

BEST FINANCING 2017



\$815 Million San Francisco Portfolio

Gold Award: \$815 Million San Francisco Portfolio

Landlord: Veritas Investments

Type of Financing: Refinancing Loan

Transaction Size: \$815 million

Financier: Goldman Sachs

Adviser: Eastdil Secured

Lead Law Firm: Lubin Olson & Niewiadomski

Project Type: Multifamily/Mixed-Use/Retail

Properties: Roughly 70

The Story: When it closed in January 2016, this was the largest transaction of its kind on record in the city of San Francisco. CEO Yat-Pang Au employs a small-property aggregation strategy that made Veritas one of the city's largest landlords. Veritas' approach is to acquire 20- to 100-unit older, classic properties that are too small for large investors; apply its management, repositioning, renovation and leasing services; and then package a portfolio for sale, targeting institutional investors. The record-breaking transaction had its challenges. With the official deal closing in January 2016, Veritas faced a major credibility decline in the financial markets. The company's investment bankers at Goldman Sachs worked against Wall Street headwinds that Bloomberg called the "worst since 2009." In the following months, Goldman Sachs doubled down on its networking and marketing efforts to ensure a successful securitization.

Judges Praised: The aggregation strategy as a creative way to make a return on investment by selling portfolios to institutional investors, which have had so few institutional holdings in San Francisco in prior years.