THE BEST *of* 2018

Last year was one of plenty for dealmakers across rthe nation. Despite some reports, leasing activity was steady in many markets, spurred by the tech and pharmaceutical/biomedical fields. Financing was going at a full clip as borrowers sought to take advantage of interest rates before they started rising. Several markets across the country welcomed new developments across the property spectrum. And the $562.1 billion in investment transactions recorded by Real Capital Analytics marked a 15% jump from the prior year. Meanwhile, prices rose by some 6% across the board.

Of course, much of that was due to the M&A activity the industry saw as private equity players took advantage of public market pricing to grow their holdings. We take a look at these entity-level deals below, followed by our annual rundown of some of the most significant transactions that took place throughout the country last year.

2018 was a high water mark for real estate merger and acquisition activity. By SNL's reckoning there were 22 M&A transactions announced of firms that the company covered. Those deals aggregated $90.55 billion in deal value and were up 154.7% compared to the $35.55 billion over 18 M&A deals announced in 2017.

Many of these transactions stand out because of their massive scale. For example, the top two transactions were by Brookfield Asset Management when it acquired two REITs in separate deals: GGP in a $15 billion takeover and Forest City Realty Trust in a $11.4 billion transaction *(see sidebar)*.

Another deal that rivaled the heft of Brookfield's GGP transaction was Unibail-Rodamco's $15.7 billion takeover of Westfield Corp. After multiple approvals, the two companies declared that the cash-and-stock deal, which was first announced the previous December, would create "the world's premier developer and operator of flagship shopping destinations."

Although not quite the scale and scope of these retail plays, there were many other significant acquisitions from 2018. Prologis' acquisition of DCT Industrial, for example, was a clear example of both trends. DCT Industrial Trust's 71-million-sf operating portfolio expanded Prologis' presence in Southern California, the San Francisco Bay Area, New York/New Jersey, Seattle and South Florida.

W. P. Carey's merger with one of its managed funds, CPA:17, is another example of a scale-driven transaction, with the resulting company positioned as one of the largest net lease REITs and among the top 25 publicly traded REITs in the MSCI US REIT Index. So, too was the merger of Phillips Edison & Co., one of the nation's largest grocery-anchored center landlords, with Phillips Edison Grocery Center REIT II. The merger created a $6.3B REIT that operates 323 shopping centers across 36.7 million sf nationally.

BROOKFIELD'S YEAR OF PLENTY

In mid-March of this year Brookfield Asset Management had a phenomenally active week. Within a matter of days the Toronto-based conglomerate announced that was acquiring a 62% stake in alternative manager Oaktree Capital Group for $4.7 billion, and that Brookfield Business Partners would be selling its stake in BGIS, a global provider of facilities management services, to CCMP Capital Advisors for $1 billion.

The dual news was a giant blinking sign that Brookfield's track record of blockbuster deal acquisitions in 2018 looks bound to continue into 2019. Indeed in February of 2019, Brookfield Asset Management closed its latest—and largest—flagship global private real estate fund, Brookfield Strategic Real Estate Partners III (BSREP III), with total equity commitments of $15 billion. The fund reportedly will be looking at taking publicly traded REITs private, among many other opportunities it will explore.

Brookfield knows something about taking public REITs private, of course. It acquired two REITs in billion-dollar deals in 2018: GGP and Forest City. But


5 Manhattan West

the company acquired much more than those well-known transactions during that halcyon year. Indeed, as Real Capital Analytics would report by the year end, Brookfield Asset Management was the top buyer for the year.

Here is an overview of some of its major transactions in 2018.

The year for Brookfield started off on a low note. In December 2017 it had teamed with PE group Onex to make an offer to buy UK-based International Workplace Group (IWG)—the world's largest flex office provider and parent company of the Regus brand—in a deal valued at £2.5 billion. After weeks of back and forth talks, the JV walked away from the transaction in February.

But things quickly picked up from there.

Within days of the New Year, Brookfield Business Partners announced it would acquire Westinghouse Electric Co., the nuclear power business that filed for Chapter 11 protection the previous March, in a $4.6 billion deal. Then, in February, Brookfield Residential—BAM's North American residential property company—bought OliverMcMillan, a developer of mixed-use projects in N. America, for an undisclosed price to expand its mixed-use business.

At the end of March, Brookfield gave the market a true taste of its fire power. It announced that Brookfield Property Partners and GGP entered into a definitive agreement for Brookfield to acquire the 66% of GGP shares that it didn't already own. The cash-and-stock deal would total $9.25 billion with GGP shareholders entitled to receive $23.50 in cash or stock in either Brookfield or the new REIT that would be formed when the deal closes. With a combined 177 properties and 60 million sf, the deal valued GGP at $15 billion. Brookfield would go on to bring in equity partners to revamp many of GGP's mall. This transaction closed in August of 2018.

Soon came Brookfield's second major REIT takedown for the year: an all-cash buy of Forest City Realty Trust that was valued at $11.4 billion, including Forest City's proportionate share of debt.

Excluding the debt, the deal was valued at nearly $7 billion. The price was a 26.6% premium on Forest City's closing share price of $20.03 on June 15, the date of the announcement. In exchange, Forest City brought $8.2 billion in assets to the table, including the Yards in Washington, DC and The New York Times Building.

Altogether it added 6.3 million sf of office space to Brookfield's portfolio, 2.3 million sf of life sciences assets, 2.2 million sf of retail space, 18,500 multifamily units and five large-scale development projects in Metro New York, San Francisco and Washington, DC. The deal made Brookfield the largest single commercial property owner in New York.

For this transaction, Brookfield was advised by a Skadden legal team led by global real estate head Harvey Uris, along with New York City-based real estate counsels Nesa Amamoo, Christy McElhaney and Daniel Medalie; Jeremy London, an M&A partner in Washington, DC; and Chicago-based tax partners David Levy and David Polster. This deal closed in December of 2018.

In another mammoth-sized transaction, a unit of Brookfield Asset Management acquired a 49% stake in a nationwide portfolio of apartment buildings owned by Carmel Partners for $914 million, valuing the full portfolio at $1.865 billion.

The deal was a recapitalization of a Carmel Partners' portfolio that includes 3,864 units in seven high-end multifamily properties in California, Hawaii and New York, including Atelier, a new 363-unit apartment building built last year at 801 S. Olive St. in Downtown Los Angeles.

The acquisition was part of Brookfield's US core-plus strategy, which targets high-quality properties in prominent markets across the country. The fund backing that investment strategy launched in December 2016.

Carmel Partners will maintain majority control of the properties but the deal gives the real estate investment firm a sizable ownership position in the


666 Fifth Ave.

joint venture that will operate the properties. The communities in the portfolio boast high-occupancy and most of the buildings have some of the highest quality finishes and amenities in their markets.

Brookfield, for its part, was also been seeking partners on some of its New York properties. In August, the asset manager's real estate arm announced that it had sold a 28% stake in a group of its office and apartment properties in the city, giving it proceeds of about $1.4 billion.

Other transactions in 2018 did not make the same splash as the public-to-private plays but still were nonetheless significant for Brookfield and the local market. In the spring, for example, Brookfield Ventures, Brookfield Asset Management's then-new venture fund, closed on a $15 million for San Francisco-based BuildingConnected, a provider of software for general contractors to manage the procurement process.

The company also continued its ongoing work on its Manhattan West project, a massive multi-year endeavor that when complete will feature seven million sf of office, retail, hotel and luxury residential space and a two-acre public park.

On the heels of completing a $350-million makeover of 5 Manhattan West, Brookfield and partner Qatar Investment Authority secured $1.15 billion in refinancing for the 16-story, 1.8-million-sf building. A syndicate of lenders provided the funds, which replaced and consolidated $570 million in financing from Wells Fargo with a new $580-million loan. The tower is fully leased to JPMorgan Chase, Amazon, Peloton and Whole Foods, among others.

Brookfield Office Properties was advised on that transaction by a Fried Frank team that included real

The $5.2-billion acquisition of LaSalle by Pebblebrook was probably one of the most publicized REIT M&A deals for the year. At the close of the merger, Pebblebrook became the third-largest lodging REIT, as measured by enterprise value, and the largest owner of independent and lifestyle hotels.

Pebblebrook's lead advisor for the transaction was Brad Butcher with Raymond James. Additional advisors included Ben Lett with BofA Merrill Lynch and David Wright and Mark Wickersham with Hunton & Williams.

Another large hotel deal occurred around the same time that Pebblebrook was pursuing LaSalle: Wyndham Hotels & Resorts' $1.95 billion acquisition of La Quinta Holdings' hotel franchising and hotel management business and the resulting spinoff of CorePoint Lodging. The transaction added more than 900 of La Quinta's franchised hotels to Wyndham's portfolio. CorePoint's portfolio holds 316 hotels previously owned by La Quinta.

