

Real Estate Group Of The Year: Cleary

By Darcy Reddan

Law360 (February 8, 2019, 3:53 PM EST) -- Cleary Gottlieb Steen & Hamilton LLP advised clients on billion-dollar portfolio acquisitions, including representing Brookfield Asset Management in the formation of a \$1.9 billion joint venture, among others, earning it a spot as one of Law360's Real Estate Groups of the Year.

The real estate practice features 35 lawyers in New York and approximately 20 more across 16 international offices, and offers clients the ability to handle complex joint acquisitions and structure financing in order to secure deals. The firm attributes its success to its collaborative effort, noting that the group's breadth and scope of services is made possible by its close-knit culture.

Partner Steven L. Wilner said the firm "tries to staff things leanly," stating that operations are "very focused on cost efficiency and project management, because we think clients are increasingly focused on that, and in delivering value that we think clients want to pay for."

Wilner said the group always makes sure it has other experts within the firm available for clients, because the larger deals will require various layers of expertise, including financing and employee benefits.

The firm steered Kindred Healthcare Inc. in its \$4.1 billion acquisition by a consortium consisting of Humana Inc., TPG Capital and Welsh Carson Anderson & Stowe. At the time of the deal, Kindred owned 14 hospitals and leased 61 facilities while providing home health, hospice and community care services, as well as long-term acute care hospitals and inpatient rehab facilities.

"This acquisition basically transformed Kindred as we know it, but they tasked us to help them exit the business and sell themselves. It involved us working with our M&A colleagues, our finance colleagues. It was truly an interdisciplinary experience," Wilner said.

The firm's thorough understanding of all aspects of real estate dealings fosters trust with its clients and allows them to have long-standing relationships that have been beneficial for Cleary as well as its client base.



Wilner said the firm will have discussions among the offices in different regions to analyze new opportunities and determine how to proceed, and attributes the team-effort to the lock-step compensation system, saying that the system "builds a bigger pie for everyone."

Cleary partner Kimberly Blacklow said some of the real estate group's relationships are grown out of cross-collaboration throughout the different practice groups.

"Inbound investments, joint ventures, those relationships have really been forged in collaboration with our colleagues in our offices in the U.K. and in Abu Dhabi," Blacklow said. "It is part and parcel of our DNA, that we are very focused on sharing relationships with our partners and cross-collaborating across our offices."

The firm also guided real estate development, investment and capital management company Mapletree Investments' acquisition of a \$2.4 billion portfolio of 164 U.S. industrial assets from Exeter Property Group.

Partner Michael Weinberger noted the importance of relationships when highlighting the firm's work representing Brookfield Asset Management on its acquisition of a 49 percent stake in a \$1.9 billion portfolio of seven multifamily and mixed-use properties in New York, California and Hawaii.

The acquisition marked the beginning of a joint venture between Brookfield and Carmel Partners Inc., which built the properties and owned them prior to the deal.

Another relationship-driven deal for the firm is exemplified in its work advising Goldman Sachs, which served as lender in the financing of SL Green Realty Corp. and RXR Realty's purchase of a 48.7 percent stake in the office and amenities portion of One Worldwide Plaza, a property that is valued at \$1.73 billion.

"We have been with our largest clients for years," Weinberger said, noting that the firm's work with Goldman Sachs dates back to the 1990s.

"[Clients] know they can come to us and get a deal done of any size, any scope, any discipline within the real estate area, and if it's not within the real estate area, we'll find the people that can do it," Weinberger said.

The firm also recognizes the importance of building trust with the attorneys on the other side of the table, Wilner acknowledged.

"Being an honest broker allows you to put forward ideas in order to move the deal forward that get accepted by the other side," Wilner said. "I think that's really critical, because your secondary role is to make sure the deal gets done. You can only do that if you build consensus."

--Editing by Nicole Bleier.