



nerej

Columbia Property Trust to acquire Normandy Real Estate Management

October 25, 2019 - Front Section

Boston, MA Columbia Property Trust, Inc. has signed a definitive agreement to acquire Normandy Real Estate Management, LLC, a leading developer, operator and investment manager of office and mixed-use assets in New York, Boston, and Washington, D.C. Columbia will acquire Normandy's operating platform and its general partner interests in three active management funds in a cash and stock transaction with a total value of \$100 million, exclusive of transaction and closing costs. The transaction is expected to close by year-end pending the completion of customary closing conditions.

"Expanding our platform—both our capabilities and presence in our key markets—is highly supportive of Columbia's long-term growth objectives. Combining the Columbia and Normandy teams enhances our mutual talent, resources and relationships, and strengthens our position as a leader in our target markets," said Nelson Mills, president and chief executive officer of Columbia. Beyond Normandy's proven sourcing, development and management capabilities, we've had the opportunity to experience their positive culture first hand through our joint projects in Manhattan. By joining forces, we will be able to provide fully integrated construction, development, leasing and property management services, as well as a complementary fund management platform to augment our core portfolio operations. All of this should greatly benefit our shareholders and our respective tenants, employees, and partners."

Over the past two decades, Normandy has built a record of acquiring, developing, redeveloping, repositioning, and managing real estate assets as exceptional investments with attractive yields. Normandy has acquired or developed over 30 million s/f of office space across New York, New Jersey, Boston, and Washington, D.C., including dozens of major headquarters facilities for leading companies. The firm has also completed many value-adding repositioning projects, and current projects in Manhattan include the Terminal Warehouse, a 1.2 million s/f, brick-and-beam property in the West Chelsea historic district, and 888 Broadway, a 237,000 s/f, redevelopment in the Flatiron District. In addition, Columbia and Normandy have previously announced joint venture partnerships on 799 Broadway, a 182,000 s/f, ground-up development project near Union Sq. Park, and the redevelopment of 250 Church St. in TriBeCa.

These development and repositioning projects have been funded by a series of discretionary real estate funds and joint ventures managed by Normandy and backed by a number of institutional investors. Normandy currently manages 14 million s/f of assets across the Northeastern U.S. on behalf of its various fund investors and joint venture partners.

Founded in 2002, Normandy is led by partners Finn Wentworth, David Welsh, and Jeff Gronning. Wentworth is expected to join Columbia's board of directors. Welsh will serve as chairman of the investment committee for Normandy's Funds III and IV, in which Columbia will acquire general partner interests. Gronning is slated to become chief investment officer for Columbia, while fellow Normandy partners Gavin Evans and Paul Teti will also join Columbia's senior leadership team.

Wentworth commented, on behalf of the Normandy founders, "The strategic combination of Columbia and Normandy will form a stronger company with an exceptional gateway market portfolio, a world-class team and a robust pipeline. We have tremendous respect for Columbia's strategy and leadership team, and, after launching two projects with them this past year, we've seen how well their culture and business model align with ours. We believe that combining our development expertise and deep relationships in New York, Boston and D.C. with Columbia's platform will create a formidable force in these markets. The combined company will be positioned to expand on our extensive records of success and deliver superior results for all stakeholders."

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540