Later in the year, Hyatt Hotels closed on the acquisition of Two Roads Hospitality, a lifestyle hotel management company. And Marriott Vacations Worldwide bought ILG in a mega timeshare deal for $4.7 billion.

Along similar lines, two gaming companies also merged in 2018: Penn National Gaming and Pinnacle Entertainment. Penn National acquired Pinnacle in a cash-and-stock transaction that's valued at approximately $2.8 billion. The combined company owns 41 gaming properties in 20 jurisdictions across North America. The transaction required extensive regulatory review and approval by state and federal regulators.

Skadden's Evan Levy, Stephen Arcano, Neil Stronski and David Reamer represented Pinnacle Entertainment, with in-house reps Elliot Hoops, Anthony Sanfilippo and Donna Negrotto. Timothy Wilmott was Penn National's in-house rep, while outside counsel was Wachtell, Lipton, Rosen & Katz partners Daniel Neff and Gregory Ostling.

One of the only major student housing M&As to close in 2018 was Greystar's $4.6 billion acquisition of EdR, which made Greystar the second largest institutional owner and manager of student housing in the US. BofA Merrill Lynch served as exclusive financial advisor, and Morrison & Foerster LLP and Venable served as legal advisors to EdR. J.P. Morgan Securities served as exclusive financial advisor, and Hogan Lovells US and King & Spalding served as legal advisors, to Greystar. JPMorgan Chase Bank provided debt financing for the transaction.

In conjunction with the EdR purchase, Blackstone Real Estate Income Trust partnered with Greystar Real Estate Partners to close on the $1.2-billion purchase of EdR's student housing portfolio. The purchase was a 95%-5% joint venture between Blackstone and Greystar. Citigroup Global Markets and TSB Capital Advisors acted as financial advisors to Blackstone, and Simpson Thacher & Bartlett acted as legal advisor to Blackstone.

The office asset class also saw its share of activity in 2018. In September two REITs—Government Properties Income Trust and Select Income REIT—created a single REIT to focus on the office asset class, changing its name to Office Properties Income Trust. The deal was a bit complex as GOV, SIR and SIR's Industrial

estate partners Joshua Mermelstein and Nathaniel Lifschitz; tax partner Joseph E. Fox; real estate associates Julianne E. Befeler, Lindsey M. Dubb and Nicholas Mayer; and tax law clerk Evan M. Quinn.

Mermelstein, along with partners Robert Cassanos, Patrick Dowd and James Wareham, led a separate team on Brookfield's acquisition of the leasehold interest in 666 Fifth Ave. from the Kushner Cos. The Fried Frank attorneys working on the deal included Anne Aufhauser, Melissa Brown, Freya Dear, Joshua Gelfand, Josh Goldstein, Tam Ho, Daniel Jacobson, Jing Jin, Joel London, Ryan Rahman, Stephanie Spell and Cyril Touchard.

Essentially, Brookfield picked up the stake Kushner earlier bought back from Vornado Realty Trust, which continues to own the property's retail component. Financial terms weren't disclosed, but the transaction values the 41-story, 1.5-million-sf tower at some $1.3 billion, according to RCA, which also puts the deal in the No. 2 spot for 2018.

Kushner and Brookfield plan to launch a major program to upgrade the building—similar to 5 Manhattan West's makeover—with Brookfield injecting up to $700 million in equity. Before 2018 came to a close, Brookfield refinanced the office condo; it now backs a $750-million first mortgage with ING Group and $300 million in mezz debt from Apollo Global Real Estate.

Brookfield also became involved in another massive NY project, this time in outer boroughs.

It paid $165 million for a four-acre development site in the Bronx's Mott Haven area. The parcel was assembled by Somerset Partners and the Chetrit Group for a massive, 1.3-million-sf project of mostly residential space. Cushman & Wakefield chairman Doug Harmon and executive managing director Adam Doneger brokered the sale. A Pryor Cashman team of Todd Soloway, Danielle Schechner and Ari Tran advised Somerset and Chetrit, while Fried Frank and Jacobson LLP served as Brookfield's counsel.

The project sits within the Harlem River Waterfront District, which is undergoing a city-led revitalization. About a third of the planned 1,300 units will be affordable and workforce housing. Brookfield plans to break ground this year.

In Brooklyn, it announced it would build two new rental buildings at the massive Greenpoint Landing site with Park Tower Group. The $2-billion project will deliver over 1,200 units, with construction to begin in 2019. Brookfield and Park Tower are already working on two other rental buildings totaling 800 units at Greenpoint Landing, a 22-acre redevelopment project that will ultimately house 10 buildings totaling containing apartments, retail space, an elementary school and a waterfront park.

2019, as noted before, shows every promise of being just as fruitful. For example, this February Brookfield Business Partners reached an agreement to acquire private Australian hospital operator Healthscope in a transaction valued at approximately $4.1 billion. In connection with the merger deal, Birmingham, AL-based Medical Properties Trust entered into definitive agreements to acquire 11 Australian hospitals from affiliates of Healthscope for approximately $859 million, and lease the acquired real estate back to Healthscope.

But stories like these will be fodder for another article on Brookfield—perhaps one that does a deep dive into its 2019 activity.


Atelier

Logistics Properties Trust, a REIT that owns warehouse distribution and e-commerce fulfillment facilities throughout the US, had intricate ownership structures — GOV was SIR's largest shareholder and SIR was the controlling shareholder of ILPT.

Citigroup Global Markets acted as financial advisor to a special committee of GOV's Board and Sullivan & Worcester acted as legal advisor to GOV in the transaction. UBS Investment Bank was the financial advisor to a special committee of SIR's Board of Trustees. Skadden, Arps, Slate, Meagher & Flom was legal advisor to SIR in this transaction.


Cambridge Crossing

While 2018's landscape may seem to have been dominated by REIT M&As, there were also plenty of deals that were private sector plays. At the end of the year, Oxford Properties Group and Ivanhoe Cambridge, as one example, acquired IDI Realty, a privately held REIT formerly owned by Brookfield Asset Management, for $3.6 billion. This deal brought on board some 180 industrial real estate assets in 15 states, as well as the company's management and development platform. The acquisition was Oxford's first logistics acquisition in the US.

The DLA Piper team that worked the transaction included John Sullivan, Cara Nelson, Primo Fontana, Oriana Robin Montani, Luke Belton Maddox, Bob LeDuc, Allan Bowen, Chris Giordano, Jon Venick, Janessa Griffin and Penny Minna.

Many of 2018's transactions were in cash, but some did close as all-stock transactions. The merger of Colony NorthStar Credit Real Estate, a publicly traded finance REIT created from the merger of two non-traded entities, is one example. The deal consisted of the merger of NorthStar Real Estate Income Trust (NorthStar I) and NorthStar Real Estate Income II (NorthStar II), which also entailed the contribution of $1.6 billion of assets and liabilities from Colony Northstar.

The transaction resulted in a commercial real estate credit REIT with approximately $5.1 billion in assets under management and $3.3 billion, or approximately $25 per share, of book value. It became the second largest publicly listed commercial mortgage REIT after Starwood Property Trust. For the NYSE listing, J.P. Morgan and Barclays acted as CLNC's advisors. Hogan Lovells US acted as the company's counsel and Clifford Chance US LLP acted as the listing advisors' counsel.

Real estate brokerages also were active in M&As last year. One example was The Shopping Center Group's $2 billion acquisition of Hart Realty Advisors, a significant transaction in which the largest, privately owned retail real estate advisory firm in the US scooped up one of the top, privately owned real estate investment management firms to expand its real estate advisory services. Hart Realty Advisers included David Hart and David Huntley. The investment banker for the deal was June Munshi, partner, CenterCap Group LLC and SCG's legal counsel was Chason Harrison, partner, James-Bates-Brannan-Groover LLP.

Another deal of note was Madison Marquette and PMRG's merger. The combined companies have a total of approximately $7.5 billion assets under management and 600 employees.

Colliers International took a 75% stake in Harrison Street Real Estate Capital for a total of $550 million. Marcus & Millichap acquired Pinnacle Financial Group, a mortgage brokerage and servicing firm in Cleveland. CBRE continued its flurry of acquisitions with two strategic investments: Noveen Consulting and CB Richard Ellis-N.E. Partners, a long-standing New England joint venture with Whittier Partners Group and the largest full-service commercial real estate services operation in New England.

Fresh off of closing its IPO in 2017, Newmark Knight Frank continued its growth plan in 2018 with the acquisition of Integra Realty Resources, Jackson Cooksey and RKF Retail Holdings. Cushman & Wakefield acquired Integrity Consulting Group last year, but its biggest play for 2018 was its IPO, which raised $765 million.

Moving over to non-entity-level deals, the Northeast markets were among the most active regions for CRE transactions in 2018. Investment activity alone exceeded $10 billion, as per RCA data, and the region—the Big Apple in particular—is the home of a number of new developments. The financing activity behind those deals kept origination volumes high, and tenants shook up the field with countless new lease announcements, be they relocations, expansions or new commitments.


