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Landmarks

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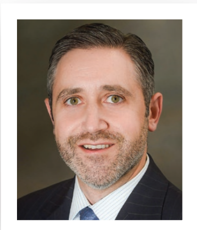
Tackling Real Estate Portfolio Deals: You Take the Good, You Take the Bad



Lee Korland

There continues to be very strong demand for high-quality commercial real estate. From 2011–2015, the volume of commercial real estate transactions nationally grew at an annualized rate well in excess of 10%, and projections for the next 24 months suggest that transaction activity may again approach the levels seen at the height of the market back in 2007. While there is a combination of factors that have fueled this resurgence, including historically low interest rates, reduced vacancy, rental growth following years of stagnation, and large amounts of capital looking to be placed, the end result has been clear… much greater competition among potential purchasers that are chasing deals and a spike in prices being paid. The biggest challenge many real estate investors are facing is that there are just too few well-positioned assets being marketed for sale, and there are just too many other bidders looking to buy these properties at extremely aggressive prices.

For many buyers looking to pursue new investments in such a competitive market, the primary tactic being used to secure potential acquisitions is through multiproperty portfolio deals. From a seller's perspective, portfolio deals allow for the sale of struggling and less desirable properties that are often pooled together with prized, high-demand assets. Portfolio sales also potentially reduce the time and transaction costs that might otherwise be required to sell numerous individual properties on a one-off basis. For a buyer that might otherwise be outbid on a single property, portfolio transactions can provide greater potential returns and possible discounted pricing based on the volume of the overall deal. Of course, the buyer is then often stuck acquiring additional challenged real estate that may be in a poor location, have environmental concerns, require retenanting or redevelopment, or have other red flags.

Structuring a Portfolio Transaction

Whether a deal involves two properties or 20 or more properties, acquiring multiple properties brings about many additional challenges and unique considerations than are encountered when just a single asset is being purchased. Perhaps the biggest initial question the parties will face is if the portfolio transaction will be an all-or-nothing deal. A seller typically wants to ensure that a buyer is going to acquire each property in the portfolio, effectively being forced to take the good with the bad. From a buyer's perspective, they may need the flexibility of being able to drop one or more assets from the deal, especially if circumstances arise that are beyond the buyer's control.

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For example, if a piece of real estate is subject to a casualty or condemnation action, can the buyer kick out that property from the deal? Similarly, what if previously unknown environmental contamination is discovered, a major anchor tenant at a certain property was to declare bankruptcy during the course of the transaction and look to terminate its lease, or the seller provided inaccurate representations in the purchase agreement as to a specific property? In all these circumstances, a buyer may want the right to remove a property from the deal so as to avoid incurring significant transaction expenses only to have one unexpectedly "rotten apple" spoil the entire deal right before closing. Conversely, a seller would push to force the entire portfolio to remain a package deal, especially since the best assets are typically priced at some discount, and it is that very discount that is intended to compensate for the added risk surrounding the less desirable properties that a buyer is expected to acquire.

The parties also need to determine if a straightforward real estate transfer is most appropriate, or if the transaction should be structured as a stock or membership interest purchase where the actual ownership entities are acquired. This issue is often largely dependent on how the selling entities are owned and structured. The parties should also carefully review the tax considerations that come into play, the buyer's proposed debt and equity sources, and if there will be an assumption of any existing loans or other liabilities.

Another key issue to initially address will be how the aggregate purchase price is allocated across the various properties. Again, prime assets will often sell at some discount in exchange for the purchase of second-class assets that are in the portfolio. However, it may make sense to spread the total pricing across the properties in a manner that better promotes tax and transaction cost efficiencies. For example, transfer tax rates, title insurance premiums, and mortgage tax applicability vary across jurisdictions and should be considered when allocating pricing.

> *"It is not uncommon for portfolio buyers to have only 30 to 60 days (and sometimes even less) to review all aspects of a pool of properties, including title status, environmental, property condition, zoning and leasing matters."*

Furthermore, current and future real estate tax rates and property assessment values should be reviewed across the portfolio so as to not inadvertently trigger significant property tax increases on certain assets.

