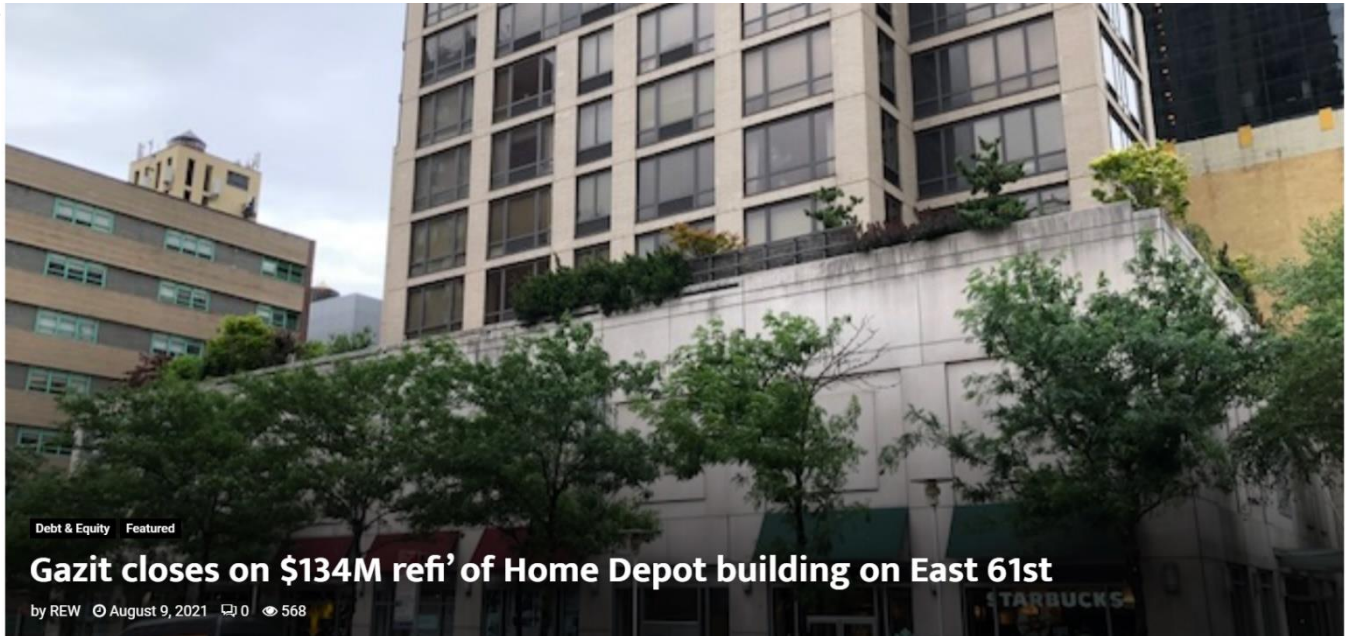


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Debt & Equity Featured

## Gazit closes on \$134M refi' of Home Depot building on East 61st

by REW August 9, 2021 0 568

Gazit-Globe announced that its subsidiary, Gazit Horizons, Inc., has entered into a Credit Term Lease (CTL) bond financing for 410 East 61st Street with \$134.4 million.

The Property, which is approximately 120,000 s/f spanning four floors, was leased last year to The Home Depot for a 20-year term in what was the largest new retail lease (by size and total rent) executed in Manhattan in 2020.

The new financing retires Gazit's entire investment in the property and generates additional proceeds on the investment of approximately \$30 million.

Gazit acquired the property in two separate transactions in 2017 and 2018 for approximately \$80 million and will spend an additional \$20 million dollars preparing for The Home Depot, which is expected to open in the next couple of years.

The new financing carries a fixed interest rate of 3.295 percent and is non-recourse to Gazit, secured only by the property and The Home Depot lease.

Ackman Ziff Real Estate Group advised Gazit in the transaction, with Mesirow Financial acting as placement agent.



JEFF MOOALLEM

"The closing of our \$134.4 million bond this week represents another major step forward in our value creation from this asset," said Jeff Mooallem, president & CEO of Gazit Horizons.

"After signing the lease late last year, we have worked diligently to obtain all necessary approvals, setting the stage for this permanent financing. By using CTL financing rather than a traditional real estate loan, we were able to leverage the strong credit of our tenant and the value of our 20-year lease to recognize a strong profit on our investment and eliminate interest rate risk going forward, all while maintaining full ownership of the property. We look forward to The Home Depot's opening, which will only enhance the long term upside from this property."