Pier 4

The end of the year brought a flurry of activity in Boston. Its biggest lease in years and its top two property trades all closed in December. Pharmaceutical giant Sanofi chose the Kendall Square neighborhood to house its Massachusetts headquarters when it signed on to anchor a 45-acre mixed-use under way in East Cambridge. The 900,000-sf lease will bring together some 2,700 employees currently scattered throughout Boston into two buildings at Cambridge Crossing, being developed by DivcoWest.

In Boston's urban core, the landmark

Exchange Place

Exchange Place shifted from one institution owner to another. A joint venture of Allianz Real Estate of America, Beacon Capital Partners and the Pension Reserves Investment Management Board paid $845 million for the property at 53 State St. A fund managed by UBS Asset Management sold the 40-story tower, which includes more than 1.2 million sf of space that is 93% leased to a blue-chip rent roll.

Acting on behalf of UBS, Newmark Knight Frank's Boston Capital Markets Group worked with NKF's local debt team, which oversaw financing, and Downtown Boston leasing team, which provided market insight, to get the deal done. The group included NKF Capital Markets' US head, Robert Griffin and vice chair Edward Maher, as well as Matthew Pullen and James Tribble. They were joined by David Douvadjian on the debt side and David Martel and Bill Anderson on the leasing angle.

The same NKF capital markets team was behind the sale of Pier 4, a newly constructed trophy in the Seaport District. They were joined in the deal by Samantha Hallowell, capital markets, as well as Debra Gould and Tim Bianchi in leasing. NKF represented the seller, Tishman Speyer, and procured the buyer, CommonWealth Partners. The $450-million deal for the 372,372-sf office and retail property marked the highest per-sf sale value ever achieved for a single asset in Boston, at $1,208 per sf.

As expected, the Big Apple took the biggest bite of overall US investment activity, with some $55 billion in sales throughout the metro region. Among them was the $905-million sale of Spring Creek Towers, the Brooklyn community formerly known as Starrett City. A joint venture of Brooksville Co. and Rockpoint Group bought the asset from Starrett City Associates, which was represented by Cushman & Wakefield's Doug Harmon and Adam Spies. The new owners of the 150-acre development, which is the largest federally subsidized apartment complex in the country, plan to keep the complex affordable.

Moving into Manhattan, 5 Bryant Park, a 683,000-sf office tower, was involved in $1.1 million worth of transactions. The Blackstone Group sold the asset for $640 million to Savanna. A JLL team led by Peter Nicoletti and Anthony Ledesma arranged the purchase, while Kellogg Gaine and Aaron Niedermayer led the JLL Capital Markets team that secured $463 million in acquisition financing for Savanna. The 34-story property includes 38,306 sf of retail and is nearly 100% leased.

Qatari SWF subsidiary Katara Hospitality acquired the iconic Plaza Hotel in Midtown for $600 million, or $2.6 million per room, from a consortium of firms that included Dream Hotel Group and Ashkenazy Acquisitions. JLL handled the sale of the luxury property.

A JV of Maefield Development and Fortress Investment Group bought out its partners on 20 Times Sq., a 378,000-sf retail and hotel development under way in the theater district, in a $1.5-billion deal. The sellers included the Witkoff Group, Winthrop Realty Trust, Ian Schrager and Vector Group.

The deal values the 42-story tower's 452 hotel units, to be operated by Marriott's Edition brand, at nearly $2 million each, and its 74,820-sf retail component at $8,177 psf. Natixis provided approximately $2 billion in acquisition financing and refinancing. Maefield was advised by a Fried Frank team of Jonathan Mechanic, Avi Feinberg, Fiona Kelly, Richard Wolfe Team: Steven Czurlanis, David Firestone, Gabriella Sultanik, Shelby Smith.

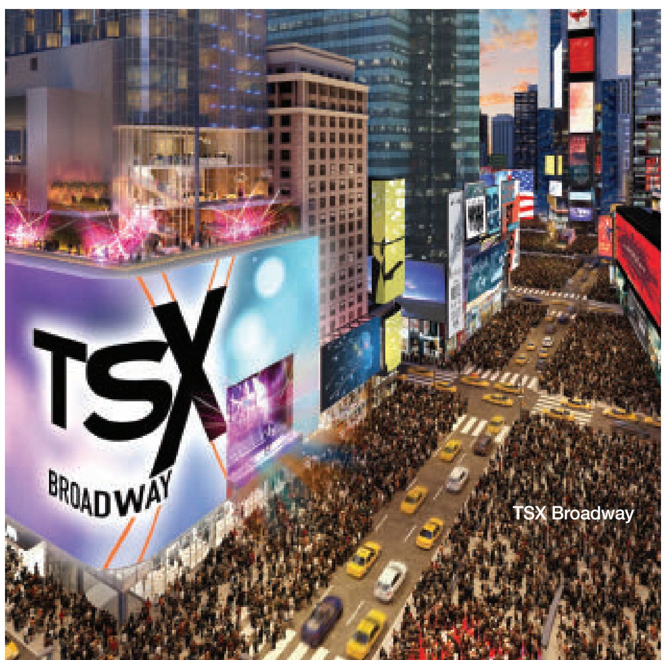
5 Bryant Park

Also in Times Square, SL Green Realty Corp. sold a 43% interest in 1515 Broadway to Allianz Real Estate in a deal that values the 54-story, 1.9-million-sf class A tower at $1.95 billion, or $1,045 per sf. Doug Harmon and Adam Spies of Cushman and Wakefield represented SL Green.

A partnership of L&L Holding Co. and Normandy Real Estate Partners paid $900 for the Terminal Stores, a 1.3-million-sf former warehouse in Midtown. The sellers were Waterfront New York and GreenOak Real Estate Advisors, represented by CBRE's Darcy Stacom and Bill Shanahan represented the sellers.

Skadden's David Nagler and Daniel Medalie acted as counsel to Normandy. GreenOak's legal team consisted of Janice Mac Avoy, Jonathan Mechanic, Ross Silver, Andrew Colosimo, Patrick Greeley, Brian Helweil and Joshua Katz. James Millon, Tom Traynor, Ethan Gottlieb and PJ Finley, all with CBRE Debt & Structured Finance, arranged $650-million acquisition financing on behalf of the sponsorship.

The purchase price is triple the property's valuation four years ago, according to the *Wall Street Journal*. The previous owners spent $50 million to renovate office and retail space at the property,



TSX Broadway

3 World Trade Center

located at 271 11th Ave. The new owners are planning to further convert 500,000 sf of storage facilities into office space.

Developers were able to start work on another Times Square site, the TSX Broadway, after fully capitalizing the $2.5-billion project. UBS led a new round of equity investments totaling more than $780 million, bringing the total equity in to more than $1 billion. Goldman Sachs provided a $1.13-billion construction loan to the development team, a L&L Holding Co., Maefield Development and Fortress Investment Group.

Cushman & Wakefield's Doug Harmon, Adam Spies and Marcella Fasulo served as advisor on the equity raise, while HFF handled the construction loan. Located at 1568 Broadway, the 46-story tower will house 550,000 sf of retail and entertainment space and a 669-key luxury hotel, upon completion in 2021.

Indeed, development activity is also at a peak in New York, and the capital needed for these deals has also driven financing volume. The much-awaited 3 World Trade Center opened last summer. It is the next-to-last tower on the WTC site, which Larry Silverstein bought right before the original ill-fated Twin Towers fell in the 9/11 attacks. The 80-story office tower opened with much of its 2.8 million sf leased to tenants including ad firm GroupM and McKinsey & Co.

55 Hudson Yards

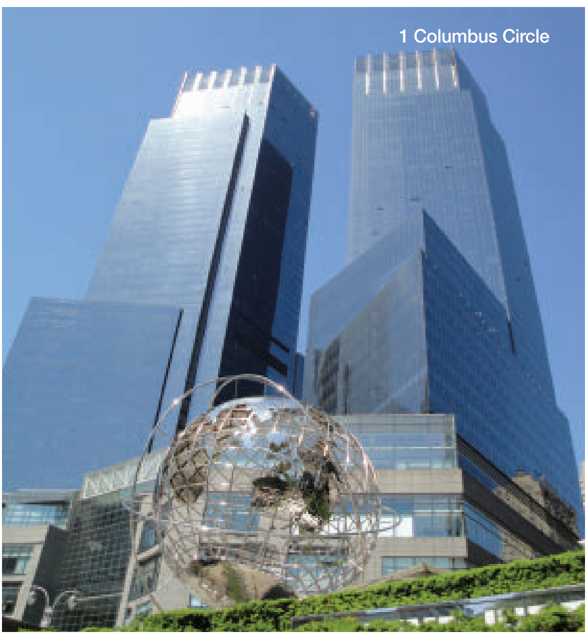
On the West Side, the massive Hudson Yards project is making headway, with the 1.3 million-sf 55 Hudson Yards delivered last year. The 1.4-million-sf tower is a development of Related Cos. and Oxford Properties Group. Nearby, residents moved into 15 Hudson Yards late last year.

