

REAL ESTATE CAPITAL MARKETS

YEAR IN REVIEW



2023

HUNTON
ANDREWS KURTH

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TABLE OF CONTENTS

LETTER FROM OUR TEAM	3
2023 DEAL HIGHLIGHTS	4
TEAM MEMBER SPOTLIGHT: JIM SEEVERS	6
THOUGHT LEADERSHIP.....	7
RANKINGS & AWARDS.....	10
MARKET DATA	13
DIVERSITY & INCLUSION SPOTLIGHT: PROJECT DESTINED.....	14
CONTACT US	16
ABOUT US	17

We are excited to present to you our Hunton Andrews Kurth LLP *Real Estate Capital Market's 2023 Year in Review*. 2023 was truly a tale of two separate years. The first part of 2023 in many ways mimicked 2022. Conditions were challenging as the impact of historically high inflation and higher interest rates created volatility for REITs and a slow-down in traditional capital markets activity. Later in 2023, conditions improved as market participants appeared to look to a future time when the Federal Reserve might not only hold interest rates steady, but perhaps even make an interest rate cut. Deal volume picked up and that momentum carried into the first part of 2024. Market participants also began to seek value in distressed real estate assets, as well as exploring value in less traditional real estate sectors.

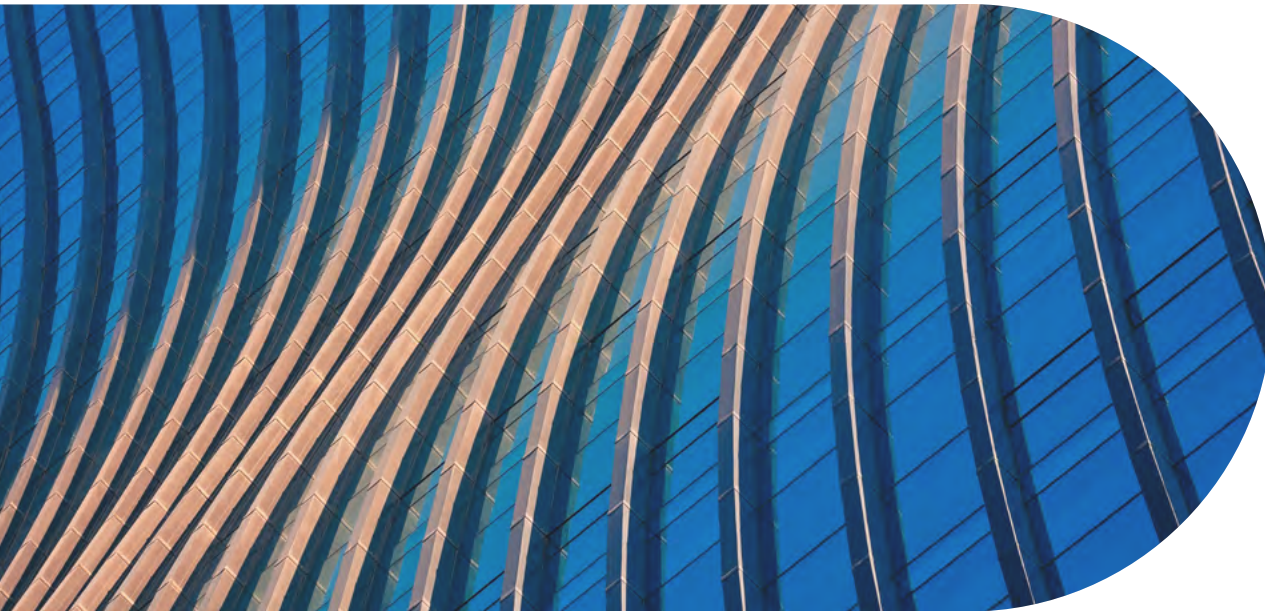
Our practice continued to be busy during 2023 in several areas. Leading the way was REIT M&A activity where we represented participants in some of the year's higher profile REIT deals. For example, we advised Arlington Asset Investment Corp. in its merger with Ellington Financial Inc.; AG Mortgage Investment Trust, Inc. in its successful topping bid to acquire Western Asset Mortgage Capital Corporation; and Hersha Hospitality Trust in its acquisition by KSL Capital Partners. See [page 4](#) for a list of highlighted M&A transactions from 2023. These 2023 deals illustrate a continued trend of our extensive experience advising on significant REIT M&A deals, including the representation of Capstead Mortgage Corp. in its merger with Franklin BSP Realty Trust, Inc.; Pebblebrook Hotel Trust in its takeover of LaSalle Hotel Properties; Healthcare Realty Trust Incorporated in its combination with Healthcare Trust of America, Inc.; Industrial Logistics Properties Trust in its acquisition of Monmouth Real Estate Investment Corp.; Service Properties Trust in its acquisition of Spirit MTA REIT's property portfolio; and NewLake Capital Partners in its merger with GreenAcreage Real Estate Corp.

