



BGC Partners, Inc. acquires ARA and its members

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BGC Partners, Inc. has entered into agreements to acquire Apartment Realty Advisors (ARA) and its members representing substantially all of ARA's revenues. ARA is the nation's largest privately held, full-service investment brokerage network, focusing exclusively on the multi-housing industry. The acquisitions are expected to significantly drive NGKF's growth within the multi-housing capital markets space. BGC expects the transactions will be immediately accretive upon closing. The acquired companies will be purchased for a total cash consideration of \$110 million when the closings are complete. Additional cash and equity based earn-outs may be paid if certain performance targets are met in future periods. After the closings, they are expected to generate annual revenues in excess of \$100 million and pre-tax distributable earnings in excess of \$20 million.

The transactions, which are each subject to certain closing conditions, are expected to close in stages with a majority[1] expected to close during the fourth quarter of 2014.

"Acquiring ARA and its members represents an attractive opportunity for NGKF and will substantially add to the revenues and earnings of our real estate capital markets business," said Howard Lutnick, chairman and CEO of BGC Partners. He continued: "We expect ARA to strengthen NGKF's position as one of the top commercial real estate advisory firms and further add to the value and importance of real estate to BGC's overall business."

"ARA represents the gold standard within the United States for the sale and financing of multi-housing properties, evidenced by its recent number two ranking in multi-family sales by Real Estate Alert," said James Kuhn, president of Newmark Grubb Knight Frank, and head of the NGKF Capital Markets platform. "ARA has built a strong presence in key markets such as Texas, Florida, Northern California, Colorado and the Carolinas, each of which have seen significant population and job growth, and with offices in 28 cities they are well positioned for continued success and future growth. We look forward to working alongside ARA and significantly adding to our growing capital markets business."

With approximately 100 brokers and with offices nationwide, ARA is a leading industry name in the multi-housing sector. ARA completed more than \$3.3 billion in multi-family sales in the first six months of 2014, representing an increase of 42 percent year-on-year, according to Real Estate Alert's ranking, which tracks commercial sales in excess of \$25 million. The report ranked ARA the second largest firm in multi-family transactions and the Company believes that the combination with NGKF will make the firm even stronger.

Mr. Kuhn, who led the acquisition effort, added: "We are pleased to welcome ARA as part of the NGKF family. The multi-housing market is a highly attractive one, as apartment construction has grown at more than three times the rate of single family housing over the past five years according

to the U.S. Census Bureau. ARA's recent volume growth has outpaced the overall commercial sales market, making it a compelling business proposition and a strong strategic fit for our capital markets platform."

"We are delighted to announce this agreement with BGC and to join with Newmark Grubb Knight Frank as we work together across the capital markets spectrum. The combined resources will prove of great benefit to our business, our employees and, most importantly, to our clients," said Blake Okland, Chairman of the Executive Committee of ARA and Principal of ARA's Carolinas member.

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