Tishman Yards landed $1.8 billion in construction financing for the Spiral, another huge project in the Hudson Yards district. A Fried

The Spiral

Frank team of Michael Barker, Julian Chung, Suzanne deVries Decker, Kabaye Liku, Tess Rowley, Philip Fitzpatrick, Matthew McElroy, Shelby Smith and Adam Streicher served as counsel to Blackstone. Sullivan & Cromwell served as legal advisor for Tishman Speyer.

Tishman Speyer also landed a major tenant for nearly a third of the 2.8-million-sf tower. Biopharma company Pfizer signed on for 800,000 sf of the 65-story building in a relocation of it global headquarters under a 20-year lease. Cushman & Wakefield's Josh Kuriloff led a team that represented Pfizer, which also tapped C&W's Adam Spies and Douglas Harmon to sell its former Midtown headquarters to a private investor.



1 Columbus Circle

Pfizer also announced a donation to $500,000 to the Hudson Guild, a community agency serving those who live, work, or go to school in Chelsea. The lease commitment and the construction financing, combined with $1.9 billion in equity from the developer, allowed for construction on the class AA tower to begin last summer, with a planned delivery in 2022.

Meanwhile, Pfizer leased back its existing 1.2-million-sf headquarters under a deal that would allow it to stay in place until the Spiral is ready for move-in. It went down on the record books as the largest lease in the city last year.

The trophy Time Warner Center at One Columbus Circle is now known as Deutsche Bank Center, thanks to a massive 25-year lease the firm signed in 2018. It will occupy 1.1 million sf at the complex, owned by Related Cos., when it relocates from 60 Wall St. in 2021. The deal marked the city's second-largest lease of 2018.

Elsewhere in the borough, L&L Holding debuted 390 Madison Ave., fresh off of a sweeping renovation. The work brought the tower to 32 stories totaling 850,000 sf that are fully leased to such tenants as Shiseido Americas, law firm Hogan Lovells and JPMorgan Chase. The latter signed on to occupy 437,000 sf on 16 floors earlier in the year.

On the retail front, McDonald's leased 7,000 sf at 1530 Broadway, owned by Bow Tie Properties. At an annual rate of $11.5 million, the fast food conglomerate is reportedly paying the highest rent in the city for retail space. Cushman & Wakefield's Andrew Kahn and Christian Stanton negotiated for the tenant, while Colliers International's Brad Mendelson, David Green, Nicole Mendelson and Tommy Botsaris acted for Bow Tie.

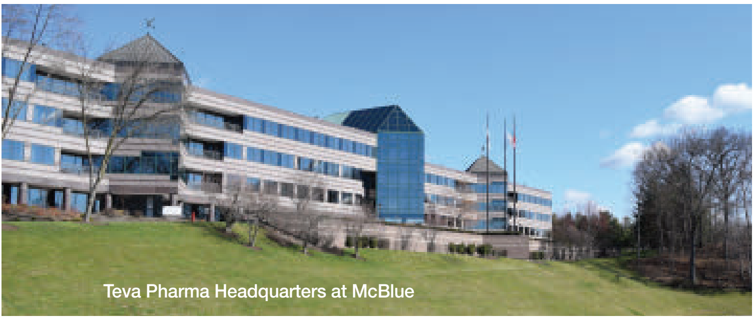
390 Madison Ave.

Another retailer expanding its presence around the metro was Target, which signed leases for a number of small-format stores. The chain signed on for 50,000 sf store in Brooklyn with Bridges Development Group, another 47,000 sf space with A&H Acquisitions in Queens, and a 46,000-sf location at a Kimco Realty property on Staten Island.

In Manhattan, Target inked a deal for 35,601 sf of space at 1865 Broadway, a 172-unit residential tower with 70,000 sf of retail. JLL's Patrick Smith, Matt Ogle, Corey Zolcinski and Erin Grace spoke for the landlord, AvalonBay Communities, while Richard Skilnik or Ripco Real Estate repped Target.

The outer boroughs saw numbers large financing transactions. Delta Airlines landed some $1.4 billion in bond financing from the Empire State Development Corp. and Bank of New York Mellon for the $4-billion renovation of its LaGuardia Airport Terminals C and D.

In the Bronx, Hunt Real Estate Capital's Joshua Reiss worked with Bob Simpson, a Fannie Mae VP of affordable and green financing, to arrange $120.6 million in funds for the acquisition and rehabilitation of a 1,088-unit affordable housing portfolio through Fannie Mae.



Teva Pharma Headquarters at McBlue

The Betances New York City Housing Authority RAD portfolio consists of 39 scattered-site multifamily properties and one community center in the borough's Mott Haven section. The existing public housing will be converted through HUD's RAD and Section 18 Disposition Programs. The borrower is Betances RAD LLC.

Upon conversion from public housing, residents will receive rental subsidies through two project-based Section 8 voucher contracts, each for a term of 20 years, with one contract covering the 738 units under the RAD program and a second contract covering the 350 units under the Section 18 program. The conversion will not impact the affordability to the existing residents.

Meanwhile, Montefiore Health System has raised a total of $1.17 billion in bond financing, including $685 billion in bonds issued through the Dormitory Authority of the State of New York. Led by the Bank of America Merrill Lynch, the $685 million issued by DASNY was offered as a $309 million tax-exempt series and a $376 million taxable series. Montefiore issued $482 million in bonds on its own.

Montefiore will use the bonds—offered in a hybrid tax-exempt/taxable financing structure—to refinance certain debt and to provide reimbursement for certain strategic investments, enabling the company to exit the FHA's mortgage insurance program. The deal is said to be the city's largest bond deal of 2018.

Earlier that year, Simone Healthcare Development announced that Montefiore was expanding its lease at the Hutchinson Metro Center in the Bronx. The long-term expansion lease was for 90,000 sf at Tower One of Hutchinson Metro Center and 6,500 sf at the nearby Metro Center Atrium. With the new lease, Montefiore occupies a total of 453,000 sf at Hutch Metro Center.

In neighboring New Jersey, another pharma company accounted for the largest office lease of 2018. Relocating its US headquarters from Pennsylvania. Teva Pharmaceuticals committed to 345,000 sf at P3 Properties' McBlue project in Parsippany. The NJEDA provided a 10-year, $40 million tax credit package to TEVA, which will bring nearly 1,000 jobs to the state. Cushman & Wakefield's Dan Johnsen and Ruddyna Roldan worked with Teva's Boaz Cohen on the deal. JLL's Frank Recine, Timothy Greiner, Blake Goodman and Fred Hyatt acted for P3 Properties.

2018 also saw the completion of the largest, non-waterfront adaptive reuse project in New Jersey, encompassing 21 acres in the heart of the West Orange Downtown Redevelopment Area. The $230-million Edison Village is the industrial-to-residential redevelopment of the historic 100-year-old Thomas Edison Invention Center.

The smart growth project is a development of Prism Capital Partners, Greenfield Partners and Dune Real Estate Partners.

SORA West

Phase I of the redevelopment, which is 100% complete, has transformed a crumbling 400,000-sf building and surrounding grounds into a vibrant mix of residential and retail components. The completely reconstructed factory building, now known as the Residences at Edison Lofts and designed by Minno & Wasko Architects and Planners, houses a total of 300 units. Phase I also features an 18,400-sf retail component, known as the Shoppes at Edison Village, as well as a 630-space parking structure. Phase II, with 230 additional residential units, is set to launch in late 2019.

Developers are also busy further south in Philadelphia, which received its tallest building when the 60-story, 1.6-million-sf Comcast Technology Center opened its doors last year.

In September, the City Center welcomed a new mixed-use project with the delivery of Lincoln Square. The $149-million ground-up development contains 322 residential units and 100,000 sf of retail space fully lease to brands such as Sprouts, Target and PetSmart, along with several major quick-casual restaurants. Residents also have access to over 50,000 sf of state-of-the-art indoor and outdoor amenities.

Retail developer Kimco conceptualized the project and brought in Alterra Property as a partner under a 90/10 JV ownership structure. The development team included

Lincoln Square

Conway Center

Kimco's Tom Simmons, Stuart Cox, Hilary O'Connor, Dana Valenti, William Wegmann, Jason Huss, Geoffrey Glazer, Greg Reed, Gordon Ashby, Kevin Allen and Rebecca Rivard. They were joined by Alterra's Leo Addimando and Doug Jordan, as well as Steve Gendler and David Coleman of MIS Capital. BLT and Kelly Maiello Architect served as designers, and Intech Construction was the GC.

On the leasing front, Binswanger negotiated AmerisourceBergen's headquarters move to a newly constructed mixed-use, transit-oriented development in Conshohocken. The 429,122-sf lease, valued at $300 million, is at Keystone Property Group's SORA West development, where the pharma company will be the sole tenant.