In addition, despite choppy conditions, we were active in representing REITs and other real estate companies on a broad range of public capital markets activities, including capital raises for MFA Financial, Inc., Chimera Investment Corporation, AG Mortgage Investment Trust, Inc., Rexford Industrial Realty, Inc., Franklin BSP Realty Trust, Inc. and UMH Properties, Inc., among others. We were also pleased to assist on several private capital raises, including with respect to asset classes such as mortgages, self-storage, industrial and healthcare. In particular, we noted an uptick in private capital raises in new and unique asset classes, perhaps setting the stage for the reemergence of REIT IPOs.

With respect to private capital, our Real Estate Capital Markets practice works closely with our Private Investment Funds practice, where we represent both sponsors and investors in real estate private equity fund transactions (many of which include a REIT component). Jim Seevers leads our Private Investment Funds practice, and as described on [page 6](#), Jim and his team were very busy in 2023 with a number of real estate fund representations.

Even more important than deal metrics was our commitment to thought leadership and the community during 2023. In terms of being on the forefront of issues facing REITs, we participated in several speaking engagements and panels and authored numerous articles designed to provide practical guidance to our clients and market participants. See [page 7](#) for a sampling of our various thought leadership contributions during 2023. As we have noted for our readers in the past, a commitment to pro bono work, diversity and inclusion and similar matters are part of the fabric of our law firm. The attorneys making up our REIT practice play a key role in this regard. See [page 10](#) for some additional highlights from 2023. In addition, [page 14](#) highlights our ongoing pro bono partnership with Project Destined, a leading social impact platform that provides training in real estate, entrepreneurship and financial literacy.

Thank you for allowing us to present to you some highlights from 2023. We are grateful to you, our clients, colleagues and friends, for the opportunities to partner with you in your businesses and initiatives and we look forward to working closely with you in 2024.



2023 DEAL HIGHLIGHTS

Hunton Andrews Kurth consistently ranks as one of the most experienced law firms with respect to real estate capital markets transactions, representing issuers, underwriters, sponsors and lenders in connection with structuring and financing publicly and privately owned REITs and real estate companies.

We work with, or in the past have worked with, approximately half of all current publicly-traded mortgage REITs as either company counsel or underwriters' counsel (more than any other law firm). In 2023, we continued to focus on our representation of mortgage REITs in capital markets transactions. We also represented three publicly traded mortgage REITs in M&A transactions. As such, we are ranked as the #1 law firm advising on Specialty Finance and Mortgage REIT M&A transactions for 2023 according to S&P Global.

We also have a particular focus on hotel REITs as Hunton pioneered the resurgence in the lodging industry's use of the REIT structure in the early 1990s and has served as counsel on substantially more hotel REIT transactions, including hotel REIT IPOs, than any other firm. Additionally, we have significant experience working with equity and property REITs, including REITs with substantial exposure to "net" or "triple net" leases.

Our focus and broad activity in the REIT industry keep us at the forefront of industry developments. We regularly advise numerous publicly-traded REITs, real estate companies and other industry participants with respect to capital markets, securities law reporting, financing, corporate governance, tax and general corporate matters.

RECENT EXPERIENCE

AG Mortgage Investment Trust in its \$34.5 Million Senior Notes Offering

MFA Financial in its \$100 Million Senior Notes Offering

Hersha Hospitality Trust in its \$1.4 Billion Acquisition by KSL Capital Partners

AG Mortgage Investment Trust in its Successful Topping Bid to acquire Western Asset Mortgage Capital Corporation

Service Properties Trust in its \$165.4 Million Purchase of the 250-key Nautilus Hotel Located in Miami Beach, Florida

Arlington Asset Investment Corp. in its Merger with Ellington Financial Inc.

