

A LEGACY OF TIMING: WHAT SAM ZELL HAS BOUGHT AND SOLD IN THE LAST 24 MONTHS

Feb 16, 2016 | Martin Drake, Bisnow 

VIEW AS SLIDESHOW

Sam Zell has been making some noise recently, **predicting a recession** and announcing plans for **over \$9B in sales** during the past year. The "Grave Dancer" is famous for his **impeccable timing**, most impressively his **\$39B sale** of Equity Office Properties to Blackstone in February '07, just months before markets started tumbling towards the **Great Recession**. As he preps for another downturn, here's a **breakdown of big moves** Zell has made over the past 24 months.



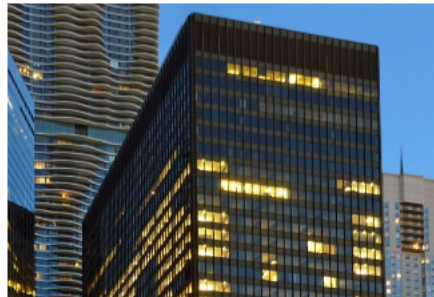
Illinois Center

Price: \$376M

Size: 2.1M SF

Buyer: AmTrust Realty

Sam Zell's Equity Commonwealth REIT sold off this office tower as part of his **planned selloff** that could reach \$3B of the REIT's assets. The two mixed-use buildings were put on the market in April, and snatched up in June as Equity Commonwealth tries to dump buildings in remote locations. AmTrust plans to spend millions renovating the center's 77k of retail space—and remedying the 30% vacancy rate.



Waldorf Astoria

Price: \$113M

Size: 188 rooms

Buyer: Lawrence Geller

Zell **sold Chicago's Waldorf Astoria** for \$600k/room, breaking the previous record of \$505k/room set by Zell himself when he bought the property (then called the Elysian) in late 2011. Zell **tapped JLL to sell** the property last February to take advantage of sky-high prices.



Equity Residential Multifamily Portfolio

Price: \$5.4B

Size: 23,000 apartments

Buyer: Starwood Capital



This massive multifamily sale to Barry Sternlicht's (pictured) Starwood Capital dumped 20% of Zell's Equity Residential in one fell swoop. The 72 properties involved were mostly in the suburbs of Denver, Seattle, Washington, DC, South Florida and Southern California, as the REIT's CEO, **David Neithardt**, believes long-term returns "in the urban core will exceed those in other markets."

Chase Tower/PNC Center

Price: TBD

Size: 1.5M SF

Buyer: TBD



News that these two Indianapolis office buildings are coming **on the market** broke in late

January—continuing Equity Commonwealth's up to \$3B selloff. The two buildings have yet to find a buyer, but the Chase Tower alone could hit up to \$200M, while the PNC Center grabbed \$105M in the past. Multimillion-dollar renovations to the PNC Center's Hyatt Regency hotel (controlled by separate owners) should mean an increase in the building's value.

Millennium Center Parking Garage

Price: \$16.9M

Size: 366 parking spots

Buyer: JLL Income Property



Loopnet

Zell clearly has a nose for a good turnaround. He **sold this property** in January 2015 after buying it for \$7.2M in 2013. After Zell's \$110k in upgrades, the garage should bring in \$1.2M a year for its new owners.

Wateridge Plaza

Price: \$72.5M

Size: 279k SF

Seller: Beacon Capital Partners and C-III Realty

Zell's Equity Group Investments **bought this three-building campus** in a March 2014 JV with Parallel Capital Partners, planning to deliver a creative high-tech space on the site. The REIT snagged the site while it had a vacancy rate in the low 70s, cashing in on the low price point.



Heron Pointe Apartments

Price: \$27M

Size: 192 units

Buyer: Highland Capital Management

This **recent selloff** by Equity Residential continues Zell's goal to shift the REIT's properties from the suburbs to the urban core, following up on its massive sale to Starwood Capital. Zell bought the mid-rise multifamily complex in 1997 for just \$9.17M. Not too shabby.



Grupo Acosta Verde

Price: N/A

Size: 1.7M SF

Seller: N/A

Zell's Equity International **bought a stake** in this Mexican retailer in April 2015, joining forces with BlackRock and Altan Capital in a consortium investing in the company. The Monterrey-based firm has developed 35 properties and manages 26 Mexican shopping centers.