In the US capital, a $90-million public-private project came to fruition. Occupied and built by the interfaith, community-based nonprofit SOME (So Others Might Eat), the Conway Center opened in May 2018, and is the first facility in the District to combine affordable housing, job training and health care services in one location.

The 320,000-sf mixed-use LEED Silver project occupies an entire block in the Ward 7 area of DC. It will provide 172 homeless and low-income men and women with affordable housing and 15,000 underserved men, women, and children with comprehensive care at the Medical and Dental Health Center operated by Unity Health Care / Howard University Hospital. Some 300 adult students will also receive job training at SOME's Center for Employment Training.

The public and private financing included funds from HUD, DC Government grants, LIHTC and New Marker Tax Credits, Tax-Exempt Bonds and private fundraising. NorthMarq Capital's Frank Relihan arranged the $8.3-million FHA 221 (d)(4) portion of the construction-to-permanent loan. Others who worked on the deal included Citi Community Capital, City First Bank of DC, the Department of Housing and Community Development, various Washington, DC housing agencies.

Aventura Mall

The documentation for the various financing documents equaled more than 300 individual documents or filings to complete the entire capital stack. Given the complicated structure and ambitious mission, the project was selected as one of five winners of

PORTFOLIO DEALS ARE STILL OUT THERE

Last year was a good year one for portfolio sales. Following are the more noteworthy transactions that closed last year.

Blackstone Group scooped up a 100-asset industrial portfolio totaling 14 million sf, located mostly in urban areas in southeastern states. The seller was reported to be Harvard University's endowment and the sales price, $950 million. The transaction topped a number of purchases by the private equity giant in 2018.

Andaz Maui

For instance, Blackstone REIT acquired the 22-million-sf Canyon Industrial Portfolio for approximately $1.8 billion. And in an earlier deal with Harvard's endowment fund, Blackstone picked up a majority stake in a collection of New York City properties for nearly $244 million. It also acquired a portfolio of 41 warehouses from FRP Holdings for $359 million.

Another noteworthy transaction was Industrial Securities Europe and MCAP Global Finance (UK)'s $573 million sale of their 660,000 sm European logistics portfolio to Blackstone Group. Skadden's Robert Porter and Clive Wells advised Industrial Securities Europe and MCAP Global Finance (UK) LLP. Eastdil Secured acted as sales agent on the transaction, Skadden Arps as counsel for Sellers and Kirkland & Ellis International and CBRE advised Blackstone. KL Gates & Nauta Dutilh advised Marathon who held the debt in the portfolio.

HCP Medical Offices

In St. Louis, MO, a six-property apartment portfolio sale trade traded for $180 million to Monarch Investment and Management Group, marking the largest multifamily deal in the history of St. Louis. The deal also represented seller GEM Property Management's exit from the multifamily business after nearly 30 years acquiring and renovating residential communities. Berkadia's Andrea Kendrick and Ken Aston completed the sale on behalf of GEM Property Management and Peter Benedetto arranged the financing on behalf of the Monarch. Joe Harms and Legal Assistant Julie Irvin of Salivar &

ULI's Terwilliger Center for Housing Jack Kemp Excellence in Affordable and Workforce Housing in 2018.

In nearby Newark, DE, Brookfield and Morgan Stanley's Prime Property Fund took out $550 million to refinance the famed Christiana Mall in a deal that valued the 779,000-sf retail property at $1 billion. The loan, consisting of senior and B notes, is being securitized by a consortium of firms including UBS, Barclays and Wells Fargo. The debt carries a 4.28% interest fixed over 10 years.

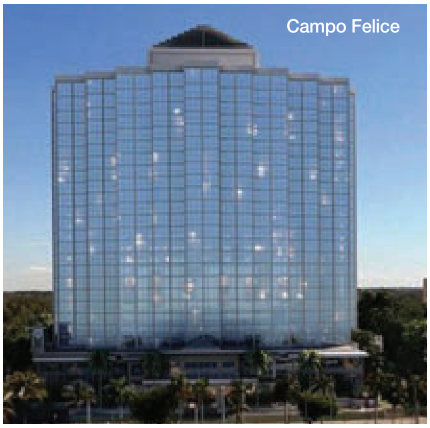

Square Station

Another huge regional mall was refinanced in 2018 when Turnberry Associates and Simon Properties closed on a $1.75 billion loan for the Aventura Mall. JPMorgan Chase Bank, Wells Fargo Bank, Deutsche Bank and Morgan Stanley Bank provided the funds for the nearly three-million-sf shopping center in Aventura, FL. The law firm of Buchanan Ingersoll & Rooney represented the ownership, which reportedly used the funds to pay down existing debt.

In one of the largest single asset permanent loans ever obtained for a multifamily community in South Florida, Aztec Group's Peter Mekras arranged $142 million for Square Station, a transit-oriented multifamily development in Miami's Arts and Entertainment District. The 10-year fixed-rate loan was awarded to Freddie Mac via Berkadia's Miami office as its seller servicer. The borrower is Melo Group, developer of the 710-unit rental property, which also includes 20,000 sf of retail.

Also in Florida, SVN|Angelic structured and placed a new bridge loan for a defaulted and challenged senior living project in Downtown Ft. Myers. A former Sheraton, the $104-million Campo Felice is a 24-story highrise with 323 independent living units.

But the team has to run through a gauntlet to make it to closing after the due diligence process uncovered a host of challenges. Among them: multiple internal partner lawsuits; an existing loan that was over $5 million in default; significant construction/completion delays and lease-up underperformance and zoning violations. Further adding to the complexity was some $25 million in EB-5 investment, with more to come.


Campo Felice

Nevertheless, Gabriel Silverstein and a team that included Louis D'Lando, were

Harms acted as legal counsel for the seller.

Another deal of note, was Silverstein Properties purchase of ABC's Upper West Side campus for more than $1 billion. The office properties span more than one million sf.

Apartment Investment and Management Co.'s $590 million sale of its interests in 51 low-income housing tax credit apartment communities to Related Cos., was one of the largest affordable housing deals of the year. The 8,000 units are located across multiple locations including Chicago, Los Angeles, San Francisco and Beacon, NY.

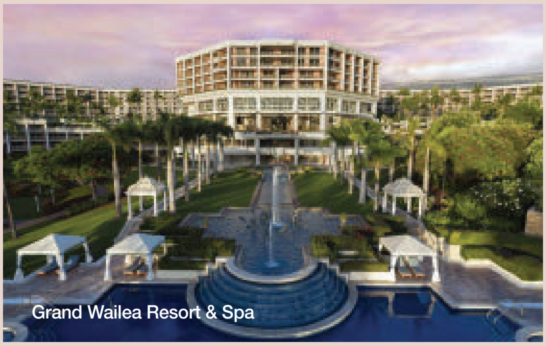
Skadden's Meryl Chae and Sarah Ralph represented AIMCO in this transaction, which completed the REIT's planned exit from its affordable housing line of business.


Midwest Multifamily Portfolio

HCP Inc.'s $605-million joint venture on a medical office portfolio with Morgan Stanley Real Estate Investing spans 3.2 million sf of leasable space across 33 properties. Skadden's Meryl Chae and Joseph Coco advised HCP Inc. The deal built upon a prior venture (in which Skadden also represented HCP) of a portfolio of medical office buildings acquired in 2015 for $225 million.

Healthcare Trust of America sold a 16-asset, 856,179 sf portfolio of medical office buildings in Greenville, SC to a joint venture between HCP and Morgan Stanley. The primary tenant was Greenville Health System. Healthcare Real Estate Capital acted as a financial advisor. Cushman & Wakefield's Richard Swartz, Jay Wagner, James Dooley and Sam Dylag acted as senior advisor to HCP.

In a separate deal, HCP also sold a portfolio of 22 Brookdale-managed senior housing communities to an investment fund managed by affiliates of Apollo Global Management for $428 million.


Grand Wailea Resort & Spa

The Walt Disney Co. struck a deal to acquire 4 Hudson Square, a full-block development site, from Trinity Church for $650 million. Fried Frank's Joshua Mermelstein, Zachary Bernstein, Robert Cassanos, Avi Feinberg, Simon Elkharrat, Nicholas Mayer, Philip Fitzpatrick, Nicholas Williams and Daniel Jacobson handled the transaction on behalf of Trinity Church. The Walt Disney Co. plans to redevelop the site as its New York headquarters able to restructure and workout the existing loan default and structure and close a $62-million bridge loan from a major institutional financial company, coupled with a $2.5-million carried preferred equity position from the former lender.

