

Proskauer Advises on Formation of New \$1.2 Billion REIT in a Singapore IPO

May 24, 2019

May 24, 2019 (New York) – International law firm Proskauer advised Eagle Hospitality Real Estate Investment Trust (“EH-REIT”) as United States counsel in connection with its US\$565 million initial public offering and listing of stapled securities on the mainboard of the Singapore Exchange, as well as related formation transactions. EH-REIT has also granted the underwriters in the IPO an over-allotment option to purchase up to an additional \$29 million in stapled securities.

EH-REIT’s initial portfolio consists of 18 hotels across the United States with a total of 5,420 rooms having an aggregate valuation in excess of \$1.2 billion^[1]. All but one of the hotels is operated under a brand license with one of the three largest global hotel franchisors – Marriott, Hilton and IHG.

This was only the fourth IPO in Singapore of a REIT owning U.S. real estate assets and the largest IPO in Singapore in 2019 to date.

EH-REIT’s portfolio of lodging assets was acquired by EH-REIT from affiliates of its sponsor, Urban Commons, LLC (“Urban Commons”), a Los Angeles-based real estate private equity firm. Affiliates of Urban Commons will serve as the external manager of EH-REIT and as the master tenants under a master lease arrangement implemented as part of the formation of EH-REIT. Pursuant to these leases, the master tenants will keep all revenue generated by the hotels in exchange for fixed and variable rent and taking on general responsibility for paying for all costs and performing all actions necessary to operate the hotels.

Proskauer also represented EH-REIT in the concurrent refinancing of the mortgage debt encumbering 15 of the hotels with a \$341 million senior corporate credit facility. EH-REIT’s other three properties are encumbered by \$71 million in mortgage debt and it has also borrowed an additional \$89 million on an unsecured basis.

The joint global coordinators for the IPO were DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch and BNP Paribas, acting through its Singapore branch, and DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch, BNP Paribas, acting through its Singapore branch, Deutsche Bank AG, Singapore Branch and Jefferies Singapore Limited were the joint bookrunners and underwriters for the IPO.

Proskauer has also represented Urban Commons in its prior financing and acquisition activity.

The Proskauer team was led by partner and Real Estate Capital Markets Co-Chair Steven Lichtenfeld, with assistance from partners Andrew Bettwy and Andrew Kleiman, senior counsel Steven Fishman, special capital markets counsel Samuel Kardon and associates Daniel Walbrun, Katie Roddy, Matthew Blair, Phillip Kaminski, Nicholas Pellegrino, Neel Sheth, Aaron Quint and Al Lucia.

[\[1\]](#) Based on the adopted value of each of the properties in the portfolio, which is the independent valuation by HVS (as of December 31, 2018)

[Related Professionals](#)

- **Steven L. Lichtenfeld**
Partner
- **Andrew Bettwy**
Partner
- **Philip A. Kaminski**
Partner
- **Nicholas Pellegrino**
Associate
- **Alfred J. Lucia**
Associate