



## STARWOOD EUROPEAN FINANCE ANNOUNCES £264 MILLION CAPITAL DEPLOYMENT

– Closes Four Loans on Residential, Hotel, Office and Industrial Properties in Europe –

**GREENWICH, CT and GUERNSEY (July 15, 2014)** – Starwood European Finance, a commercial real estate lending and debt investment platform, announced today that it has deployed approximately £264 million (\$452 million) of capital through four separate transactions on behalf of Starwood Property Trust (NYSE: STWD), Starwood European Real Estate Finance (“SEREF”) (LSE: SWEF) and private funds managed by Starwood Capital Group.

Starwood Property Trust and private funds managed by Starwood Capital Group have committed to a £101.75 million first mortgage loan for the development of Baltimore Wharf, a 46-story residential tower and 18-story housing development containing a total of 366 private residential and affordable housing units. Starwood Property Trust will originate £86.75 million of the loan and private funds managed by Starwood Capital Group will provide £15 million. The loan’s interest rate floats over LIBOR and has a term of 40 months. Frogmore Real Estate, Galliard Homes, C J O’Shea Group Ltd. and LBS Properties are the sponsors on the transaction. Urban Exposure has served as a key transaction adviser, contributed as a minority lender in the Facility and been appointed Facility Agent.

Ideally situated in the growing Docklands area of London, Baltimore Wharf is located just south of the Canary Wharf central business district. The tower will feature high-quality finishes, desirable views and state-of-the-art amenities—including a split-level brasserie, bar and restaurant, valet parking and a large-screen cinema room. Residential buyers will have a choice of suites and apartments ranging from one to five bedrooms. The tower units have been substantially pre-sold.

In addition, Starwood Property Trust, SEREF and private funds managed by Starwood Capital Group have provided a €99 million loan for the refinancing and refurbishment of a new W branded hotel located in the center of Amsterdam. Starwood Property Trust will originate €58 million of the loan, SEREF will provide €25 million and private funds managed by Starwood Capital Group will provide €16 million. The loan’s interest rate floats over Euribor and has a term of two years with a one-year extension option. The sponsor is Liran Wizman, a highly experienced hotel owner and key shareholder in Grand City Hotels, a highly rated pan-European hotel management company. Slated to be completed in the third quarter of 2015, the refurbished hotel is based in Spuistraat, a prime location within the city that provides easy access to transportation links and attractions including the Royal Palace and Dam Square, which the hotel adjoins. Property finance boutique Buchler Barnett Spencer acted as advisor for the sponsor.

“Funding two high-profile commercial real estate projects such as the development of Baltimore Wharf and the refurbishment of the W Amsterdam reflects the depth of our lending platform in Europe and our ability to continuously source attractive financing opportunities outside of the United States,” said Jeff Dishner, Senior Managing Director and Global Head of Real Estate Acquisitions at Starwood Capital Group. “We continue to reaffirm Starwood Capital Group’s position as the global property market’s trusted and preferred lender.”

SEREF also provided a £27 million loan for the refinancing of First Central 200 (“FC200”), a new, seven-story, 164,000 square-foot office building located within West London’s Park Royal business district, at Hanger Lane. Co-investors Wainbridge Global Opportunities London Limited and a real estate fund of funds managed by Morgan Stanley recently invested substantial capital to complete the building’s finishes, including



the lobby, elevators and floors—thus bringing the building to Class A status. The property is currently 45 percent leased to Bechtel Limited, the U.K. subsidiary of Bechtel Corp., a global leader in engineering, procurement, construction and project management.

In addition, SEREF, along with private funds managed by Starwood Capital Group, expanded an existing first mortgage loan by €36.1 million with MBAY Netherlands B.V., bringing the total financing to €71.4 million. The total loan's interest rate floats over Euribor and has a term of five years. The sponsor is a joint venture between M7 Real Estate Ltd, an experienced multi-jurisdictional operator of multi-tenanted light industrial properties, and Bayside Capital, a credit-oriented investment firm.

The latest financing is the second increase to the facility, and serves to facilitate the sponsor's acquisition of nine additional light industrial properties throughout the Netherlands, bringing the total number of assets in the portfolio to 28. M7 Cortona, the Dutch asset management arm of M7 Real Estate, is providing its industry-leading asset and property management services to the portfolio.

“We are pleased to provide flexible financing solutions that will allow high-quality borrowers to carry out their business plans on strong real estate,” said Peter Denton, Head of European Debt at Starwood European Finance. “These financings demonstrate our commitment to working with sponsors as they execute their investment strategies across Europe. Our ability to quickly and thoughtfully deploy capital when attractive, incremental opportunities present themselves makes Starwood European Finance a lender of choice in Europe.”

To date, Starwood European Finance, on behalf of Starwood Property Trust, SEREF and private funds managed by Starwood Capital Group, has deployed approximately £1 billion throughout Europe.

#### **About Starwood European Finance**

Starwood European Finance is a commercial real estate lending and debt investment platform that leverages the resources from Starwood Property Trust (NYSE: STWD), Starwood European Real Estate Finance (SWEF: London) and private funds associated with Starwood Capital Group to originate, invest and service commercial real estate debt investments in liquid markets throughout the United Kingdom and Continental Europe.

#### **About Starwood Property Trust, Inc.**

Starwood Property Trust, Inc. is focused on originating, acquiring, financing and managing commercial mortgage loans and other commercial real estate debt investments, commercial mortgage-backed securities, and other commercial real estate-related debt investments. The Company through its 2013 acquisition of LNR Property, LLC (LNR) now also operates as a special servicer in the United States and as a primary and special servicer in Europe and has expanded its product offering to include fixed rate conduit loans. The Company may also invest in residential mortgage-backed securities, residential mortgage loans, distressed or non-performing commercial loans, commercial properties subject to net leases and commercial real estate owned. The Company is externally managed and advised by SPT Management, LLC, an affiliate of Starwood Capital Group, and has elected to be taxed as a real estate investment trust for U.S. federal income tax purposes.

#### **About Starwood European Real Estate Finance**

Starwood European Real Estate Finance is an investment company listed on the main market of the London Stock Exchange with an investment objective to provide shareholders with regular dividends and an attractive total return while limiting downside risk, through the origination, execution, acquisition and servicing of a



diversified portfolio of real estate debt investments in the U.K. and Continental European markets.  
[www.starwoodeuropeanfinance.com](http://www.starwoodeuropeanfinance.com)

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