

NEWS BRIEFS

- Beacon Capital Partners has sold a 26-story Seattle office tower to Commerz Real AG, a unit of Commerzbank Group for \$286 million, or approximately \$500 per square foot. City Center Plaza, located at 555 110th Ave. N.E., was completed in 2008 and is 99.6 percent leased. Beacon bought the 571,806-square-foot property, which was under construction at the time, in April 2007 for \$57.2 million. Commerz Real, a real estate asset manager based in Dusseldorf, Germany, with approximately €40 billion (\$55 billion) in assets under management, operates a group of real estate investment funds for private and institutional investors. *Source: Puget Sound Business Journal, 3/5/10*
- The estate of real estate investor Leona Helmsley has signed a deal to sell one of its prime New York City hotels. A venture between Angelo, Gordon & Co. and Extell Development Co. has purchased the Helmsley Carlton House in New York City for \$170 million. Located in the heart of the Madison Avenue shopping district in Manhattan, the retail space in Carlton House is among the most valuable in the world. The new owner plans to convert the upper floors into apartments and double the retail space to take advantage of the prime location. *Source: The Wall Street Journal, 3/10/10*
- Hines, a Houston-based real estate development firm, is putting up for sale a Chicago skyscraper that could fetch a price of \$620 million. Hines has hired real estate firm Holliday Fenoglio Fowler to market 300 N. LaSalle St. The 1.3 million-square-foot tower opened in early 2009 and is 95 percent leased, with Kirkland & Ellis accounting for more than half the building. Other tenants in the 60-story tower are management consultant Boston Consulting Group, law firm Quarles & Brady LLP and private-equity firm GTCR Golder Rauner. Houston-based Hines prefers an outright sale, but would consider selling a joint venture stake. *Source: Chicago Real Estate Daily, 3/10/10*

the Nordic region. The fund will have a total buying power of approximately SKr 3.5 billion to SKr 4 billion (\$496 million to \$567 million), of which SKr 900 million (\$127 million) was invested into a seed portfolio acquired simultaneously with the closing of the fund. The seed portfolio comprises approximately 1.7 million square feet of logistics properties in Sweden and Finland.

“The fund enables us to continue our successful logistics strategy, which has been focused on acquiring logistics buildings across the Nordics,” says Rickard Svensson, a partner at NREP and the fund’s manager.

The fund has been set up as a club structure, and the main investors are SPP Livförsäkring, Vattenfalls Pensionsstiftelse, a number of investors managed by Schroder Property Investment Management, as well as a number of U.K. pension schemes represented by CB Richard Ellis Investors Global Multi-Manager. *Sources: Europe Real Estate, 3/9/10; released 3/9/10*

JCR Capital Holds First Closing of Commercial Real Estate Opportunity Fund

JCR Capital has held its first closing of the JCR Capital Distressed & Opportunistic Real Estate Fund I with \$17 million in equity. The fund, which will be a provider of capital to the commercial real estate industry as opposed to being a buyer of assets, has a target size of \$25 million to \$30 million in equity and will focus on smaller transactions, ranging from \$1 million to \$10 million.

JCR Capital Distressed & Opportunistic Real Estate Fund I will provide debt, participating debt, preferred equity and equity to distressed and opportunistic real estate transactions. The fund will target existing borrowers, contract purchasers and legacy lenders, specifically community banks.

“The waves of maturing debt on commercial real estate are just beginning and the capital markets have not yet recognized their losses,” says Jay Rollins, JCR president. “We believe that seasoned providers of capital — and those who do not have any legacy assets — will be well positioned to take advantage of the current environment.” *Sources: Institutional Real Estate, Inc.; released 3/10/10*

PROPERTY TRANSACTIONS

Essex JV to Buy California Condo Complex for \$128 Million

Essex Property Trust (NYSE: ESS) has formed a joint venture and agreed to pay \$128 million for a 349-unit residential condominium complex in Santa Ana, Calif. The REIT and its venture partner will hold equal stakes in the Essex Skyline at MacArthur Place. The property is being purchased from a construction lender.