The Underwriters in a \$200 Million At-the-Market Offering by Franklin BSP Realty Trust, Inc.

The Underwriters in a \$300 Million Senior Notes Offering by Rexford Industrial Realty, L.P.

The Underwriters with a \$1.25 Billion At-the-Market Offering by Rexford Industrial Realty, Inc.

Chimera Investment Corporation in its \$500 Million At-the-Market Offering

Ellington Financial Inc. in its \$225 Million At-the-Market Offering

The Placement Agent in a \$100 Million At-the-Market Offering by UMH Properties, Inc.

A hospitality REIT with three separate fixed-rate CMBS mortgage loans totaling \$43 million secured by hotel properties in Texas and South Carolina (additionally, we later assisted this REIT with two additional fixed-rate CMBS mortgage loans totaling approximately \$40 million secured by two hotels in Texas)

A REIT and an investment company with the \$55+ million acquisition of a property in New York and financing for redevelopment into a first-class mixed-use building

MFA Financial, Inc. and other REITs as issuer in connection with multiple securitizations involving pools of residential mortgage loans

The Underwriters in multiple residential mortgage-backed securities deals for various as issuers, including mortgage REITs

#1 Law Firm
Advising on Mortgage
REIT M&A
S&P Global, 2023



TEAM MEMBER SPOTLIGHT

JIM SEEVERS

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Jim leads the firm's Private Investment Funds practice and represents clients in a broad range of private investment fund matters, including fund formations and offerings, funds of one, separate managed accounts, fund reorganizations and registered investment adviser regulatory compliance matters. Frequently working with both the Tax and Real Estate Capital Markets practices, the Private Investment Funds practice regularly handles these matters in real estate and real estate related asset classes, including equity investments in a variety of property types, mortgage and other credit strategies, single family rental, residential whole loans and mortgage servicing rights ("MSRs"), among others. The group also frequently handles major life events for fund managers, including the addition or departure of partners and teams and GP stakes investments.

Jim also serves as the co-chair of our Real Estate Investment and Finance industry group. As a core industry for Hunton Andrews Kurth, our REIF group has over 200 lawyers in 12 major US markets, enabling us to provide the comprehensive coverage needed for any real estate or real estate related matter.

Jim received his JD from Washington and Lee University School of Law, magna cum laude, Order of the Coif, and served as the editor in chief of the Washington and Lee Law Review. He received his BA from the University of Virginia.

During 2023, Hunton's Private Investment Funds group helped launch three large equity commercial real estate funds for established general partners that are still in the market, and devoted substantial time to several MSR investment vehicles. The group closed out a multi-year fund formation project for client TriPost Capital Partners, who held the final closing on a \$350 million fund to make real estate operating company and GP capital investments alongside experienced real estate operators. In addition, the group helped establish two new real estate investment management businesses, one pursuing ESG investments concentrating on C-PACE loans and the other pursuing investments in mortgage loans.



THOUGHT LEADERSHIP

EVENTS

[SEC Cybersecurity Disclosure Rules: Practical Advice on What to Do Now](#),
December 12, 2023

[REMICs, Debt-for-tax, Notes and Certificates: What Does It All Mean?](#),
November 15, 2023

[Conflict Transactions under a Microscope: When does \(and should\) MFW
apply?](#), Delaware Governance Institute, October 12, 2023

[International Issues Related to Crypto Assets, World Law Group—Dispute
Resolution Group](#), October 3, 2023

[Drinks With The Deal Podcast: Hunton's Kennedy Talks Restrictive Covenants,
The Deal](#), May 4, 2023

[Generative AI: Managing the Legal Risks](#), May 31, 2023

[Richmond Women's Law: In Celebration of Women's History Month, Muse Law
Library Blog at Richmond School of Law](#), March 29, 2023

[How to Capitalize & Win The Rebound: Fireside Chat, Bisnow's New York
Future Forum](#), January 31, 2023

[Advising the Board on M&A Transactions, PLI's Mergers & Acquisitions 2023:
Advanced Trends and Developments](#), January 18, 2023

“Hunton’s REIT team is one of the best in the country, with dedicated REIT capital markets lawyers who live and breathe REITs.”

