

## Commercial Real Estate News

6/11/10



### **New York:**

145 East 57th Street, the Hammacher Schlemmer Building, sold for \$34 million (\$544 per square foot). The boutique retail and office property has been acquired by a Brazilian real estate developer. Jenel Management Corporation sold the building citing robust demand as the motivation for selling.

### **Washington, DC:**

A victory for Tishman Speyer this week. Tishman Speyer purchased a 28-asset portfolio of office buildings in the DC area, known as the CarrAmerica portfolio from Blackstone Group in 2006 for \$2.4 billion. Brookfield Properties Corp. controlled a \$570 million piece of debt on the portfolio. In August 2009 Tishman defaulted on the loan and Brookfield began foreclosure proceedings in April. With a pending June 15 foreclosure auction Tishman and equity partner SITQ were able to recapitalize the portfolio by paying \$700 million to pay off \$600 million in Brookfield debt and interest with the remaining \$100 million used for capital improvements.

### **San Francisco:**

In the biggest deal since 2007 in San Francisco, an office tower sold (and closed) this week for \$333 million (\$507 per square foot) to a group of South Korean investors. Korean Teachers' Credit Union and Korean Federation of Community Credit Cooperatives were among the buyers of 333 Market Street in the financial district, a 33-story building occupied by Wells Fargo. Principal Financial Group was the seller who had bought the building from Wells Fargo for \$370 million in 2006. Wells Fargo provided a \$200 million 4.5% loan to the buyers. The capitalization rate for the transaction is reported to be close to 7 percent.