



2012 Real Estate MVP

Jonathan Schechter

A robust body of work in his first full year at Kirkland & Ellis LLP, including several blockbuster deals for Starwood Capital Group, has earned veteran real estate partner Jonathan Schechter a spot on *Law360's* list of 2012 Real Estate MVPs.

Schechter, a longtime commercial real estate attorney, had been a partner in the New York office of White & Case LLP for 4 1/2 years before joining Kirkland in June 2011. Schechter joined Kirkland along with fellow commercial real estate partner Scott Berger and said that Kirkland's leading real estate practice group has been instrumental to his success at the firm.

"There's no way I would have been able to do any of the things I've accomplished without the help of the other Kirkland attorneys, who are fantastic," Schechter said.

The strength of Schechter's practice group was vital to securing a series of deals for Starwood, which Schechter and Berger had represented while at White & Case. Kirkland advised Starwood, a real estate private equity firm with more than \$19 billion in assets

under management, on its formation of a mixed-used joint venture with Toll Brothers Inc. to develop a luxury hotel and condominium community in Brooklyn, N.Y.

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The development is slated to include a 200-room hotel carrying Starwood's 1 hotel brand and 159 condo units spread over two buildings. The deal was unique because of the mixed-used aspect and the formulation of the joint venture, Schechter said.

"We represented Starwood on the joint venture aspect of the transaction," he said. "Because it was a mixed-used development transaction, each asset class had its own issues that needed to be dealt with specifically."

Schechter also represented Starwood on its formation of a joint venture with two unnamed institutional investors to acquire a 6.6-million-square-foot portfolio of shopping center assets from Westfield Group for roughly \$1.2 billion. The portfolio was comprised of eight U.S. malls, including Westfield's planned shopping center at the new World Trade Center in New York.

The joint venture deals are indicative of a larger trend among U.S. investors to form more complex venture agreements in the wake of the 2008 housing market collapse, Schechter said.

“Pre-downturn, it was mainly a real estate private equity fund teaming up with an operator/developer and doing a transaction,” he said. “Now, we’re seeing a more complicated equity side of the transaction. The paradigm is becoming more of a real estate fund partnering with a co-investment fund or other U.S. and non-U.S. investors which then partner with the operators, and there’s a tiering of the joint ventures.”

Schechter also advised Starwood on its February recapitalization of the company’s Pacific Shores Center, a San Francisco-area based office park consisting of eight buildings. Starwood, which brought in The Blackstone Group LP to help recapitalize the commercial complex, successfully negotiated the conversion of junior mezzanine debt into an equity interest in a new joint venture and got consent from all lenders to sell two of the eight Pacific Shores buildings.

Kirkland was able to help Starwood pull off the deal because of the strong ties and constant collaboration between the firm’s real estate group and its restructuring practice, according to Schechter.

“We worked very closely with [the restructuring group] and we have done so for the past few years,” he said. “It’s been very gratifying to

come over here and have such great partners on the restructuring side.”

Schechter’s relationship with Starwood has grown over the years and he attributed his success advising Starwood in 2012 to his deep understanding of the client.

“The best part about having a repeat client is that you really create a nice efficiency when working with both the in-house legal team as well as the business side,” he said. “It’s very easy to get on the same page in terms of knowing what the hot-button issues might be for the client.”

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In addition to his work for Starwood, Schechter advised Dune Real Estate Partners in a three-member joint venture with Colony Capital LLC and SunCal Cos. to acquire and develop two master-planned projects in California, properties that were part of the bankruptcy estate of Lehman Brothers Holdings Inc.

Schechter and the Kirkland real estate team also advised Lubert-Adler on its formation of a joint venture to acquire and renovate a Times Square hotel in New York.

The veteran attorney praised Kirkland’s real estate team, which he said has been an integral part of every deal he’s worked on in 2012.

“The senior leadership in the group have all been incredibly supportive of my efforts, both working on transactions and growing the practice,” Schechter said. “We’re a very collaborative team — there are no sharp elbows in this group.”

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