



Brazilian Trust Wins \$95M Financing For Wells Fargo Offices

By Tom Zanki Mar 9, 2015

A Brazilian investor has acquired five office properties occupied by Wells Fargo, totaling 1.6 million square feet across four Southern U.S. states, with \$95 million in financing arranged by CBRE Group Inc., the commercial real estate services firm said Monday. The buyer, a trust created by the family of Brazilian businessman Samuel Klein, the late founder of the home appliance retailer Casas Bahia, bought the single-tenant properties in Georgia, North Carolina, South Carolina, and Virginia, according to CBRE.

The seller is a partnership between Los Angeles-based Oaktree Capital and National Financial Realty of Torrance, California, CBRE said. Guggenheim Partners provided the 10-year loan with 30-year amortization — meaning the balance is due after 10 years — at a 65 percent loan-to-value ratio. At that rate, total properties are valued at about \$146 million.

The deal provides significant cash flow to the trust as banking giant Wells Fargo is slated to occupy the properties until 2024 through a triple-net lease in which the tenant pays taxes, insurance and maintenance.

“The trick in this deal was getting comfortable with the uses of the buildings and their value if ever Wells Fargo decides not to renew its lease,” Charles Foschini, a member of the CBRE capital markets debt and structured finance team that originated the financing, said in a statement. “Additionally, Wells Fargo had some growth and cancellation options that enveloped this pool of assets, and an additional group that was not being purchased by this borrower.”

The sale contains properties at: 3579-3585 Atlanta Ave., Atlanta; 401 Linden St., Winston-Salem, North Carolina; 809 W. 4½ St. and 801 W. 4 St., Winston-Salem, North Carolina; 101 Greystone Blvd., Columbia, South Carolina; and 7711 Plantation Road, Roanoke, Virginia.

Messages seeking comment from Oaktree and National Financial Realty were not immediately returned. Contact information for the buyer was not immediately available. The transaction comes weeks after a CBRE report revealed that demand for office

space rose across the board in 2014. CBRE said investment in U.S. office properties totaled \$119 billion in 2014, a 15 percent increase from 2013 levels and the largest since 2007, aided by a rebounding economy that drove vacancies down and rents up. Foschini, Christian Lee and Christopher Apone of CBRE's capital markets debt and Brazilian Trust Wins \$95M Financing For Wells Fargo Offices structured finance team in Miami helped arrange the deal. Los Angeles-based CBRE provides real estate services to owners, occupiers and investors worldwide, overseeing transactions totaling \$223.2 billion in 2013, according to its website. Counsel information on the transaction was not immediately available.