

Real Estate Group Of The Year: Gibson Dunn

By Jeannie O'Sullivan

Law360, New York (January 27, 2016, 7:18 PM ET) -- Gibson Dunn's role in multibillion-dollar real estate mergers and massive hotel, entertainment and residential property deals in some of the world's biggest markets, from Manhattan to New South Wales, Australia, has helped snag the firm a prime location among Law360's Real Estate Groups of the Year.



In some of its biggest transactions, the firm represented The Ryland Group Inc. in its \$5.2 billion merger with Standard Pacific Corp. to create the fourth-largest homebuilder in the U.S., and Prime Residential on the \$900 million refinancing of the Park La Brea housing development in Los Angeles, the largest single asset securitization in Freddie Mac's history.

Those top the heap of the global firm's 2015 accomplishments, which featured new real estate frontiers in hotels, sports arenas and mergers and acquisitions. Gibson Dunn partner Jesse Sharf, co-chair of the firm's real estate department, hails the firm's omniscient expertise.

"Broadly speaking, there are typically three layers to a capital stack in any transaction: debt, equity and the developer/operator," Sharf told Law360. "While there are many firms that represent each tranche well, we are one of the very few firms that represent all three categories on a routine basis."

Gibson Dunn's year of monumental hotel deals started with Rockpoint Group's \$530 million sale of the 700-room Times Square Hotel to Qatar's Al Rayyan Tourism Investment Co. in December 2014, the firm said.

Gibson Dunn attorneys also facilitated transactions for Argosy Real Estate Partners totaling roughly \$250 million, the firm said, including the acquisitions of a controlling investment in a 260-room Holiday Inn in Atlanta in August and the acquisition and financing of a 159-room Sheraton in Jacksonville in June.

Another hospitality deal Gibson Dunn handled was Woodridge Capital's \$225 million sale of Fairmont Orchid Hotel in Hawaii to Mirae Asset Consulting Co. Ltd. in May. Also in Hawaii, Gibson Dunn represented Cantor

Commercial Real Estate in a \$380 million mortgage loan secured by the Four Seasons Resort in July.

The hotel space is very sensitive to economic cycles, Sharf said.

“The market for hotels was almost moribund during the outset of the recession, other than workout activity, and a select group of opportunistic buyers who bought debt and assets,” Sharf said. “There’s been a tremendous bounce-back in the hotel space over the last several years, and those who were first to the party did very well.”

Sports arenas have also piqued interest among real estate investors in recent years.

Gibson Dunn represented Hollywood Park Land Co. on its joint venture with Stockbridge Capital Group and Los Angeles Rams owner Stan Kroenke’s real estate group for the development of an entertainment district in Inglewood, California. The development, which Sharf said is Inglewood’s biggest in history, will include a new stadium for the football team.

And basketball fans will be happy to hear that Gibson Dunn is representing the Golden State Warriors in the purchase of a San Francisco property to develop a new sports and entertainment arena. That deal is ongoing, the firm said.

The M&A sector has likewise gained traction, according to Sharf. In addition to Ryland’s notable merger with Standard Pacific, Gibson Dunn helped Hudson Pacific Properties nearly double its portfolio with the \$3.5 billion acquisition of 26 Northern California office buildings from Blackstone Group in April.

Under Gibson Dunn, Rockpoint Group throughout the year also snapped up residential and office space in New York and California totaling \$888 million, according to the firm. Rockport’s portfolio now features the 200-story apartment high rise known as The Wimbledon and a majority stake in 200 W. 57th St., both in Manhattan. On the West Coast, the real estate group had added the Aventine office building in San Diego and One Rincon Hill, a 298-unit apartment tower in San Francisco.

Down under, Gibson Dunn facilitated Vail Resorts Inc.’s AU\$176 million (\$123.9 million at current exchange rates) purchase of the Perisher Ski Resort in New South Wales in March, the firm said.

Sharf noted the complicated financing structures Gibson Dunn tackles, such as transactions involving U.S. Citizenship and Immigration Services’ EB-5 program for foreign investors.

The firm helped Stockbridge Capital Group on the restructuring and refinancing of multiple tranches of debt in excess of \$400 million, including balance-sheet senior loan, revolving credit facility and EB-5 loans secured by the SLS Hotel and Casino in Las Vegas in February. The previous year, the group also secured \$250 million in financing under the EB-5 program of a mixed-use hotel and office development in Seattle.

Gibson Dunn’s thorough knowledge of the myriad financial levels in real estate transactions is perhaps one of the firm’s own biggest assets.

“When we are representing debt, we know the perspective of the equity and operator, when we represent the equity, we know the perspectives of debt and the operator, and when we represent the operator, we know the perspectives of debt and equity,” Sharf said. “And we are intimately familiar with the interplay within the different players and the different tranches within each level.”

--Editing by Aaron Pelc. All Content © 2003-2016, Portfolio Media, Inc.