



2020 PRACTICE GROUP OF THE YEAR

Real Estate

Kirkland & Ellis LLP helped a host of retail giants handle the COVID-19 pandemic, including Macy's in a \$4 billion financing and JCPenney in its restructuring, and advised on deals to build arenas, earning the firm a spot as one of Law360's Real Estate Practice Groups of the Year.

Kirkland's real estate group consists of 75 to 80 attorneys located in New York, Chicago, Los Angeles and Dallas who work on a variety of matters including acquisitions, restructurings, joint ventures and fund formations. The firm also has a team of 10 attorneys in London who focus on corporate real estate transactions.

Partner Jonathan Schechter said one of Kirkland's main advantages compared to other firms that do real estate work is the size and reach of its group, which allows it to work a wider range of transactions across the country.

"What makes us a cut above the rest is our breadth and depth in the types of deals we do compared to some of our competitors who only have New York offices doing the more sophisticated real estate corporate

deals," Schechter said. "We do those as well but because we're larger than they are, our reach is much greater across the states."

Last December, Kirkland advised sports and entertainment developer Oak View Group in a pair of transactions worth more than \$1 billion, including an \$850 million deal that closed last December, forming a joint venture with the NHL's New York Islanders and Sterling Equities to build the UBS Arena in Nassau County, New York.

Along with the Islanders' arena, Oak View also entered into a joint venture with Live Nation Entertainment to build a \$338 million arena on the campus of the University of Texas, Austin.

Schechter said one of the challenges of getting the arena project approved was handling the different

components of building a large public space, including government approval and access points.

"These are hybrid real estate-infrastructure type projects, because you're building these arenas in partnership with the state and the university, you also need roads and infrastructure, it's not just the asset itself," Schechter said. "It was a crazy December with both of these deals happening within a week of each other."

Along with traditional real estate work, Schechter said Kirkland's real estate group does a lot of work in restructuring.

"A lot of restructurings we work have a heavy real estate component like a lot of the retail restructurings," he said. "Big retailers like Macy's, JCPenney and the like tend to own a lot of their real estate, so when those

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retailers have restructurings and bankruptcies, the real estate group plays a major role in those.”

With the COVID-19 pandemic compelling retailers nationwide to close most of their brick and mortar stores for months, a number of major retailers have been forced to file for bankruptcy or engage in a form of restructuring to compensate for the economic losses incurred from the shutdowns.

Kirkland attorneys helped JCPenney weather Chapter 11 bankruptcy, guiding a \$1.75 billion purchase by mall owners Simon Property Group and Brookfield Property Partners of the chain’s retail operations in a deal that saw existing secured lenders

take ownership of about a quarter of its 650 go-forward store locations and its distribution centers.

In another Kirkland-led transaction, Macy’s narrowly avoided bankruptcy in June by securing \$4 billion in financing, leveraging existing assets, such as real estate and inventory, to raise more than \$3 billion by transferring them to companies created for the financing transaction and leasing them back to the operating company. Another \$1.3 billion was raised in bonds, helping to keep Macy’s running until their stores reopened.

“It was an amazing transaction and it was really born out of COVID, a direct reaction to an incredibly tough

impact on their business, being open and operating one day and just being closed the next,” partner Rachel Brown said. “They needed to unlock the value in their business and to get something in place to get them through this rough patch.”

On an international scale, Kirkland’s real estate group helped conduct transactions worth billions, including private equity giant Blackstone’s £4.66 billion (\$6.28B) acquisition of U.K.-based student housing company iQ Student Accommodation, which the firm said was the largest private real estate deal in U.K. history.

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