The structure of the selling entities across the properties will also be an important factor in negotiating a portfolio transaction. Should there be a seller default during the course of the transaction, or should there be a post-closing breach of a representation or warranty made by a seller, a buyer will typically push to have all the selling entities jointly on the hook for any potential liability. However, if all the selling entities have ownership structures that don't mirror each other, or if the selling entities are part of a joint venture among unrelated parties, then those selling entities may be unwilling to allow for joint liability.

Juggling Due Diligence and Loan Issues

Perhaps the greatest challenge on a sizable portfolio transaction is coordinating the due diligence needed to review a large number of properties in what is often a very condensed period of time. It is not uncommon for portfolio buyers to have only 30 to 60 days (and sometimes even less) to review all aspects of a pool of properties, including title status, environmental, property condition, zoning and leasing matters. Given these time constraints, it is crucial to have your diligence team assembled quickly and to rely on a team of third-party service providers that can facilitate the process, while also maintaining comprehensive diligence checklists throughout the transaction. Also, to the extent the properties are spread across several different states, then local counsel may need to be obtained at the outset of the deal.

If much of the necessary diligence materials can be compiled and thoughtfully organized by the seller when the properties are first being marketed for sale, that can also help streamline the diligence process.

To avoid getting bogged down by the vast amounts of information to be reviewed and synthesized in such a short period of time, it is important that buyers focus on those crucial issues unique to the portfolio that may present the greatest risk of exposure or lost value. Each deal may have different primary considerations that demand immediate attention, whether it is focusing on potential third-party or tenant purchase rights, property condition matters, opportunities for add-on development, or potential leasing issues (including violations of existing tenant exclusives, ongoing co-tenancy requirements, and leakage on tenant reimbursements of property expenses). The key is understanding what those critical issues may be on each different portfolio deal very early in the process. Many of these issues can also be examined during diligence through estoppel requests, although sellers will typically push to limit any estoppel requirements that might otherwise impede a potential closing.

Financing is another key item typically addressed during diligence, although many buyers will have this largely resolved even before bidding on a portfolio so as to make the buyer's bid more attractive. If a large equity raise is required, if many different lenders will be involved on the transaction, or if existing loans are being assumed, this can make the overall deal much more complicated and can add to the time and expense necessary to get the deal closed.

Getting Over the Finish Line

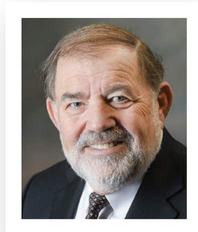
Closing portfolio transactions presents another unique set of issues. Depending on the number of properties involved, the sheer volume of closing documents to be signed and delivered may require lengthy planning and careful coordination. Also, will all the properties close simultaneously (which may be imperative on an all-or-nothing deal), or will there be a staggered closing in stages? Many buyers often look to immediately flip portions of a portfolio to unrelated third parties, which then also brings additional parties to the closing table and may complicate funding issues and the closing process.

Furthermore, the greater the number of properties that are part of the portfolio, the greater the chances are that there may be ongoing work or repairs at a property at the time of closing, or that new leases are in the process of being put in place as closing occurs. Accordingly, the parties may need to address whether seller will retain, or buyer will assume, the responsibility for some or all of such ongoing work and tenant leasing costs. Additionally, Mechanic's Lien issues will need to be resolved from a title insurance and lender approval perspective based on any such ongoing work.

As portfolio transactions continue to be prevalent in the market, buyers can realize significant gains but will also face many unique obstacles and risks to be overcome that are not typically found on sales of single properties. With careful planning and a strong team in place to manage the transaction, portfolio deals offer the chance to acquire prized assets that might otherwise be difficult to secure in today's real estate market.

For more information, please contact **LEE KORLAND** at lkorland@beneschlaw.com or (216) 363-4189.

Charitable Gifts of Real Property



Howard A. Steindler

I. Introduction

By its nature, a transaction involving the gifting of real property to a charitable organization is highly technical. It requires the expertise and cooperation of a number of participants with specialized knowledge—not unlike any complex real property transaction.