The Legal 500, 2023

CLIENT ALERTS AND PUBLICATIONS

[Real Estate Capital Markets Newsletter—Fall 2023, November 14, 2023](#)

[Real Estate Capital Markets Newsletter—Summer 2023, August 7, 2023](#)

[Real Estate Capital Markets Newsletter—Spring 2023, May 17, 2023](#)

[Goolsby and Haas on Virginia Corporations, Seventh Edition, LexisNexis, 2023](#)

[Delaware Court Addresses Ability to Sue Buyers for Lost Premiums in M&A Deals, *Deal Lawyers*, November-December 2023](#)

[Pay Versus Performance Proxy Disclosure: Takeaways From Major Players in Three REIT Sectors, *Real Estate Finance Journal*, Fall 2023](#)

[Proxy Advisory Firm Issues Guidance on Cyber Oversight and Disclosure, *Compliance & Enforcement*, November 27, 2023](#)

[Delaware Court Addresses Ability to Sue Buyers for Lost Premiums in M&A Deals, November 16, 2023](#)

[Privacy and Cybersecurity Due Diligence in M&A Transactions, LexisNexis, *Practical Guidance*, November 9, 2023](#)

[SEC Announces Settled Enforcement Actions Against Company Insiders and 5% Holders, October 16, 2023](#)

[Generative AI in Contract Terms and Conditions, August 31, 2023](#)

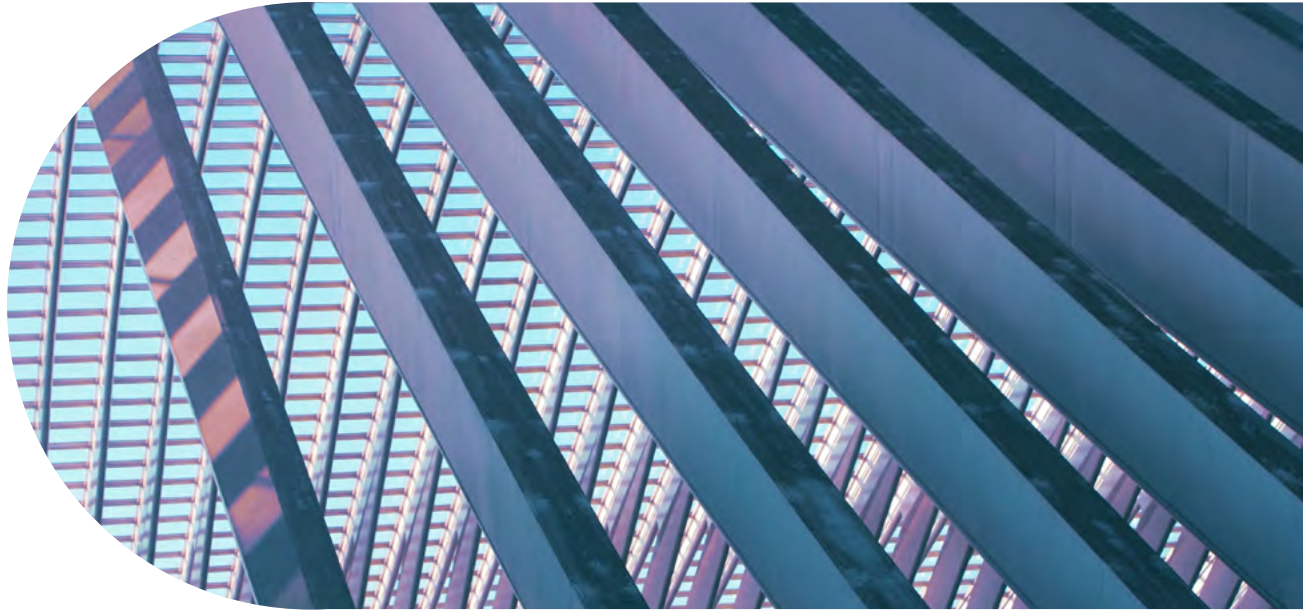
[SEC Issues New Guidance on Rule 10b5-1 Plan Amended Rules, August 29, 2023](#)