On the sales front, Elliott Management Corp. teamed with Trinity Real Estate Investments on the $1-billion acquisition of the Grande Lakes Orlando Resort. The 409-acre luxury complex includes two hotels—a 582-key Ritz-Carlton and a 998-key JW Marriott—and an18-hole championship-caliber golf course. Elliott Management was advised on the deal by a Kleinberg Kaplan legal team that included Ross Yustein, Euchung Ung, William Pena, James McCann and Deborah Taeid. Gibson Dunn attorneys Sara Berkeley and Matthew Kidd counseled Trinity

In one of the largest commercial deals in Louisiana last year, VEREIT's Tom Roberts, Paul McDowell and Chuck Vogel closed on the acquisition of a 1.3-million-sf industrial facility in Monroe, LA for $99 million. Leased to Graphic Packaging International Inc., a manufacturer of paperboard packaging products, the build-to-suit property is comprised of a 792,696-sf warehouse/distribution facility and a 473,378-sf manufacturing facility. VEREIT's team included.

Park District


Cityplace Tower, Dallas

Moving over to Texas, what is estimated to be the largest industrial building in the state has sold to Solo Cup/Dart Container for some $20 million. Formerly known as the Home Depot distribution center, the 1.5-million-sf facility sits on 139 acres at 2200 South Business 45 in Corsicana, TX. J. Holmes Davis IV of Binswanger's Dallas office represented the seller, Eliken Property Management, while Newmark's Rob Hughes advised the seller.

A Colliers International capital markets team orchestrated the off-market sale of the class A-plus, 1.35-million-sf Cityplace Tower, an iconic office asset near Dallas' Uptown area. The deal is believed to be the largest single office transaction in terms of dollar amount in the Southwestern US last year.

Colliers acted for both the seller, Highland Capital Management, and the buyer, a JV of Parmenter and Angelo, Gordon & Co. The brokerage team that structured the highly complex and confidential sale included Creighton Stark, Chris L. Boyd, Jihane Boury and Steve Everbach. The 42-story red granite tower has earned BOMA 360 Performance Program Designation, and is ENERGY STAR and LEED-Silver certified.

In Downtown Dallas, Trammell Crow Co. unveiled Park District, a two-tower mixed-use development with more than 800,000 sf of class A office space, restaurants and luxurious residences. The development team bringing the project to fruition included TCC's Scott Krikorian, Joel Behrens and Jeff DeBruin, along with Kurt Day with MetLife, TCC's equity partner.

The 20-story PwC Tower at Park District, features approximately 500,000 sf of class A office space with 7,000 sf of retail. The Residences at Park District, developed TCC subsidiary High Street Residential, contains 228 luxury units in 34 stories. Connected via a plaza, both assets have a host of amenities and overlook Klyde Warren Park.

Over in Arizona, NorthMarq Capital secured $172.45 million in financing for Northrop Grumman Innovation Systems' Campus in Chandler. NorthMarq's Eric Flyckt, Aaron Beck and Wyatt Campbell arranged the construction loan and mezzanine


Northrop Grumman Innovation System 's Launch Vehicle HQ

110 N. Carpenter

equity. The loan was provided by a bank and the mezzanine equity was funded by an insurance company for whom NorthMarq is a correspondent.

CBRE's Mark Krison and Brad Anderson brokered the lease with the owner of the 200-acre Park Place business park, Douglas Allred Co. To serve as the headquarters of Northrop Grumman's Launch Vehicle Division, the build-to-suit consists of a three-story, class A office building of 356,000 sf and a 261,000-sf manufacturing facility.

The Chicago area was a hotbed of activity in the Midwest region, starting with Salesforce's announcement towards the end of the year that it will build Salesforce Tower Chicago, a 57-story set to deliver in 2023. The future Salesforce Tower Chicago will be located on the Chicago riverfront, in the planned third and final tower in the Wolf Point development on the site formerly known as Wolf Point South. Designed by award-winning architects Pelli Clarke Pelli, and developed by the Kennedy Family and Hines, Salesforce Tower Chicago will be in the heart of the city's River North neighborhood.

Brad Serot, Paul Reaumond and Mark Cassata of CBRE represented Salesforce in negotiating the lease with the landlord. The company expects to pay $475 million over 17 years to lease the space, according to a filing with the Securities and Exchange Commission.

Home Depot inked the largest industrial lease in the second quarter, taking an entire 588,233-sf warehouse at 525 Northwest Ave. in Chicago's Northlake. The speculative building, which had been vacant since its completion in 2015, is centrally located close to the U.P. Rail East-West Transcontinental Line and has the potential for a Union Pacific railway.

McDonald's is relocating from suburban Oak Brook to 110 N. Carpenter in the Fulton Market neighborhood of Downtown Chicago. Nearly 2,000 corporate employees will occupy roughly 80% of the office space, leaving roughly 40,000 sf for retail. The 600,000-sf facility will also house a "Hamburger University," for the company's future franchise owners.

DLA Piper's Richard Klawiter and Katie Deal represented Sterling Bay with the zoning for the building. According to Chicago Mayor Rahm Emanuel, the project generated $3.2 million for a fund created to rebuild impoverished neighborhoods.

Salesforce Tower

In what's believed to be the largest grocery-anchored retail transaction of 2018, HFF brokered the sale of, and the acquisition financing for, the retail component of the CityPlace mixed-use project in the Twin Cities community of Woodbury, MN.

Inland Retail Property Fund LP paid $77.8 million for the 184,000-sf center, which is fully leased and anchored by a Whole Foods Market. This deal was a seed investment for the Inland's newest in-vestment vehicle. Participants in the deal include Inland's Matthew Tice, Elion's Shlomo Khoudari and Juan DeAngulo, and HFF's Amy Sands, Clinton Mitchell, Daniel Finkle and Timothy Joyce.

Also in Chicago, the River City Condo Association made a bulk sale of all 449 residential units to a joint venture between Elliott Management, Wolcott Group and Marc Realty, making River City the largest condominium deconversion in Chicago history. The transaction uses a unique feature of Illinois law providing for a condo to be deconverted upon the vote of 75% of unit owners. The deal required a tremendous amount of coordination and negotiation with many parties to form a JV, acquire the residential units from all 449 owners, net lease the commercial unit from a different owner and finance both the acquisition and the renovation plan.

Participants included Kleinberg Kaplan's Ross Yustein as lead real estate counsel to Elliott Management along with Euchung Ung, William Pena, Joshua Lustiger and Logan Wyman. James McCann was the Lead Tax counsel to Elliott Management along with Neil Dubnoff. Elliott Management's Timothy Mackey Fred Bronstein participated in the deal along with Barrack Ferrazzano Kirschbaum & Nagelberg's Bryan Segal, who served as Counsel to The Wolcott Group.

CityPlace

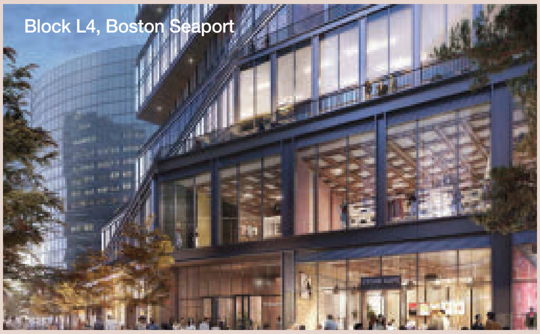
In a record refinancing, Blackstone took out $1.3 billion for the Willis Tower, following a $1 billion refinancing the previous year that Blackstone had paid off. Deutsche Bank and Barclays were the lenders for the 110-story, 4.6 million-sf property.

The $678 million refinancing of the 3.6 million sf skyscraper Aon Center was also a noteworthy transaction with capital pro-

River City Condominium

THE E-COMMERCE MONOLITH BECOMES CRE MOGUL

2018 for many cities was all about where Amazon would choose to locate its second headquarters. Near the end of the year they had their answer: the e-commerce giant would co-locate its second headquarters in New York City and Northern Virginia. In addition, it selected Nashville for a new Center of Excellence for its Operations business. We now know, of course, how the rest of the story unfolded this year but even with just one headquarters in Northern Virginia that is half the size of its original concept, it still carries much clout.



Block L4, Boston Seaport

Indeed, Amazon announced a slew of deals in 2018 besides it headquarters' decision. It took 430,000 sf of tech hub space in WS Development's Seaport project on Boston's waterfront. Amazon will occupy all of the office space in a 525,000-sf building to be constructed on Block L4 of the 7.6-million-sf Boston Seaport development. The new 17-story mixed-use building is being designed by a collaboration of Gensler's San Francisco and Boston offices.

In Bellevue, WA, Amazon signed a 16-year lease with Equity Commonwealth for more than 400,000 sf in the Expedia headquarters tower. It also, at the start of the year, leased the office space in a new mixed-use 162,000 sf building in South Lake Union called 9th & Thomas and owned by the Redman family.

vided by J.P. Morgan and Brookfield Asset Management. The deal was brokered by the Meridian Group. 601W was the borrower.

The Forum Fitzsimons debuted as the first mixed-use transit-oriented development along Aurora's new RTD Aurora/I-225 light rail line. The four-story high-end property includes 297 residential units with 15,000 sf of retail, as well as an attached six-story, 706-stall parking garage.

