with a portfolio of 28 premium hotels and resorts throughout North America and the U.S. Virgin Islands.

## ICONIC DEVELOPMENT PROJECTS

### WRE Develops State-of-the-Art, Multi-Use Entertainment Venue in Brooklyn

We assisted WRE Holding US Company in its acquisition and related financing of two adjacent former industrial warehouse properties (used for steel production since 1962) comprising 80,000 square feet in the aggregate in Bushwick, Brooklyn. WRE is repositioning the properties into a state-of-the-art, multi-use entertainment and event venue known as “Avant Gardner” that will boast cutting-edge audio and visual technology. Upon completion, estimated in October 2017, the project will include two indoor music and dancing venues and a multi-purpose outdoor area that will be the largest outdoor event space in New York City.

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### Built for Innovation on Roosevelt Island

We represented Two Sigma Investments, LP in connection with the first third-party lease announced and completed for space at The Bridge at Cornell Tech, a new building on Cornell University's under-construction Roosevelt Island Technology Campus. The Bridge will be a first-of-its-kind space with the goal of better connecting academia with technology-focused startups and established companies.

- [Click here](#) to read the Wall Street Journal's coverage of the Two Sigma deal.
- [Click here](#) to learn more about this landmark project.

### A New Neighborhood Rises from the Ground Up: Relocating to Hudson Yards

We represented a preeminent asset management fund in its agreement to lease 200,000 square feet of new office space at 55 Hudson Yards, in a planned 51-story tower being developed by Related Companies, Mitsui Fudosan America and Oxford Properties Group, expected to open in 2018.

## Stay Connected



Willkie Farr & Gallagher LLP is an international law firm with offices in New York, Washington, Houston, Paris, London, Frankfurt, Brussels, Milan and Rome. The firm is headquartered at 787 Seventh Avenue, New York, NY 10019-6099. Our telephone number is (212) 728-8000 and our fax number is (212) 728-8111. Visit us online at [www.willkie.com](http://www.willkie.com).

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