As with all transactions, it is important to "get it right." Errors involving the contribution can easily destroy the intent and benefits of the transaction itself. In some cases, there is simply no middle ground—for tax purposes, the transaction either qualifies or fails to qualify for the intended purpose of providing a charitable tax deduction. Therefore, the transaction needs to be carefully structured and technically correct. This always requires the specialized contributions and cooperation of the professionals involved in the transaction. Generally, these professionals include a real estate lawyer, a tax lawyer or a tax accountant, and a real estate appraiser. Further, if the gift is of an equity interest (such as stock, partnership or LLC interest), as opposed to the real property itself, a corporate transaction lawyer's involvement may be required. Of course, there may be ancillary parties to the transaction required as well, such as a title company, surveyor, environmental consultant, etc.

II. Transaction Objectives

As is always the case, the objectives of the transaction need to match and conform to the objectives of the parties:

(a) From the perspective of the Donor (the contributor of the asset), the objectives generally involve the conveyance and gifting of owned real property (or the equity interest that owns the real property) to a charitable or similar organization that affords the owner a charitable tax deduction. In some instances, this may involve and include retained interests such as easement rights, leasehold rights, property restrictions, etc.

(b) From the perspective of the Donee (the charitable recipient) (i) the transaction always involves the acknowledgment of the receipt of the real property or equity interest, (ii) the assets conveyed must be of a nature and value so that the transaction and the receipt of the gifted property are consistent with the fundraising or other objectives of the Donee, and (iii) the Donee must be in a position and have the staff and ability to accept, manage and operate (if required) the property and perhaps, at some point, sell or otherwise liquidate the property.

(c) From the perspective of the appraiser, the transaction will require the preparation and delivery of an appraisal that must satisfy the IRS reporting and appraisal requirements necessary to provide the contributor of the interest with a charitable tax deduction through the determination of the fair market value of the interests conveyed, which may also include personal property (tangible and intangible) related to the contributed real property.

III. Transaction Structure

Not unlike other transactions involving the transfer of real property, the most common structures for the conveyance are through the transfer of (a) the equity interests in the property by and through the conveyance of that interest itself (i.e., the transfer of stock, partnership interests, LLC interests, etc.) or (b) the real property itself by and through a deed transfer and (c) a bill of sale or similar assignment of any contributed

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Charitable Gifts of Real Property

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personal property. There may also be a requirement for ancillary transfer documents such as contract assignments, leasehold assignments, third-party consents and the like.

As the transaction is essentially an acquisition and disposition of property interests, many of the same concerns that are present in a noncharitable transfer are present in a charitable transfer. Therefore, matters such as the quality of the property being transferred, the status of title, the environmental condition of the property, the costs of maintenance and operation, third-party exposures, etc., may be as relevant in the charitable contribution setting as they are in a garden variety sale of real property.

If the transaction is a conveyance of an equity interest, then the recipient, in this case a charity or similar not-for-profit organization, will most likely require the same kind of protections and undertake the same kind of due diligence that it would undertake in a purchase-and-sale transaction. Although, in most cases, the transaction will take the form of an "as-is" transaction with few, if any, indemnities, warranties and representations flowing from the Donor to the charity. Assuming that the property being conveyed to the charity has significant value, the contractual exposure of the Donor to the charitable recipient is significantly limited as compared to a bargain-and-sale transaction where a purchase price and/or other consideration is flowing from a buyer to a seller.

IV. Tax Implications

The tax lawyer and/or the tax accountant will need to closely review and track the transaction to ensure that the Donor receives the benefit of the charitable tax deduction it expects to receive and to which it is entitled. The issues involved with the charitable tax deduction resulting from the gifting of real property can be highly technical and complex and, in many respects, are similar to the issues involved in structuring and supporting any other tax deduction. It is necessary to qualify and quantify the deduction and to strictly conform to the applicable requirements of the Internal Revenue Code and regulations.

The tax lawyer and/or the accountant need to determine the value of the income tax deduction, whether the income of the contributor is sufficient to receive the full deduction in the year of the contribution, whether the deduction can be carried forward or backward to other years and, of course, the preparation and filing with the taxing authorities of the necessary tax and governmental return(s) and related forms.

