

*ULI Real Estate Capital Markets Conference*

## **Real Estate Finance and Investment 2011: New Directions, New Connections**

Investing | Accessing | Lending | Sourcing

### **Urban Land Institute**

ULI Center for Capital Markets and Real Estate

June 22-23, 2011

Sheraton New York Hotel & Towers, New York, NY

The real estate capital markets are stabilizing after several years of crisis and disarray, and new investment opportunities, new capital structures, new capital sources, and new ideas are emerging. This conference will examine the latest trends and strategies being used in real estate finance and the real estate capital markets and will cover a wide array of issues, players, and sectors. How can and should real estate investors, lenders, developers, and other capital market players move forward, structure deals, and raise/allocate capital in these uncertain times? What new sources of capital are emerging? How are properties being refinanced and recapitalized? How can development be financed today? The event will be structured to provide many opportunities for capital providers and users to meet, discuss potential deals, and get into the details of new financing arrangements, and will provide you with insights and strategies for navigating the real estate finance and capital markets.

### **Conference Co-Chairs**

**Joseph F. Azrack**, Managing Partner, **Apollo Global Real Estate**

**Ron D. Sturzenegger**, Managing Director, Global Head of Real Estate, Gaming, and Lodging, **Bank of America Merrill Lynch**

## **Day One**

### **June 22, 2011**

**12:00 p.m.-1:00 p.m.**

**Networking Coffee Hour and Exhibitor Showcase**

**1:00 p.m.-1:30 p.m.**

**Real Estate Capital Market Trends 2011**

This introductory session will provide an overview of the state of the real estate capital markets, including property sales volume trends, who is buying and who is selling, cap rate trends, price trends, and investment flows geographically.

Introduction:

**Joseph F. Azrack**, Conference Co-Chair  
Managing Partner, **Apollo Global Real Estate**

Speaker:

**Robert White**, Founder and President, **Real Capital Analytics**

**1:30 p.m.-2:45 p.m.**

**Private Equity Capital: Raising, Accessing, Investing, Connecting**

A considerable amount of private equity capital—held by opportunity funds, institutional investors, public REITs, non-traded REITs, foreign entities, and high-net-worth investors—is looking to invest in commercial real estate today, and investment activity is expected to increase considerably in 2011. How are private equity sources deploying capital and how can it be accessed? Will institutional investors broaden their horizons and move beyond core investments? Will opportunity funds actually find opportunities in 2011? How are non-traded REITs raising capital and investing in the current environment? What role are public REITs playing in private equity markets? How are foreign entities investing in U.S. real estate today? How can developers and owners in need of capital access and work with these sources to structure deals?

Moderator:

**Joseph F. Azrack**, Managing Partner, **Apollo Global Real Estate**

Speakers:

**Stephen J. Furnary**, Chairman and CEO, **ING Clarion Partners**  
**Nitin Karnani**, Managing Director, **Blackstone Real Estate Advisors**  
**Jay L. Koster II**, President, Capital Markets Group, **Jones Lang LaSalle**  
**Nicholas Schorsch**, Chairman and CEO, **American Realty Capital**

**2:45 p.m.-3:05 p.m.**

**Break**

**3:05 p.m.-4:20 p.m.**

**Accessing Private Debt Capital Today? National Banks, Local Banks, Insurance Companies, Other Sources**

The real estate debt sector is on the mend, but accessing debt capital is still a major challenge for many potential borrowers. National banks, regional banks, insurance companies, finance companies, and other debt capital sources are all rethinking their approach to real estate lending. What does it take to get a real estate loan today, and who are the most active lenders? How are lenders handling maturing loans in 2011, and what will they do with nonperforming loans? How do national and local/regional banks differ in their approach to real estate lending today? What are insurance company lending strategies in the current market? What are the prospects for investing in distressed debt today? When debt capital is available, what are the terms and deal structures that work today for different property types, regions, and situations?