Developers Pollin Group and Catalina Development Co. worked closely with the city to bring the project to fruition. Situated on a 6.5-acre site within the Fitzsimons Urban Renewal Area, the $118.5-million development will serve a massive medical-oriented community as it is surrounded by the 578-acre Anshutz Medical Campus, the 12.4-million-sf Fitzsimons Life Science District.


Willis Tower

HFF's Chris McColpin and Josh Simon arranged the construction financing through PCCP for the development team, which also included Sightway Capital. Allen Lampert of David, Hicks & Lampert Brokerage is overseeing leasing efforts on the retail portion.

Further north in Washington State, Black Creek Group delivered its planned 1.2-million-sf, two-building industrial park on a 58-acre site it acquired in 2016, after a highly competitive bidding process. Situated on the site of a former saw mill in the Port of Tacoma Foreign Trade Zone, the Tacoma Logistics Center debuted in early 2018 with over half of its space leased by a major third-party logistics company.

The project team also included Nelson Architects, Barghausen Consulting Engineers Inc. and Sierra Construction Co., while Cushman & Wakefield is handling the leasing. KG Investment Management helped manage the construction and continues to manage the property

Cushman & Wakefield's Equity, Debt & Structured Finance team secured $265 million in financing for the development of the Southport Office Campus. SECO Development Inc.'s project will include 727,634 sf of class A office space within three nine-story buildings, more than 10,000 sf of retail and a six-story on-site parking garage.

The C&W team was comprised of Dave Karson, Steven Kohn, Gideon Gil, John Alascio, Chris Moyer and Alex Lapidus. Financing was provided through Apollo's mortgage REIT and Boston-based Baupost, and included an EB-5 bridge facility. The speculative project is located next to SECO's neighboring Hyatt Regency and Convention Center and in close proximity to the Landing, Renton's largest retail outlet at two million sf.

Finally, a number of major deals shined in the Golden State. A number of office deals made headlines though many included relocations, or massive takeups by the usual suspects like Google and Facebook (see sidebar). Online payments processor Square took up all of the office space at CIM Group's Uptown Square in Oakland, amounting to 356,000 sf.

And of course, the state's industrial markets were as active as ever, with millions of sf being filled. In one of the largest leases signed in the first half of 2018, UPS took the entire million-sf


The Forum Fitzsimons


Summit III

The e-tailer also pushed into the bricks-and-stick world with a new kind of store called Amazon 4-Star in New York, where all the items it sells are rated 4 stars and above, are a top seller or are new and trending on Amazon. It also opened an Amazon 4-Star store in the Denver area.

Its experiments with the retail format did not end there. It opened a cashierless convenience store first in Seattle in the company's headquarters and then in New York City's Brookfield Place, in Manhattan's Battery Park City neighborhood. Called Amazon Go, the stores use sensors, cameras and computer vision to charge customers for items as they leave. It has opened others in the US since then including two in Chicago.

Amazon also grew the its warehouse and distribution space exponentially. New fulfillment centers were announced across the nation, such as a $100-million, 855,000-sf facility at Matrix Global Logistics Park in Staten Island, NY; a 1.7-million-sf facility in West Deptford, NJ; an 855,000-sf asset on former US Steel site owned by the Bessemer Industrial Development Board in Bessemer, AL; and a 554,000-sf facility in the Chickasaw Trails Industrial Park, marking its entrance into Mississippi.

Announcements have also been made, or close to being made, for fulfillment centers ranging from 600,000 sf to 2.5 million sf in the Inland Empire, Memphis, Florida, Michigan, Milwaukee, North Las Vegas, Spokane, WA, and Garner, NC, among others.

Tacoma Logistics Center

Industrial company Bixby Land Co. positioned itself for more growth, thanks to an extremely creative and complex credit facility structured by HFF's Newport Beach, CA office. Bixby tapped HFF in 2017 to arrange a programmatic joint venture with an institutional equity partner with the strategy to acquire core-plus industrial assets. After exploring several options, the HFF team of Kevin MacKenzie and Brian Torp reached out to several strategic life insurance companies that could provide a flexible solution to provide potential creative alternatives to bank options.

W/D facility at 11281 Citrus Ave. in Fontana, taking the last building within Alere Property Group's master-planned Citrus Commerce Center development.

In Victorville, Newell Brands Inc. inked a $50-million deal for over a million sf at Southern California Logistics Distribution Centre 3. Stirling Capital Investments LLC owns the property, located at 17182 Nevada. CBRE's Darla Longo, Barbara Perrier, Jay Dick and Dedrik Pharis hammered out the deal for both parties.

The Southport Office Campus

FACEBOOK LIKES KEY LOCATIONS ACROSS US

Facebook has quietly become a powerhouse user in the commercial real estate sector, leasing millions and millions of square feet. In its hometown of the San Francisco Bay area its leases so far this year have totaled well over 3.7 million sf. All told it has well over 6 million sf in leased or owned property in the Bay Area. But Facebook has expanded well beyond is San Francisco roots, having absorbed a good deal of space in multiple cities around the US.

To be sure, many of these leases are in Facebook's home state of California, such as Burlingame Point, a new 803,000-sf office campus under construction that finalized an agreement with Facebook to lease the entire project.

Situated on 18.13 acres on the edge of the San Francisco Bay, Burlingame Point is a best in class office development by Kylli, a wholly-owned subsidiary of China-based Genzon Investment Group Co. The brand new project instantly doubled overall office inventory in Burlingame, which has not had any new office/R&D development in over 20 years. In addition, this deal represents one of the largest leases ever on the San Francisco Peninsula. Brokers included Cushman & Wakefield's Mike Moran and Clarke Funkhouser and JLL's Erich Sengelmann and Gregg Walker.

Another California lease secured by Facebook was at the Park Tower at Transbay in San Francisco, a 43-story, 764,700 sf office developed by MetLife, John Buck Co, and Golub & Co.

In the 2nd quarter of 2018, the Park Tower team signed the largest lease in San Francisco office market history with Facebook for the entirety of the project. With JLL brokering the deal, key contributors included Ben Kochalski from The John Buck Co., Joel Redmon from MetLife and JLL's Chris Roeder, who represented the landlord, and Ze Figueirinhas from JLL, who represented Facebook. The project was built by Clark Construction and designed by Goettsch Partners and SCB.

In Sunnyvale, Facebook leased three buildings at Moffett Towers II, a five-building project that will total 1.7 million sf when complete.

The one-million-sf lease was one of the largest leases the social media giant signed for the year and brought the project, which was developed by Jay Paul Co., to full occupancy. brokerage Newmark Knight Frank was the broker, with the team led by Philip Mahoney.

In Fremont, Facebook signed a lease for 14 buildings totalling 750,000 sf that are owned by Peery Arrillaga. The move to Fremont was in part to accommodate its East Bay commuters.

Facebook also took 450,000 sf at The Village at San Antonio Center in Mountain View, a mixed-use office and residential campus that was developed by Merlone Geier Partners, but leased through WeWork. Originally, Facebook was only going to take one of the two office buildings but ultimately secured leases for both buildings through WeWork.

In Newark, CA, Facebook took 225,679 sf in the Morton Commerce Center, a 605,000-sf industrial

Totaling $180 million, the seven-year, full-term interest-only facility provides the partnership the ability to add assets for up to 24 months and the ability to fix or float the interest rate for any portion of the loan at the pool level. The lender was an undisclosed correspondent life insurance company.

A $630-million construction loan allowed work to begin on the Grand, a Frank Gehry-designed, mixed-use development on Downtown's Grand Avenue. Related Cos. is building the $1-billion project with CORE USA, a JV of China Harbour Engineering Co. and CCCG Overseas Real Estate. Deutsche Bank served as the Lead Arranger and Administrative Agent.


The Grand

In San Francisco's financial district, Golden Gateway Center SPE LLC took out a $550-million fixed-rate loan for the Gateway apartment complex. The 10-year debt was provided by Deutsche Bank and Bank of America. A Paul Hastings LLP team of Jeffrey Diener, Jane Song, Eric Keller, Adam Bulkley, Jennifer Iacono and Steven Mare worked out the financing. The complex features 1,254 units in 12 buildings, 58 townhomes, 62,000 sf of retail space and 916 parking spaces.

The Renaissance Rialto had a great year in 2018 with the completion of an 855,000-sf industrial building and the Grand Opening of Renaissance Marketplace, a 430,000-sf lifestyle center with shopping, dining and an upscale theatre.

Hillwood's John Magness and Scott Morseare leading the development team, which also includes Bryan Goodman and Glen Crosby of the Lewis Co. The 534-acre master-planned development, which is located on the site of the former Rialto Municipal Airport and one of the largest public-private partnerships in the Inland Empire.