[SEC Adopts Final Rules on Private Fund Advisers; Documentation of Registered Investment Adviser Compliance, August 25, 2023](#)

[Slack Technologies v. Pirani, August 18, 2023](#)

[Practical Guide: Now Is the Time to Adopt Compliant Clawback Policies, August 15, 2023](#)

[SEC Finalizes Cybersecurity Disclosure Requirements, August 3, 2023](#)



[SEC Approves New Rules Expanding Disclosure Requirements for Issuer Share Repurchases, June 6, 2023](#)

[Commercial Mortgage REITs: Tax Considerations When Dealing With Distressed Mortgage Loans, May 9, 2023](#)

[2022 Retail M&A Year in Review: Overview of 2022, Total Retail, April 20, 2023](#)

[Tax Implications of President Biden's Proposed Fiscal Year 2024 Budget, March 27, 2023](#)

[Nine Legal Questions You Might Encounter While Doing Business in the Metaverse, February 22, 2023](#)

[Delaware Court Addresses Freeze-Out Merger Confronted With Topping Bid, February 7, 2023](#)

[Claims Against Special Committee Members Dismissed Despite Application of Entire Fairness to Go-Private Transaction, January 27, 2023](#)

[2023 SEC Reporting Guide: Annual Reports, Proxy Statements and Other Relevant Considerations, January 25, 2023](#)

[In Case You Missed It, 2022: Year-End IP Round-Up, Including Metaverse and NFT, Brand Protection, and IP Transactions Updates, and More, January 12, 2023](#)

[Proposed Regulations Contain Surprise on REIT Domestic Control, January 5, 2023](#)

RANKINGS & AWARDS

CHAMBERS USA: AMERICA'S LEADING LAWYERS, 2023



**CAPITAL MARKETS:
REITs**
Practice Ranked Nationally



GEORGE HOWELL
Named Eminent
Practitioner



KENDAL SIBLEY
Ranked in Band 1



STEVE HAAS
Ranked in Band 2
for M&A



ROB SMITH
Ranked in Band 4



JIM DAVIDSON
Ranked in Band 5

“The team has a deep and broad knowledge of the REIT structure and offers counsel on tax, SEC, and governance matters that is second to none.”

The Legal 500, 2023

LEGAL 500 USA, 2023



REITs
Practice Ranked Nationally



GEORGE HOWELL
Named to Hall of Fame



KENDAL SIBLEY
Named as
Recommended Lawyer



STEVE HAAS
Named as
Recommended Lawyer
for M&A



ROB SMITH
Named as
Recommended Lawyer



JIM DAVIDSON
Named as
Next Generation Lawyer

Our Real Estate Capital Markets practice is part of the firm's broader Capital Markets practice, which has handled more than **850** equity and debt transactions, aggregating approximately **\$490 billion** over the past five years.

RANKINGS & AWARDS

We figured prominently in *Bloomberg's* 2023 Global Legal Adviser League Tables, ranking among the **top 20** law firms across **18 capital markets categories**, finishing within the **top 10** in 12 of those categories.