V. Appraisal

The appraisal required by the applicable provisions of the Internal Revenue Code and Treasury Regulations is highly technical and requires strict adherence to the appraisal requirements. The appraisal is required to support the value of the property being contributed or the equity interest or the real property interest, as the case may be.

The appraiser needs to be a qualified appraiser pursuant to the applicable regulations, and the appraisal must, of course, satisfy these regulations as well. The appraiser must be thoroughly trained in the application of appraisal principles and theory. The appraisal must contain a complete description of the property and include the physical features, condition and dimensions of the property. The appraisal should also indicate the use to which the property is put, zoning and permitted uses as well as its potential use for higher and better uses. Retained rights of the contributing party as well as imposed restrictions on the use, sale or other aspects of the transaction and/or property will affect, and may decrease, the fair market value appraisal.

The methodology used by the appraiser in determining the fair market value of the real property interests, (or the equity interests, as the case may be) includes substantially the same tests that are present in connection with real estate appraisals in general: (a) Comparable Sales, (b) Capitalization of Income, and (c) Replacement Costs. The objective, of course, is to determine the fair market value of the interest being contributed, which is essentially the value that a willing buyer would pay to a willing seller for the gifted interests after consideration of all relevant factors.

VI. Practice Tips/Helpful Provisions

Most charitable and other not-for-profit organizations have their own forms of Donation Agreements and related transaction documents. However, it is highly desirable for counsel for the donating party to prepare the first draft of the transaction documents. Many of these documents are similar, and in some respects identical, to the agreements and forms employed in a noncharitable purchase and sale transaction between unrelated parties. The primary differences among these charitable gift forms and the more customary purchase and sale agreements are that there is no consideration (assuming it is not a "bargain sale transaction") flowing to the contributing party by the charity, plus there are various specialized provisions to reflect the charitable nature of the transaction and the protection of the desired tax deduction. The specialized provisions are worth noting and include the following:

(a) **IRS Determination Letter** – As part of the due diligence process, counsel for the contributing party must confirm that the Donee is a recognized charitable or related exempt organization that can provide the required and desired tax deduction as evidenced by an IRS Determination Letter. In addition, counsel for the Donor should confirm that the IRS Determination Letter is current and in "good standing" as of the date of the closing of the transaction, i.e., the effective date of the gift. This can be accomplished through a direct review of the IRS Publications and supported in the Donation Agreement by the Donee's warranties and representations. Current status can be ascertained using this link. The search is best accomplished using the Donee's EIN.

(b) **Disclaimer as to the Condition of the Property** – Whether the transaction is an equity or asset transaction, the Agreement should make it clear that the assets are being transferred on an "as-is" basis with only the minimum of carveouts (title, environmental, authority to convey, etc.) and those carveouts should be on a knowledge basis.

(d) **Acknowledgement Letter** – For the purposes of the Donor being able to support and evidence the contribution of the property, the Donee should execute and deliver to the Donor an Acceptance Letter acknowledging receipt of the gift of the property.

(d) **Donee's Warranties and Representations** – The Donee should provide to the Donor in the Agreement warranties and representations in connection with the Donee's IRS exemption, in addition to the standard acknowledgments as to its investigation and acceptance of the "as-is" condition of the property subject to the gift.

(e) **IRS Form 8283** – The Donor will be required to complete and file IRS Form 8283 (with its Federal Income Tax Return), which must be signed and completed, in part, by the Donor, Donee and the Appraiser.

(f) **Future Restrictions** – Counsel for the Donor should consider including in the Donation Agreement various restrictions in connection with the property, keeping in mind that restrictions may have the effect of decreasing the fair market value of the property and thus lowering the desired tax deduction. These restrictions may involve and/or restrict future use and/or other rights with respect to the property including "naming rights" limitations. These restrictions may also include a "no-sale" provision for a limited period of time.

(g) **Further Assurances** – In the event of an audit by the IRS, the cooperation of the Donee may be required and, in all events, helpful. Therefore, the Agreement should contain clear and strong "Further Assurance" and "Cooperation" clauses requiring the future cooperation of the Donee.