And in one of the most interesting deals of 2018, the Sterling Organization doubled its money in one day on the sale of a 7,634-sf parcel at 456 N. Rodeo Drive in Beverly Hills. A subsidiary of luxury brand retailer LVMH paid $110 million for the

park that is being developed by Overton Moore Properties Facebook is taking space in one of the four buildings in the park. John McManus, a Cushman & Wakefield broker, is handling leasing for Overton.

Facebook also took 225,654 sf in the East Bay in the three-building Gateway 84 complex.

Panattoni Development Co. and Clarion Partners developed the 400,000-sf project and JLL is handling the leasing.

In Los Angeles, Facebook signed more than 260,000 sf across two leases at a creative office complex called the Brickyard in Playa Vista that was developed by Tishman Speyer.

Facebook was busy on the East Coast as well in 2018. In New York City it took 78,000 sf at Vornado Realty Trust's 770 Broadway, expanding its footprint in the building to 513,000 sf.

In another Vornado building, 770 Broadway, Facebook expanded to a total of 880,000 sf, taking an extra 370,000 sfin the building.

JLL's Rob Martin, Joe Messina and TJ Hochanadel represented J.Crew, which had been bought out to make room for Facebook.

Facebook also leased 870,000 sf at 63 Madison Ave., a NoMad property owned by Loeb Partners Realty, George Comfort & Sons and Jamestown.

At 335 Madison Ave., Facebook grabbed 40,000 sf for a full-floor at Milstein Properties' tower, which is called The Company Building. Milstein is investing in a $150 million renovation of the building.

In Chicago, the John Buck Co. inked a 253,000 sf lease with Facebook at its new 35-story, 807,000 sf CNA Center.

Cushman & Wakefield represented Facebook in the transaction and Bill Rolander and Jon Cordell of Newmark Knight Frank represented John Buck.

In Pittsburgh, Facebook took the entire 105,000 sf District 15 office building located in the Strip District. The $23 million 4-story building is being constructed by RDC Design + Build and Orangestar Properties.

In Denver, Facebook leased 22,800 sf at Union Station, taking over the entire seventh floor at the 17-story building. CBRE broker Chris Phenicie represented the landlord in the deal.

In Austin, Facebook leased all of Domain 12, a 320,000 sf, 17-story office building under construction at the Domain mixed-use project in North Austin, which is being developed by TIER REIT and Endeavor Real Estate Group.

In Seattle, Facebook leased 630,000 sf at the Dexter project, which is under construction to deliver two 12-story buildings and a 15-story tower with 500,000 sf. BioMed Realty and Kilroy Realty are developing the buildings.

In Bellevue, Facebook leased 85,000 sf across two central business district buildings owned by Kilroy Realty. It also signed a 14-year lease in Wright Runstad's & Shorenstein's 11-story Block 16 in the city's Spring District for 338,000 sf of office space.

In Washington, DC, Facebook quietly signed 75,000 sf at the 11-story Terrell Place, which is owned by Beacon Capital Partners and consists of three adjacent buildings at the corner of Seventh and F streets NW.

GOOGLE'S SEARCH FOR SPACE YIELDS MANY RESULTS


210 N. Carpenter St.


Chelsea Market

Since the start of their careers, Doug Harmon and his team have abstained from submitting their transactions for any award recognition, but with a deal of this size and nature, Cushman & Wakefield has decided to submit this deal on the team's behalf to honor their impressive ac-complishments in 2018.

In February 2018, Cushman & Wakefield's Harmon, along with Adam Spies and Kevin Donner, represented Jamestown LP in its sale of Manhattan's Chelsea Market to Google. The tech giant purchased the mixed-use property, located on full block on Ninth Avenue, for $2.4 billion.

The all-cash transaction was the largest deal in Manhattan last year and one of the most iconic in history, as it was the largest single asset sale in New York City to date. Google was advised by the Fried Frank team of Robert Sorin, Zachary Bernstein, Michael Werner Team: Steven Czurlanis, Joshua Katz, Stephanie Spell and Nicholas Williams.

The 1.2-million-sf Chelsea Market is adjacent to Google's New York headquarters at 111 Eighth Ave., one of the city's largest buildings that Google purchased from Jamestown, Taconic Partners and New York State Common Retirement Fund in 2010 for $1.9 billion.

With ownership of both 111 Eighth Ave. and Chelsea Market, Google is able to create an "urban campus" in one of the best submarkets in the country. Beyond meeting the needs of both Jamestown and Google, the sale of the 1.2-million-sf asset demonstrated that the Manhattan real estate sales market has not lost its strength.

The long-term real estate commitment that Google made to Manhattan serves as further proof that New York City is both the present and the future home for technology innovation and the most fertile ground for companies to win the war on talent. In fact, late in 2018 Google announced plans to open its own enormous campus in Lower Manhattan, taking up some 1.7 million sf. Google's three-building Hudson Square campus represents some $1 billion in in-vestment by the company, which signed a letter of intent to move into Oxford Properties and CPPIB's St. John's Terminal, a 1.3-million-sf redevelopment of a former rail facility. It also made commitments at two nearby buildings, 315 Hudson St. and 345 Hudson St.

While the Chelsea Market deal marks 2018's largest sale, later in the year Google also made a huge play on the other coast of the US that many say is the second largest sale of the year.

The global company also paid $1 billion for Britannia Shoreline Technology Park, a 51.8-acre asset about a block from its existing headquarters in Mountain View, CA. HCP sold the two-building, 800,000-sf complex, gaining $700 million in the deal.

Around the same time, the tech behemoth leased 300,000 sf at the Landmark at One Market building. The tower, owned by American Assets Trust, previously housed the headquarters of Salesforce.

Google took another 132,000 sf of offices in Chicago at 210 N. Carpenter St., a Sterling Bay development. The 12-story building is close to the company's Midwest headquarters at 1000 W. Fulton Market, where it fills 372,000 sf.


Burlingame Point

Renaissance Rialto

sourced 456 N. Rodeo Dr. in an off-market capacity.

Closed in March, the deal represented the most expensive per-sf price paid for a retail asset in the US last year, at $17,742. Later in the year, LVMH bought the asset next door, paying $245 million, or $11,011 per foot, for a 22,250-sf retail space at 468 North Rodeo Dr.

456 N. Rodeo Dr.

site, which includes a 6,200-sf vacant single-story building and a 1,500-sf parking lot. The day prior,

The day prior, Sterling bought the asset from the Karl B. Schurz Trust for $55 million through a highly structured off-market transaction in which the company signed a 30-year ground lease with a fee interest purchase option. It originally intended to sublease the space to LVMH, but the latter opted to purchase it instead. Sterling's Brian Kosoy and Jonathan Mendis

CO-WORKING: CHANGING BUT HERE TO STAY

Co-working and flexible office leases continue to be a real estate juggernaut, especially in New York City, which leads the non-traditional office space market in the US. Last year, WeWork became the largest private occupier of office space in Manhattan. When the co-working giant hit 5.3 million sf in leases, it surpassed JPMorgan Chase which had been the borough's largest office tenant. A Cushman & Wakefield report noted co-working companies' leasing totals about 13 million sf. So, although co-working represents only approximately 3% of Manhattan's office space because the stock is so large, small percentages can still represent a significant amount of space.

According to the Office of the State Controller in New York, there are approximately 550 million sf of total office space in New York City. The three largest business districts are Midtown, Midtown South and Downtown—all targeted areas of co-working operators.

Hudson Yards, the largest private development in the history of the US spans 28 acres. The $25 billion development adds another 18 million sf of commercial and residential space to Manhattan. As businesses leave office space to head to the new product on the West Side, that's more inventory that could go flexible.

A Yardi Matrix December 2018 special report titled "Shared Space: Disrupting the Traditional Office" set forth the largest US markets for co-working, after Manhattan. It listed Los Angeles with 4.7 million sf, San Francisco with 3 million sf, followed by Dallas and Seattle both tied at 2.2 million sf.

In January 2019, a CBRE report stated co-working accounts for more than 25 million sf in the top 30 office markets across the US. Although some industry watchers see non-traditional office spaces as a trend, most experts see it as here to stay in some form or another. Traditional stalwarts in the industry are accommodating new leasing arrangements. Savills has set up an online brokerage service Wethere to help tenants find flexible space. CBRE launched Hana, a service to help institutional property owners with flex space.

The top five co-working office space operators by number of locations, according to the Yardi Matrix report are (1) Regus, 782 locations, 17,360,872 sf (2) WeWork, 227 locations, 13,422,918 sf (3) Premier Business Centers, 83 locations, 1,561,947 (4) Knotel, 64 locations, 1,236,263 sf (5) Industrious, 55 locations, 1,261,770 sf.

The real estate market intelligence company notes in its report that the non-traditional office sector "is in a nascent phase, so the pace of growth is likely to pick up in coming years."

AdIndex

This advertising index is provided as an additional service. While every attempt has been made to this as complete as possible, listing accuracy cannot be guaranteed.