

Wachtel Missry, Morgan Lewis Steer \$130M Beverly Hills Deal

By **Andrew McIntyre**

Law360 (May 8, 2019, 4:23 PM EDT) -- Wachtel Missry represented a venture of developer Shvo, Bilgili Group and Deutsche Finance in connection with the trio's \$130 million purchase, announced Wednesday, of a development site in Beverly Hills, California, from Morgan Lewis-counseled New Pacific Realty.

The deal is for 9200 Wilshire Blvd., which is fully entitled for a 307,397-square-foot residential and retail development. The venture plans to develop a seven-story building that will have 54 luxury residences and 6,650 square feet of retail space.

"Our new residential concept will offer the highest quality of living and amenities, providing extreme value for those seeking something truly extraordinary in Beverly Hills," Michael Shvo, chairman of Shvo, said in a statement Wednesday.

The new development comes at a time of great demand in Beverly Hills for luxury housing coupled with limited supply, according to a statement Wednesday from Sven Neubauer, chief investment officer at Deutsche Finance.

Entitlement in California is often slowed by challenges under the California Environmental Quality Act of required environmental impact reports, and such challenges often result in developers having to come up with two, three or even more impact reports in order to get through the lengthy entitlement process.

But in the case of 9200 Wilshire, that work is complete.

"The seller was prepared to start developing the property so we were able to buy a fully entitled development site in the heart of Beverly Hills where the entitlement process takes years," Morris Missry of Wachtel Missry LLP told Law360 on Wednesday. "From that perspective it was a unique and opportunistic buy."

Shvo, Bilgili and Deutsche Finance are no strangers to doing real estate deals. Earlier this year, the trio bought a historic hotel in Raleigh, North Carolina, and last year purchased the office portion of 685 Fifth Ave. in Manhattan.

The venture is currently converting that office space into Mandarin Oriental-branded residences.

Plans for the new project in Beverly Hills also call for a pool on the roof of the building. Acore Capital provided \$51 million in financing for the purchase and Wachtel Missry also helped the venture with that loan.

New Pacific Realty Corp. is based in Beverly Hills. A representative for the company couldn't immediately be reached for comment Wednesday.

"I am constantly striving to grow my portfolio with unique assets ... [and] I am thrilled add 9200 Wilshire to my collection," Serdar Bilgili, chairman of Bilgili Group, said in a statement Wednesday.

Counsel for New Pacific Realty couldn't immediately be reached for comment Wednesday.

Lotus Capital Partners arranged the acquisition financing.

The buyer joint venture is represented by Morris Missry and Mia Stevens-Haynes of Wachtel Missry LLP.

New Pacific Realty is represented by Marc Liverant of Morgan Lewis & Bockius LLP.

--Editing by Stephen Berg.