BLOOMBERG CAPITAL MARKETS RANKINGS, FY 2023

#3 US Equity Linked

– Issuer Ranked by Volume

#4 US Investment Grade Corporate Bonds

– Manager Ranked by Deal Count

#4 US Corporate Bonds

– Manager Ranked by Deal Count

#6 Global Bonds

– Issuer Ranked by Deal Count

#7 US Equity Linked

– Manager Ranked by Deal Count

#7 Global Bonds

– Manager Ranked by Deal Count

#7 US Investment Grade Corporate Bonds

– Manager Ranked by Volume

#8 Global Bonds

– Manager Ranked by Volume

#8 US Corporate Bonds

– Manager Ranked by Volume

#9 US Equity Linked

– Issuer Ranked by Deal Count

#10 US Equity Linked

– Manager Ranked by Volume

#10 US Investment Grade Corporate Bonds

– Issuer Ranked by Deal Count

#11 Global Bonds

– Issuer Ranked by Volume

#14 US Investment Grade Corporate Bonds

– Issuer Ranked by Volume

#14 US Corporate Bonds

– Issuer/Borrower Ranked by Deal Count

#16 US Corporate Bonds

– Issuer/Borrower Ranked by Volume

#17 US Equity Offerings

– Manager Ranked by Volume

#18 US High Yield Corporate Bonds

– Manager Ranked by Volume

S&P GLOBAL M&A LEAGUE TABLES, 2023

#1 Specialty Finance and Mortgage REIT Legal Advisor

– By Number of Deals

#5 Specialty Finance and Mortgage REIT Legal Advisor

– By Deal Value

#6-Equity REIT Legal Advisor

– By Number of Deals

#14-Equity REIT Legal Advisor

– By Deal Value

MARKET DATA: TOP 5 REIT INDUSTRIES IN TERMS OF CAPITAL MARKETS DEAL VOLUME 2023



**RETAIL
REITS: 49**



**DIVERSIFIED
REITS: 43**



**INDUSTRIAL
REITS: 41**

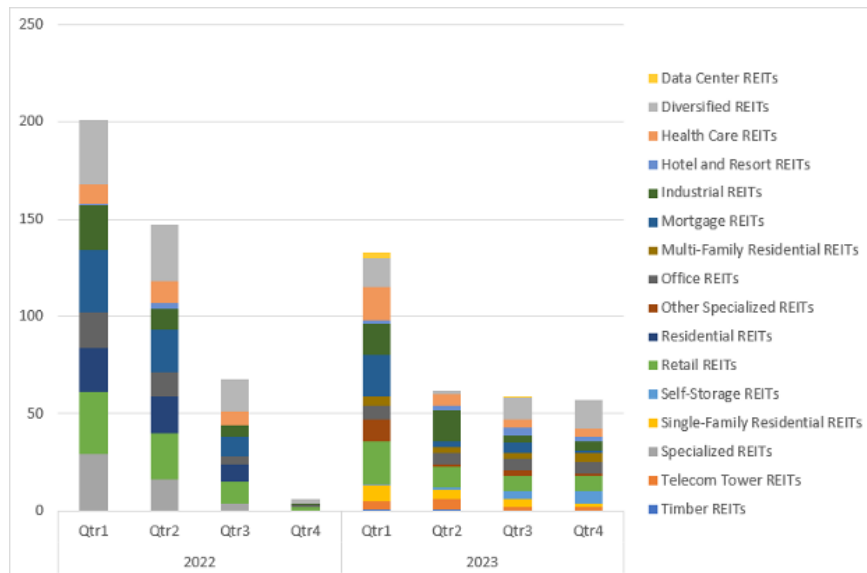


**MORTGAGE
REITS: 30**



**OFFICE
REITS: 25**

REIT CAPITAL MARKET TRANSACTIONS QUARTERLY DEAL COUNT



Source: S&P Capital IQ Pro



DIVERSITY & INCLUSION SPOTLIGHT

PROJECT DESTINED

Since 2017, Hunton has acted as outside corporate counsel on a pro bono basis to Project Destined, a national, real estate-focused non-profit organization dedicated to furthering education and diversity in underserved cities. Project Destined is a leading social impact platform that provides training in real estate, entrepreneurship and financial literacy. Hunton partners with [Project Destined](#) to provide real estate based training to college students, high school students and military veterans across the United States, the United Kingdom, Canada, Europe and Asia.

PLATFORM HIGHLIGHTS

- Extensive Global Reach and Impact: Project Destined has provided real estate training and mentoring to 7,000+ students across 1,300+ universities with the support of 250+ corporate partners.
- Strong Student Outcomes: Project Destined Alums have earned internship and full-time opportunities at top firms including Blackstone, Brookfield Properties, CBRE, Greystar, JLL, J. P. Morgan, KKR, Wells Fargo, among others.
- Continued Expansion: With over 16,000 applications per year, Project Destined will expand its course offerings in 2024 through a new Real Estate Certification Program, providing students with access to (live, graduate school professor-led) courses in Financial Modeling, Capital Markets, Asset Management, Real Estate Development and Affordable Housing leveraging curriculum guidance from Hunton, Greystar, Brookfield Properties, JLL and Eastdil Secured, among others.