(h) **The Deed** – In most instances, the Real Property deed in an asset transfer transaction is either a Quitclaim Deed or a Limited or Special Warranty Deed (as opposed to a General Warranty Deed).

(i) **Operation Issues** – The Donee may not have qualified persons in place to manage the contributed assets and become involved in the decision-making process prior to and after the closing. With respect to these matters, it can be helpful to have both the Donor and the Donee appoint in the Donation Agreement representative individuals within each organization to manage and resolve these issues.

VII. Conclusion

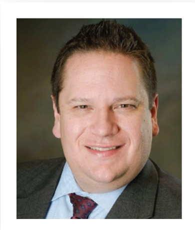
The above is a summary of some, but not all, of the more basic issues and requirements involving gifts of real property interests for charitable purposes. Transactions of this kind should be considered where the circumstances justify gifts of this nature, keeping in mind that the transactions can be highly technical, but can be accomplished if properly structured, documented and implemented.

For more information on this topic, please contact **HOWARD A. STEINDLER** at hsteindler@beneschlaw.com or (216) 363-4560.

Details Matter: Error Costs Taxpayer $19.2 Million Deduction

A millionaire real estate developer donated real property worth $19.2 million to a charity without seeking proper advice. He failed to properly substantiate the gift that cost him the tax deduction. He completed the IRS Form 8283 without reading the instructions. Instead of seeking an independent appraisal, he appraised the properties himself, a violation of the regulations. Then he failed to sign the Declaration of Appraisal since the donor is prohibited from doing so. Despite that huge clue, he still did not read the instructions. The IRS was not at all sympathetic. No word on whether the charity noticed the missing signature or obtained a copy of the appraisal before it acknowledged the gift. While charities should not act as tax counsel for a donor, there is a certain amount of diligence that should be done before accepting a gift and acknowledging it.

Growing Locally—The Significance of Local Economic Development Incentives in Spurring Capital Investment



Chris L. Connelly

Although they don't always garner the headlines that federal and state incentives do, local incentives are a critical item in the economic development toolbox, and can often be difference makers in real estate transactions and development projects. Understanding these local tools is important for both private and public sector entities. For developers and investors, real property tax exemptions, tax increment financing (TIF) and other local incentives can carry significant value, and can often help determine where development occurs. For local political subdivisions, the development of competitive incentive programs can help grow the local tax base and attract and retain jobs in the community. Some of the most significant local tools in Ohio are described below. Although this article focuses on Ohio, similar local incentives are available in other states.

Real Property Tax Exemptions

Real property tax exemptions are popular for investments in real property. In Ohio, there are two main programs that offer real property tax exemptions: the community reinvestment area (CRA) program and the enterprise zone (EZ) program. Both CRAs and EZs can provide for an exemption of up to 15 years, 100% on certain increases in real property value as a result of a project. For EZs, all increases in assessed value, including inflationary increases in real property value and nonstructural improvements (e.g., parking lots, greenspace) may be exempted. CRA exemptions, however, are limited to the assessed value of new construction or remodeling of structures. In order to obtain the maximum exemption percentage and term, it is necessary for the affected local school district to approve the EZ or CRA exemption, which often requires the recipient to make compensation payments to the school district. For that reason, it is important to involve school districts early in the negotiation process.

TIF

TIF is a tool that diverts the real property taxes associated with increases in the assessed value of real property into a special local fund to be used to finance public infrastructure improvements and, in limited circumstances, private improvements. TIFs may be established by cities, counties and townships, and TIF funds may be used to reimburse developers or local governmental entities for public infrastructure improvement costs over time, or for debt service on public debt issued to finance public infrastructure improvements. Although TIF is a governmental tool, it is often used as a critical financing piece for private development. Developers like using TIF because it is flexible, and it is essentially a reinvestment of property tax dollars back into a project. Local governments like using TIF because it can provide a "pay as you grow" source of critical public infrastructure funding. The maximum TIF exemption available in Ohio is 30 years, 100%, which, as with CRAs and EZs, requires approval from, and usually compensation to, the affected local school district.

