

# THE WALL STREET JOURNAL.

WEDNESDAY, DECEMBER 13, 2006

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## Plots & Ploys

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### St. Louis Treasure

The historic Chase Park Plaza Hotel in St. Louis — which in its glory days hosted U.S. presidents, Frank Sinatra and the rest of the Rat Pack, and the Miss America pageant — has a new owner.

Behringer Harvard, a Dallas-based commercial real-estate firm, bought a majority stake in what Chief Executive Robert M. Behringer calls an “architectural treasure” earlier this week for about \$180 million. Included in the price is \$95 million set aside for renovation.

The 1.2 million-square-foot Chase Park Plaza complex next to the city’s massive Forest Park includes the 11-story hotel, which dates back to 1922, and a 29-story apartment tower built in 1929. The property also has a five-screen movie theater and five restaurants.

The hotel building was closed between 1989 and 1999, when local investors spent tens of millions of dollars renovating it. James L. Smith, who led the partnership that renovated the hotel, will remain a minority partner in the property.

The apartment tower will be partially converted to condominiums and three of its floors will be turned into hotel rooms in the latest renovation. The condos will range from \$500,000 to \$2.5 million, among the most expensive in St. Louis, Mr. Smith says.

### Lots of Land

A big swath of land in Albuquerque, N.M., has a new owner.

SunCal Cos., a developer based in Irvine, Calif., and the real-estate unit of the D.E. Shaw group, a New York investment-management firm, are buying Westland Development Co. and the 57,000 acres it owns in and around Albuquerque.

They are paying \$250 million for Westland, which means its roughly 6,000 shareholders will receive \$315 a share, SunCal said. Officials at Westland

couldn’t be reached to comment. SunCal and D.E. Shaw group say Albuquerque is poised for significant expansion in coming years, and the 57,000 acres lie directly in the path of growth.

“We underwrote this acquisition with a long-term view. We truly believe in the long-term viability of the (Albuquerque) market,” says George Rizk, head of real-estate investments at D.E. Shaw group. Much of the future development on the property will be residential.

The property was part of the Atrisco Land Grant, which the king and queen of Spain handed down to its settlers in the 17th century. SunCal said most of Westland’s shareholders are descendants of those settlers.

### Price Relief

An unusual U.S. real-estate investment trust that invests solely in affordable housing is getting an equity infusion that will allow it to fund about \$400 million in investments.

Community Development Trust of New York this week issued \$64 million in convertible preferred shares to institutional investors. Eight of the 10 investors in the offering are big banks that get credit for the investment under the Community Reinvestment Act, which requires lenders to make loans and investments in low-income areas.

As housing prices in much of the country have soared, CDT has invested \$600 million in affordable housing — where rent is less than 30% of the income of a family that earns less than 50% to 60% of an area’s median income. Meanwhile, it has paid out dividends at nearly a 5% yield to its investors. As a REIT, CDT doesn’t pay taxes as long as it pays out at least 90% of its earnings to shareholders, but it isn’t publicly traded, limiting its shares’ liquidity.

CDT packages small affordable-housing loans into big bundles and sells them to institutional buyers. It also invests directly in property with joint-venture partners, on the condition that

its partner can’t raise rents without its permission.

“If we have the opportunity to go in and buy a 200- to 400-unit housing property so it doesn’t fall victim to (condo) conversion, we’ll do it,” says Stephen H. O’Connor, a senior vice president at CDT. Still, nothing has come easy in the housing boom of the last several years. “We’re hoping the market will cool a little bit,” says Chief Executive Judd S. Levy.

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