PARTNERSHIP HIGHLIGHTS

- **Expanded Partnership in 2023:** Hunton has supported Project Destined's launch in key markets including New York City, Los Angeles and Washington, DC. In 2023, Hunton and client, Savanna, supported Project Destined in expanding in South Florida with students from Florida International University, the University of Miami and Florida A&M University.
- **Providing Access to Real Estate Education:** Hunton's support has enabled Project Destined to expand access to students from 1,300 universities with over 90% of students coming from non-real estate majors. The 2023 program provided students with training in market research, property analysis, asset valuation and deal financing with the team evaluating a live, mixed-use development project in West Palm Beach.
- **Professional Guidance and Support:** As part of the 2023 Program, Hunton team members (including Laurie Grasso, Brett Gross, Matthew Halal, Anthony Bonan, Daniela Alvarado, Matthew Kugler, James Tsimis and Susan Saslow) provided 30+ hours of mentoring, guidance and support to Project Destined students. The students leveraged Hunton's support to earn a spot in the semi-finals of Project Destined's 'Shark Tank' style pitch competition.

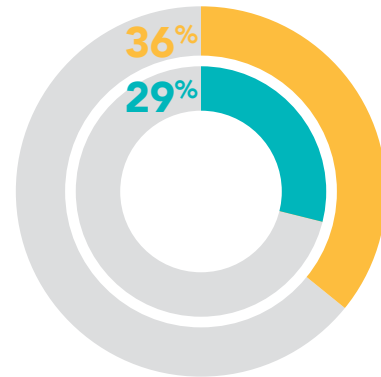
To learn more about Project Destined and its growing impact, please visit [here](#).

DIVERSITY AT HUNTON: MINORITY & WOMEN LAWYERS

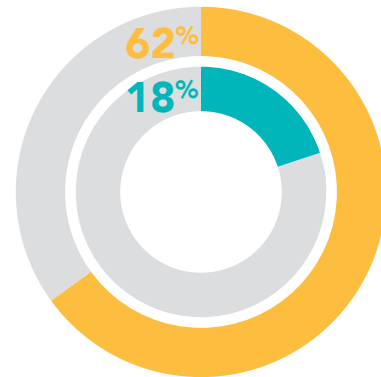
Information based on individuals' voluntary self-identification

■ Minority Lawyers ■ Women Lawyers

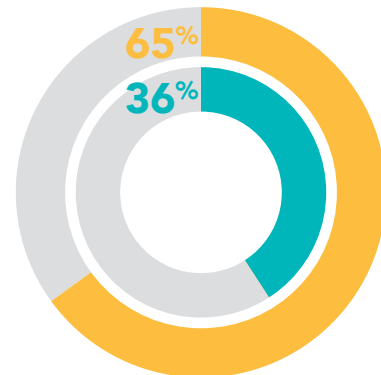
2022 NEWLY PROMOTED PARTNERS



2022 ENTRY-LEVEL ASSOCIATES



2022 SUMMER ASSOCIATES



“Our partnership with Hunton provides students with unparalleled opportunities to build a great career while also impacting their community.”

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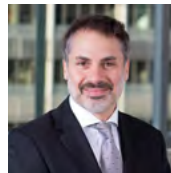
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ABOUT US

Hunton Andrews Kurth LLP consistently ranks as one of the most experienced law firms with respect to real estate capital markets transactions, representing issuers, underwriters, sponsors and lenders in connection with structuring and financing publicly and privately owned real estate companies, including in particular real estate investment trusts (REITs). The firm regularly receives top tier national rankings for its work as both issuer's and underwriter's counsel in *Chambers USA*, *The Legal 500*, *Bloomberg* and *Refinitiv*.

Hunton Andrews Kurth has extensive experience in taking real estate companies public, both as REITs and as C corporations, and in subsequent financing transactions. We have handled approximately 155 IPOs and Rule 144A equity offerings and more than 1,100 capital markets transactions involving more than 210 REITs and other real estate companies. In the course of those and other engagements, we have worked closely with the leading investment banking firms, accounting firms and other professionals active in the real estate finance industry. As a result, our Real Estate Capital Markets Group is particularly well qualified to assist companies accessing the public capital markets as well as private capital sources.



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