



Savanna sells \$81 million senior note

July 30, 2012 - Financial Digest

According to Savanna, it completed the sale of a senior interest in a \$157.7 million note secured by three class A trophy-quality office buildings, totaling 1.4 million s/f. The buildings are part of a larger 10 building portfolio located in the Rosslyn section of Arlington, Va., owned by a joint venture between Monday Properties and Goldman Sachs's U.S. Real Estate Opportunities Fund. The first two buildings, located at 1000-1100 Wilson Blvd., are two interconnected, elliptically-shaped high-rise office towers totaling 1.1 million s/f. The third property, located at 1101 Wilson Blvd., is a 19-story, 326,000 s/f class A high rise office building.

Savanna acquired a part of the larger first mortgage, collateralized by the Rosslyn Portfolio at a discount to par value, in a direct transaction with a Wall St. investment bank seeking to recapitalize its balance sheet in 2008. The \$157.7 million note has been split into a junior and senior interest. Savanna will retain the \$76.7 million junior note, with the \$81 million senior note piece sold in this transaction to a separate account managed by Apollo Global Real Estate. The underlying assets are stabilized, trophy office buildings. The borrower was Monday Properties.

The transaction was arranged by Nicholas Seidenberg, Collins Ege, Sean McDermott, Clint Frease, and Philip McKnight of Eastdil Secured. Savanna was represented by the law firm of Cole, Schotz, Meisel, Forman & Leonard, P.A.

"We are pleased that Apollo Global Real Estate has purchased the senior note and has confidence in the strength of this trophy asset," said Tom Farrell, senior associate at Savanna. "This sale's proceeds have paid off the bank seller financing we utilized to acquire this position and allowed us to hold the remaining balance to maturity, guarantying a great return for our investors."

The Rosslyn Portfolio features one of the strongest office locations in the D.C. Metro Area, facing directly across the Potomac River towards the Kennedy Center for the Performing Arts, the Lincoln Memorial, and the National Mall.

Notable tenants include Raytheon, Aerospace Industries Association, Sands Capital Management, SRI International, the U.S. Department of Labor, the U.S. Department of State, and a number of other government related organizations.

Formed in 1992, Savanna is an institutional real estate private equity firm and asset management company based in New York City and run by Managing Partners Christopher Schlank and Nicholas Bienstock. The firm pursues opportunistic real estate equity and debt asset investments throughout the northeastern United States, focusing on directly owning and operating properties in New York City and the Washington, D.C. metro area. The firm's equity investments target superior risk-adjusted returns by adding value through asset management and/or property development, redevelopment, and repositioning. Savanna also selectively invests in real estate debt instruments that have the potential to generate equity-like returns, including preferred equity instruments, high

yield bridge and mezzanine loans, and B-notes. Since inception, Savanna has invested more than \$2.6 billion in total capital across 17.3 million square feet of real property across multiple asset classes and locations, representing \$3.8 billion in total capitalization.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540