



500 JEFFERSON

Disposition / Acquisition Financing

Property Address	500 Jefferson Street, Houston, Texas
Type	Houston CBD (Louisiana Corridor) Office
Square Feet	390,479 SF
Acreege	1.43 acres
Deal Size Range	\$50M to \$75M (debt + equity)
Buyer Type	REIT

RESULTS

30-day marketing process; closed 45 days after Letter of Intent.

Higher leverage senior loan of 75% loan-to-value and full-term interest-only greatly enhanced annual leveraged returns to the borrower and mitigated re-trade potential on financial or physical items.

Disposition pricing exceeded Seller expectation and earlier marketing results.

STRATEGIC ELEMENTS EMPLOYED

Intricate knowledge of single tenant national transactions. Intimate knowledge of the value stratifications within Houston CBD.

Binary approach to investor and debt search derived optimal closing timing and proceeds to the Seller.

Simultaneous access to the debt markets during the disposition process allowed interested lenders the ability to fully underwrite and vet the pending acquisition financing and various structures prior to buyer selection – providing a streamlined execution without lender re-trade upon award.

KBR WORLD HEADQUARTERS

Disposition / Acquisition Financing

Property Address	601 Jefferson Street, Houston, Texas
Type	Single Tenant Houston CBD (Louisiana Corridor) Office
Square Feet	1,047,748 SF
Acreage	3 acres
Deal Size Range	\$275M to \$300M (debt + equity)
Buyer Type	REIT



RESULTS

Originally marketed as a recapitalization of a 50% JV interest in a CBD office tower, frothy disposition process resulted in remaining 50% JV partner opting to simultaneously monetize their position.

Staged and modified offering profile resulting in significant interest and aggressive pricing from passive capital sources, including single-tenant and offshore investors vying for long-term stability and conservative yields.

Financing process vetted the lender of greatest need with a pending securitization at the most aggressive structure – loan closed 16 days from final term sheet.

Additional interest-only, higher leverage loan proceeds replaced more expensive equity capital.

STRATEGIC ELEMENTS EMPLOYED

Advised 50%/50% joint venture owners (corporate tenant and REIT) with varied interest and landlord/tenant conflicts through a lease modification to remove termination options, a ground lease extension, and a shared-use parking agreement to create an offering that panned favorably with current capital market appetites and allowed the respective partners to maximize on disposition of their respective ownership interests.

Equity-like debt search conducted concurrent to targeted marketing process. Debt process utilized heavy underwriting and promoted view of tenant capable of withstanding major rating agency scrutiny given the 10-year I/O, 72% LTV, \$100M+ loan.

Extensive knowledge of corporate credit of non-rated tenant was utilized to educate lenders and agencies throughout the market and due diligence processes.



1001 MCKINNEY STREET

Disposition Converted to Refinance

Property Address	1001 McKinney Street Street, Houston, Texas
Type	Multi-Tenant Houston CBD Office
Square Feet	375,440 SF (76.7% leased)
Acreage	1.02 acres
Deal Size Range	\$25M to \$50M (debt + equity)
Lender Type	International Bank

RESULTS

Attracted interest from offshore debt capital source - first time whole loan in Houston.

Highly accretive, cost-effective loan on floating rate at terms with an earn-out structure for leasing and capital improvements.

Maximum flexibility on prepay to allow timely hold and exit strategy.

STRATEGIC ELEMENTS EMPLOYED

Conducted sale process to attempt to hit a highly aggressive target while conducting a concurrent debt search.

Articulated the aggregate strengths of the Property in its unique ability to secure high-quality tenancy - boutique, LEED-Gold, CBD in a superior location.

Developed and promoted comprehensive proprietary CBD parking study to validate significant upside value within the parking garage.

Mitigated heavy near-term rollover exposure via extensive analysis of weighted average tenure of current rent roll.



823 CONGRESS AVENUE

Disposition Converted to Refinance

Property Address	823 Congress Avenue, Austin, Texas
Type	Multi-Tenant Austin CBD Office
Square Feet	181,381 SF (76.9% leased)
Acreage	0.5069 acres
Deal Size Range	\$10M to \$25M
Lender Type	National Bank

RESULTS

Floating rate execution with regional bank with tight spread for bridge profile.

Large equity cash-out to borrow at closing with a future funding component.

Maximum flexibility on prepay allowed short-term hold and exit strategy.

STRATEGIC ELEMENTS EMPLOYED

Conducted sale process to attempt to hit a highly aggressive target and concurrent debt search in light of loan maturity on a value-add Austin CBD tower.

Validated current and stabilized valuations to lenders and appraiser.

Developed and induced acceptance of incremental value achievable from office and retail reposition strategies.



21 WATERWAY

Legacy (2006) Disposition

Property Address	21 Waterway, The Woodlands, Texas
Type	Multi-Tenant Town Center Office
Square Feet	99,050 SF
Acreage	0.69 acres
Deal Size Range	\$25M to \$50M
Buyer Type	Pension Fund

RESULTS

Highest price per square foot ever paid in Houston MSA for an office building. This record held for the next five years.

Pricing far exceeded Seller expectation.

STRATEGIC ELEMENTS EMPLOYED

Intricate knowledge of trajectory of growth for The Woodlands (this was the first commercial office building in the Town Center).

Superior knowledge of the corporate entities with presence in The Woodlands.

Access to, and credibility with, aggressive institutional capital sources.



HERITAGE PLAZA

Legacy (2005) Disposition

Property Address	1111 Bagby, Houston, Texas
Type	Multi-Tenant Houston CBD Office
Square Feet	1,149,141 SF (88.0% leased)
Acreage	3.289 acres
Deal Size Range	\$125M to \$150M
Buyer Type	International

RESULTS

Double-digit millions non-refundable earnest money at contract execution; 20 days to close. Confidence via pre-offer due diligence requirement.

Multiple back-up contracts.

Pricing exceeded Seller expectation and earlier marketing results.

STRATEGIC ELEMENTS EMPLOYED

Context: Very difficult real estate market nationally, even more pronounced in downtown Houston (Enron collapse late 2001). Lead tenant noticed intent to leave.

Designed highly accretive debt solutions.

Designed targeted marketing process to offshore and trophy buyers.

Solid translation of supply / demand for Houston CBD and cyclic nature of economic drivers spurring large contiguous block requirements.

Required market to complete all due diligence prior to offer.

Intimate knowledge of the value stratifications within Houston CBD.