Joint Economic Development Districts (JEDDs)

A JEDD is a contractual arrangement between one or more cities and one or more townships that allows for a municipal income tax to be levied on employee withholdings and net business profits generated within a township. The income tax rate is typically equal to the highest rate levied by a contracting municipality. JEDDs are often established at the request of or with the consent of property owners in return for a portion of the JEDD income tax being used to support project costs. In addition, JEDD income tax revenues can be used to pay for services within the JEDD (e.g., fire/police/EMS, water, sewer) and to compensate school districts and other taxing units. JEDDs can be critical local economic development tools, particularly for townships, which lack some of the statutory economic tools that are available to cities.

New Community Authorities (NCAs)

NCAs are formed by the filing of a petition by a private developer, with the approval of certain local governmental entities (typically the county commissioners and the most populous city of the county in which the NCA is located). Once an NCA is established, the NCA may levy a community development charge on the assessed value of real property, the income of residents of the NCA, the profits of businesses within the NCA, a uniform fee on each parcel, or any combination of the foregoing. The community development charge revenue is used to carry out a community development program, including land development and the construction, operation and maintenance of community facilities. Charge revenues may also be used for debt service on NCA-issued revenue bonds. NCAs are often important components to local development, either by themselves or in combination with other local tools.

Municipal Job Creation Incentives

Ohio cities have the ability to offer municipal job creation tax credits (JCTCs) or cash grants based on job creation to attract investment. Municipal JCTCs may either be refundable or nonrefundable, and are equal to a percentage of new income tax revenues generated from new employees for a term of up to 15 years. A taxpayer does not need to receive an Ohio JCTC in order to receive a municipal JCTC. Municipal cash incentive programs are similar to JCTCs, but are provided as a cash grant equal to a percentage of the municipal income taxes generated as a result of job creation. There are no statutory term limits on the terms of these cash incentive programs because they are typically established using the city's home rule powers. Both municipal JCTCs and cash grants are powerful tools available to municipalities to attract local development.

Local incentive programs serve an increasingly significant role in the financing and attraction of capital investment in Ohio and throughout the country. Effective understanding and use of the above-described local tools can be the key to a successful development and a true win-win for all parties.

For more information, please contact **CHRIS L. CONNELLY** at cconnelly@beneschlaw.com or (614) 223-9317.