Moderator:

**Ron D. Sturzenegger**, Conference Co-Chair

Managing Director, Global Head of Real Estate, Gaming, and Lodging, **Bank of America Merrill Lynch**

Speakers:

**E.J. Burke**, Executive Vice President & Group Head, Real Estate Capital and Corporate Banking, **Key Bank**

**Steven A. Kohn**, President and Principal, **Cushman Wakefield Sonnenblick Goldman**

**James M. Reilly**, Executive Director, **J.P. Morgan Securities, Inc.**

**Mark Wilsman**, Managing Director, **MetLife**

**4:20 p.m.-5:35 p.m.**

**The Reemergence of CMBS and Conduit Lending: What Role, What Impact, What Fun!**

The CMBS sector is reemerging, bringing much needed debt capital back to the market. New issuance in 2011 is expected to easily double and perhaps triple that of 2010, and much of this conduit lending has been for non-core assets and/or in secondary markets. How much new debt capital will be brought to market in 2011 from this sector, and how will this affect pricing and access to debt capital? Who are the conduits, and what kinds of loans are they originating? How can this capital be accessed for refinancing and/or new investments? Will conduit lenders offer more favorable terms than traditional lenders in 2011? What loan sizes are preferred by these lenders? How will proposed changes to Fannie Mae and Freddie Mac affect this sector in the future?

Moderator:

**Greta Guggenheim**, President, **Ladder Capital**

Speakers:

**Anthony Orso**, Executive Managing Director and CEO, **Cantor Commercial Real Estate**

**Jonathan Pollack**, Managing Director and Head of Commercial Real Estate in the Americas, **Deutsche Bank**

**Schecky Schechner**, Managing Director, **Barclays Capital**

**Dennis Schuh**, Managing Director, **JPMorgan Securities LLC**

**5:35 pm.-6:30 p.m.**

**Networking Reception**

## **Day Two**

**June 23, 2011**

**8:15 a.m.-9:00 a.m.**

**Networking Coffee Hour and Exhibitor Showcase**

**9:00 a.m.-10:15 a.m.**

**Sourcing Debt, Equity, Mezzanine, Bridge, Gap, and Rescue Financing Today**

Finding/matching the right source of capital for a deal in today's market can be like looking for a needle in a haystack. Financing needs today are often specialized, and sources of financing often specialize as well. How can sources and users find each other in this market? This panel will discuss the various capital sources in the market and how they can be matched with users of capital, including specialized sources that provide mezzanine, bridge, gap, preferred equity, and rescue financing. How do capital sources specialize today? What are they looking for and how do financing terms and costs differ? How do equity investors and first mortgage lenders view financing structures with mezzanine or preferred equity layers?

Moderator:

**Simon Ziff**, President, **Ackman-Ziff Real Estate Group**

Speakers:

**Jason Choulochas**, Managing Director, Investments, **Wrightwood Capital**

**Michael J. Tepedino**, Senior Managing Director, **HFF**

**William Hughes**, Senior Vice President and Managing Director, **Marcus & Millichap Capital Corporation**

**Adam Spies**, Managing Director, **Eastdil Secured**

**10:35 a.m.-12:00 p.m.**

**Refinancing, Restructuring, and Recapitalizing Real Estate Deals: Strategies for Owners and Investors Today**

A huge volume of commercial real estate mortgages will be coming due over the next several years that will require either refinancing, loan modification, extension, restructuring, new equity, loan buybacks, a property sale, or foreclosure. Capital available to refinance or restructure these deals remains scarce, expensive, and demanding. What are the options for property owners who have loans coming due over the next two years? How can borrowers best manage the existing lender relationship during trying circumstances? Will loan extensions continue to be common, and on what terms? How can new capital enter into this space, and how can ownership structures be recapitalized/deleveraged? What are the prospects for loan buy-backs at discounts? How will workouts differ between securitized and non-securitized loans?

