

Real Estate Group Of The Year: Gibson Dunn

By **Andrew McIntyre**

Law360 (January 31, 2020, 3:43 PM EST) -- Gibson Dunn over the past year has done mega real estate deals for Related and Welltower and has also picked up significant work in the burgeoning Los Angeles studio sector, earning a spot among Law360's 2019 Real Estate Practice Groups of the Year in the process.

Leaders at Gibson Dunn & Crutcher LLP attribute the firm's "banner" real estate year to several factors, including concentrating harder on the studio market and seamlessly handling deals not only on the purchase and sale side, but also on development, finance and equity investment.

"It was a banner year. It was our largest year by far. We're adding clients and increasing market share with our increasing clients," said Jesse Sharf, one of the firm's real estate leaders. "We probably are involved in more [studio business] transactions than anybody else is. We are now representing lots of clients in similar transactions. Lots of owners who are selling."

Sharf, who works out of Gibson's Century City offices in Los Angeles, said the studio sector is going through a marked shift. Where previously the studios, which typically owned and operated their properties, dominated the sector, things have changed with companies like Amazon.com Inc., Netflix Inc., Hulu LLC and Apple Inc. as major tenants.

What has emerged is a handful of new major owners and operators, one of which is Gibson's client Hackman Capital Partners, a real estate investment firm.

"Hackman is a great example. ... We're now doing their studio work really everywhere," Sharf said. "It's an area where knowledge of basic real estate acquisition skills was important, just as important as having knowledge of cutting-edge joint venture and financing structures, and knowing how the studio business works."

Among the recent matters Gibson has helped Hackman with are its \$750 million acquisition of CBS Television City from CBS Corp. and its \$650 million purchase of MBS Media campus from the Carlyle Group LP.



Deutsche Bank provided financing for both purchases, and Gibson also helped Hackman on the financing side of those deals.

Sharf said one thing that distinguishes Gibson from other law firms is its capability to handle three major areas of real estate work: representing developers, lenders and equity providers. He said few if any law firms can match Gibson's expertise across all three areas.

"Because we have such a robust and cutting-edge practice on both the debt and equity side, representing so many borrowers and lenders ... that allows us to be more current than anyone else on the latest market positions," said Eric Feuerstein, a New York-based partner and another of the firm's real estate leaders.

The firm has also grown its real estate group, adding a recent lateral partner in Houston. It has also increased its presence in Europe over the past year.

San Francisco partner Erin Rothfuss said that the organizational structure of the real estate practice at Gibson is also somewhat different from those of the firm's competitors, and that this structure has worked to Gibson's advantage in allowing for more collaboration.

The firm does not have a single real estate leader, which avoids what Rothfuss, also a real estate leader at Gibson, described as a potential "bottleneck" that can arise from having one individual at the top. Instead, Gibson has various real estate experts, both partners and associates, across the country, who work "seamlessly" together, Rothfuss said.

And that organization structure paid off with a recent deal the company did for Related Cos.

Gibson represented Related on its \$2.2 billion purchase and leaseback of 26 floors at 30 Hudson Yards in Manhattan. Related bought the property from WarnerMedia LLC and is leasing the roughly 1.5 million square feet of space back to the media giant through early 2034.

"It was executed at a highly accelerated pace and was completed soup to nuts within approximately eight weeks," Feuerstein said. "To accomplish all of that within such a compressed time frame of course required seamless collaboration and coordination of several multidisciplinary teams of exceptionally talented lawyers."

Gibson, though, is no stranger to multi-billion-dollar real estate deals.

Last year, the firm also represented Welltower Inc. in connection with its \$1.25 billion purchase of a 3.3 million-square-foot medical building portfolio from CNL Healthcare Properties, a real estate investment trust.

Gibson also picked up other high-profile Manhattan deals last year.

The firm represented WeWork Property Advisors in connection with its \$850 million purchase of the Lord & Taylor Building from Hudson's Bay Co.

That deal was emblematic of another trend playing out in commercial real estate: conversion of retail space to other uses. In the case of the Lord & Taylor Building, WeWork is using the building as office space.

"It was a totally new type of use for that location. It was very challenging, and presented unprecedented types of issues," said New York partner Joanne Franzel, of the Lord & Taylor deal. "That's kind of where the fun is for us in real estate."

--Additional reporting by Chelsea Naso. Editing by Peter Rozovsky.