RECENT TRANSACTIONS

- Represented one of the world's largest real estate owners and managers in the disposition of a power center in Texas with a purchase price of $100 million.
- Represented one of the world's largest real estate owners and managers in the disposition of a shopping center in Tennessee with a purchase price in excess of $39 million.
- Represented one of the largest developers, owners and managers of multifamily residential property in the country in the development and financing of a 330-unit multifamily apartment development near San Antonio, TX, including multiple joint venture limited liability company agreements, $28+ million construction financing, $11.5 million mezzanine financing, a shared work infrastructure development agreement, and multiple declarations of covenants, restrictions and easements related to the mixed-use development of which the apartment property is a part.
- Represented one of the largest developers, owners and managers of multifamily residential property in the country in the development and financing of a multiphase multifamily apartment development in Pittsburgh, PA, with an initial phase of more than 360 apartment units, including multiple joint venture limited liability company agreements, $57+ million construction financing, a ground lease, an option agreement, a shared work infrastructure development agreement, and an amendment to an existing declaration of covenants, restrictions and easements.
- Represented a publicly traded REIT in the $400 million disposition of a 16-property multistate portfolio of shopping centers.
- Advised a private equity fund on various leasing issues in connection with its acquisition and operation of a 35-property retail portfolio valued at approximately $2 billion.
- Advised a large publicly traded private equity company on leasing, diligence, contract negotiation, lender subordination and tenant estoppel issues in connection with the approximately $1.7 billion acquisition of a 22-property multistate portfolio.
- Represented lender of $12.04 million mezzanine debt for a retail development in Illinois.
- Represented a large national multifamily residential developer in the sale of properties valued in excess of $100 million.
- Advised a publicly held REIT on due diligence matters related to an $80 million acquisition of the membership interests of the developer of a shopping center in Chicago.
- Advised a client on due diligence matters in connection with the acquisition of an integrated mixed-use complex comprising a 57-story 1.3 million square foot trophy office tower, 10-story historic office and bank building, 400-key Marriott hotel, and 985-space subterranean parking garage. Benesch was tasked with negotiating the purchase agreement and performing all due diligence with respect to the acquisition on a very accelerated time frame, while also providing assistance in connection with obtaining debt and equity financing for the transaction.
- Represented a prominent national developer and property owner in connection with a $48 million loan from a life insurance company secured by a large regional shopping center.
- Represented a prominent national developer and property owner in connection with obtaining multiple loans exceeding $250 million in aggregate, which were secured by portions of a significant regional lifestyle center and mixed-use development located in Northeast Ohio. The loans included a $140 million CMBS loan, a separate $102 million CMBS loan, and a $17.5 million HUD loan.
- Represented a purchaser in the acquisition and financing of a 2,192-unit 10-property portfolio consisting of multifamily affordable housing projects across four states for a purchase price in excess of $106 million.
- Represented a developer in the acquisition and financing (bridge and construction) of land in Texas in connection with the development of a large student housing project.
- Represented a developer in the acquisition and financing of land in connection with a mixed-use development in Southern California.
- Represented a NYSE-listed REIT in connection with the sale of a business park in California for a price in excess of $25 million.
- Represented a tenant in connection with a 37,776 square foot office lease and parking lot lease in Northeast Ohio.
- Represented a buyer in connection with the $7.55 million acquisition of a grocery-anchored shopping center.
- Represented a Fortune Global 500 company in connection with a $4.125 million acquisition of four commercial properties adjacent to its headquarters.
- Represented a landlord in a ground lease with IKEA, which will be its first store in central Indiana.
- Represented a landlord in a ground lease with Topgolf International, which will be its first facility in central Indiana.
- Ongoing representation of a regional private developer in the development of numerous urban, vertical and mixed-use development projects in the Midwest, ranging in value between $25 million and $100 million.
- Representation of numerous developer and property owner clients in connection with over 600 leases, lease amendments, extensions, assignments, termination agreements and other lease-related transactions.
- Counsel to multiple national shopping center REITs in the review, analysis and strategy for redevelopment after the closure of major retailers in more than 40 shopping centers across the country.
- Represented a publicly traded insurance company in connection with a $13 million CMBS loan transaction, in connection with the acquisition of an office project in Alpharetta, GA.
- Counsel to one of the world's largest background screening and HR solutions company in office leasing transactions in multiple locations throughout the U.S.
- Representation of a national retail developer in connection with the redevelopment of a 1.2 million square foot regional mall property in Illinois.
- Ongoing representation of a large private developer in connection with a complete redevelopment of regional mall properties in Cleveland, OH, and Boston, MA, including significant de-malling, project reconfiguration and retenanting.
- Represented the buyer in the purchase of a 225,000+ square foot shopping center in the Philadelphia area for more than $50 million, including negotiation of the purchase agreement and performing all due diligence with respect to the acquisition on a highly accelerated time frame.

Get to Know **Jennifer Desser**

Jennifer Desser

Who: Jennifer is a partner in the Real Estate & Environmental Practice Group. She focuses her practice on commercial real estate and finance transactions, with an emphasis on the acquisition, development and financing of multifamily, office, retail and hotel properties nationwide. With a core client base of developers, REITs, institutional investors and real estate opportunity funds, Jennifer has extensive experience negotiating and documenting joint venture, development, property management, building service and sales/marketing agreements.

What Jennifer wants you to know about the current real estate market (or industry): I'm excited to be back and practicing in the Chicago real estate market. The city has become a national leader in foreign investment in commercial real estate—nearly $12.5 billion in the last five years.

What Jennifer isn't practicing law she is: Spending time with family, traveling, skiing, going to cultural events.

Jennifer's favorite hobby is: Skiing, dancing, tennis.

The best thing about being a real estate attorney is: Working with interesting, intelligent and creative clients and colleagues on transactions that, in the most exciting instances, enhance the aesthetic environment and experiential manner in which we live and work in the world.

Real Estate & Environmental Group

For more information about our Real Estate & Environmental Practice Group, please contact any of the following attorneys:

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