

RETAILTRAFFIC

Where real estate, retail and development meet

Realty Income Raises \$205M To Fund Acquisitions

Realty Income Corp. is conducting a public offering of 6.4 million shares of common stock priced at \$33.70 per share. The offering is expected to close Dec. 8 and result in net proceeds, after underwriting discounts and estimated offering expenses, of \$205 million.

The offering was upsized from an original amount of 5.9 million shares. Realty Income also granted the underwriters a 30-day option to purchase up to 960,000 additional shares of common stock to cover overallocments, if any.

The net proceeds from the offering will be used to pay off borrowings under its acquisition credit facility, which were used to fund recent property acquisitions. Any remaining net proceeds will be used for general corporate purposes and working capital, which may include additional acquisitions.

The underwriters for the offering are: BofA Merrill Lynch and Wells Fargo Securities (joint book-running managers), Morgan Stanley, Raymond James, RBC Capital Markets and UBS Investment Bank (co-lead managers), Baird, Citi, Credit Suisse, J.P. Morgan, Morgan Keegan & Co., Stifel Nicolaus Weisel and Janney Montgomery Scott (senior co-managers), and BB&T Capital Markets and BNY Mellon Capital Markets LLC (co-managers).

Washington REIT Acquires Maryland Shopping Center

Washington REIT (WRIT) acquired a 214,281-square-foot class-A shopping center in Columbia, Md., for \$88.35 million.

Gateway Overlook is a 528,350-square-foot center anchored by Costco and Lowe's Home Improvement. WRIT purchased 214,281 square feet of the center which excludes the Costco and Lowe's parcels.

The property is 90 percent leased to 21 tenants, including national retailers Trader Joe's, Best Buy and Office Depot, as well as Wachovia Bank and Capital One Bank.

WRIT funded the acquisition using available cash and its line of credit. WRIT expects to achieve a first year unleveraged yield of 6.9 percent on a cash basis.

Holland & Knight Helps Restructure \$35M CMBS Loan

After six months of difficult negotiations, Partner William R. Bloom was able to help Holland & Knight's client, Kendall-77 Ltd., an affiliate of The Green Cos., get their loan restructured and strike a deal with TJX Cos. Inc. to bring a T.J. Maxx/HomeGoods to the Greenery Mall.

T.J. Maxx/HomeGoods will be occupying approximately 46,000 square feet of space previously occupied by Circuit City which went out of business nationwide last year.

Bloom was able to help the Miami-based real estate developer restructure their \$35 million loan with the special servicer, CW Capital, and to enter into a long-term lease with T.J. Maxx/Home Goods to occupy the Mall. T.J. Maxx/HomeGoods plans to open its new store in the fall of 2011.

Beck Street Capital Announces \$34M Sale of Bleeker Street Retail Portfolio

Beck Street Capital, a private real estate investment firm, sold its New York City Bleeker Street Luxury Retail Portfolio for \$34 million, or roughly \$6,700 per foot.

According to Reis Inc., the sale marks the third highest priced per square foot retail transaction in the United States on record since it began tracking such data in 2003.

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The retail portfolio consists of six retail condominiums located at 367-369, 382-384 and 387 Bleecker Street situated in a prime luxury shopping district in New York City's West Village. The portfolio is 100 percent leased to established, high quality tenants including Burberry, Marc Jacobs, Michael Kors, Mulberry and A.P.C.

Robert Knakal and James Nelson of Massey Knakal represented Beck Street Capital in the transaction.

Inland Real Estate Acquires of Supermarket-Anchored Property

Inland Real Estate Corp. acquired for its own portfolio of a 103,611-square-foot, single-tenant retail property in the Milwaukee suburb of Menomonee Falls, Wisc. The newly-constructed retail center is 100 percent leased to Roundy's Supermarkets Inc.'s Super Pick 'n Save, which opened for business in August. Inland acquired the property from a Milwaukee-based developer for a purchase price of approximately \$20.7 million, excluding closing costs and adjustments.

The Company financed the acquisition with a ten year, interest-only for the first four years, 4.85 percent fixed-rate life company loan of \$10.3 million (approximately 50 percent percent of the purchase price). Inland funded the equity portion of the acquisition primarily with reinvested proceeds from the sale of certain investment properties during the year.

Other Notable Deals

Ramsey Real Estate Group acquired a 10,550-square-foot building that is a portion of Palm Springs Marketplace in Palm Springs, Calif. The acquisition was made by Ramsey Real Estate Group's The Shops at Palm Springs Marketplace LP. The firm paid \$1.15 million cash for the property. The center is anchored by Stater Bros. and features a tenant mix of Arco, McDonald's, Taco Bell, AutoZone, Dollar Tree, Dairy Queen and Kaiser Permanente. Previously the building was occupied by Hollywood Video and Domino's Pizza. Ramsey Real Estate Group will renovate this property to create The Shops at Palm Springs Marketplace. Ramsey Real Estate

Group and the seller, L & A Associates LLC, were represented by Jereme Snyder of Colliers International's Irvine office.

Houston-based Baker Katz acquired the former Hollywood Video building at Grogan's Mill and Sawdust in The Woodlands, Texas. As part of an investment fund dedicated to real estate development, acquisition and ownership, Baker Katz purchased the 7,500-square-foot building and plans to renovate and expand the building, subdivide it and re-lease the new spaces to individual tenants. The owner was represented by Cathie Mann of Vista, while Baker Katz represented themselves. Terms of the deal were not disclosed.