Moderator:

**Robert O'Brien**, Partner, U.S. Real Estate Services Leader, **Deloitte**

Speakers:

**Alec Burger**, President, North America, **GE Capital Real Estate**

**Craig Butchenhart**, President, **NorthMarq Capital**

**Jeff Friedman**, Co-Founder, **Mesa West Capital**

**Robert W. Kline**, CEO/Principal, **R.W. Kline Companies**

**12:00 p.m.-1:10 p.m.**

**Lunch with Topical Roundtables**

**1:20 p.m.-2:00 p.m.**

**U.S. and Global Economic Outlook**

Introduction:

**Ron D. Sturzenegger**, Conference Co-Chair

Managing Director, Global Head of Real Estate, Gaming, and Lodging, **Bank of America**

**Merrill Lynch**

Featured Speaker:

**Dean Maki**, Managing Director, Chief U.S. Economist, **Barclays Capital**

The U.S. and world economies have improved considerably over the past year, but there are still many troubling trends and uncertainties to be dealt with. What kind of economic and job growth can we expect from the U.S. economy over the coming year? What is the future of interest rates, inflation, and Federal Reserve policy? How will

political decisions regarding the federal budget and deficits affect the future of the U.S. economy? How are recent developments in Europe, the Middle East, and Asia impacting the global economy? This session will feature views and insights from Dean Maki, chief U.S. economist for Barclays Capital.

**2:00 p.m.-3:30 p.m.**

**Investment and Finance Strategies for New Acquisitions and Development Today**

The transaction market is expected to continue picking up in 2011 and 2012, providing growing opportunities for investing in distressed properties and debt, value add and redevelopment opportunities, new development, and for restarting stalled projects. What equity and debt capital sources are willing to take risks on non-core investment opportunities today? What does it take financially to invest in a value add opportunity or to restart a development project? What are the opportunities for acquiring distressed debt or equity assets in 2011? What are the opportunities and risks for core investors today? Where is the debt and equity capital for new development? What property sectors and niches are attracting development capital today?

Moderator:

**Robert C. Lieber**, Executive Managing Director, **Island Capital**

Speakers:

**Cia Buckley**, Senior Partner, **Dune Capital**

**Ethan Penner**, President, **CBRE Capital Partners**

**Jeffrey S. Quicksilver**, Managing Principal, **Walton Street Capital**

**J. Allen Smith**, Chief Executive Officer, **Prudential Real Estate Investors**

**3:30 p.m.-3:50 p.m.**

**Break**

**3:50 p.m.-5:15 p.m.**

**Financing Strategies for Smaller and Noncore Real Estate Assets**

Many major deals involving the sale or refinancing of high-priced core assets have made the headlines recently, but there are many more noncore and smaller properties in need of capital that are in far different situations. What are the financing options for deals under \$20 million? Where can owners of or investors in such properties look for equity and debt financing today? Who is investing and lending in tertiary markets with moderately priced assets? How do conduit CMBS lenders view such lending opportunities? What government financing programs are available for such deals? When will regional banks start lending again on these properties?

Moderator:

**Scott Farb**, Managing Principal, **Reznick Group**

Speakers:

**Bruce Batkin**, President, **Terra Capital Partners**

**Robert Byron**, Managing Principal, **Blue Vista Capital Partners LLC**

**Christopher Carroll**, Managing Director, **Cohen Financial**

**John Cannon**, Executive Vice President, **Berkadia Commercial Mortgage**

**5:15 p.m.**

**Conference Adjourns**

## **ULI Conference Staff**

Dean Schwanke, Executive Director, ULI Center for Capital Markets and Real Estate, and Senior Vice President

Stephen R. Blank, Senior Resident Fellow, Finance

Mary Beth Corrigan, Senior Vice President, Convenings

David Howard, Executive Vice President, Development/Foundation

John Parkinson, Executive Director, ULI New York

Rose Kim, Convenings

Maria Fiore, Convenings

Carla Harrison, Development