

Greystar Fund To Buy Luxury Apartment REIT In \$3B Deal

By **Adam Rhodes**

Law360, New York (July 5, 2017, 1:59 PM EDT) -- Real estate investment trust Monogram Residential Trust Inc. agreed to be bought by a freshly formed Greystar Real Estate Partners-led fund in a \$3 billion deal, the luxury apartment community owner and operator announced Tuesday.

The fund, Greystar Growth and Income Fund LP, will also be led by affiliates of investment management firm APG Asset Management NV, Singapore sovereign wealth fund GIC Private Ltd. and Canadian real estate company Ivanhoé Cambridge, Monogram said. Under the deal, Greystar Growth will buy the shares of Monogram for \$12 cash per share.

The deal is expected to close in the second half of 2017 and has been unanimously approved by the REIT's board of directors, Monogram said in its announcement.

"This landmark is the result of Monogram's success at executing and delivering on strong operations, innovative development programs and investment strategies in conjunction with skillful market timing," Mark Alfieri, Monogram's CEO, president and chief operating officer, said in the announcement. "The interest we received from this sophisticated group of investors demonstrates that our targeted focus on building our portfolio with high-quality Class A assets in select core markets has been recognized and our stockholders and joint venture partners are rewarded with this successful outcome."

Bob Faith, Greystar's founder, chairman and CEO, echoed Alfieri's excitement.

"We are excited to add Monogram's high-quality assets in some of the best markets in the country as the seed portfolio for Greystar Growth and Income Fund LP, our flagship core-plus perpetual life vehicle," Faith added in the announcement. "The collective strength and experience of our high-quality investment partners are second to none, and we look forward to completing this transaction and further expanding Greystar's U.S. multifamily platform."

The deal includes debt the fund will assume or refinance, Monogram said, as well as the REIT's share in two joint ventures with Dutch pension fund service provider PGGM and South Korea's National Pension Service of Korea.

The joint venture with PGGM will be restructured and Greystar Growth plans on buying NPS' interest in the pension fund's joint venture in a separate deal for roughly \$500 million, according to the announcement.

While the exact amount of debt being assumed was not immediately available, Jones Day's James Dougherty, representing Greystar Growth in the deal, told Law360 Wednesday that the fund received a commitment letter for \$2 billion in debt financing from JPMorgan Chase Bank NA.

Attorneys for Monogram declined to comment Wednesday.

Monogram and Greystar Growth were not immediately available for comment Wednesday.

Monogram is represented by financial adviser Morgan Stanley & Co. LLC and legal adviser Goodwin Procter LLP, led by Gil Menna, Neal Sandford and Blake Liggio.

Greystar Growth is represented by financial adviser J.P. Morgan Securities LLC and legal adviser Jones Day, led by James Dougherty and Bob Lee.

Morgan Stanley is represented by Morrison & Foerster LLP, led by David Slotkin and Jenny Wang.

--Editing by Katherine Rautenberg.