



AMERICAN
REALTY ADVISORS

Contact:

Lexi Astfalk / Jenn Quader for American Realty Advisors

Brower, Miller & Cole

(949) 955-7940, LAstfalk@browermillercole.com

**AMERICAN REALTY ADVISORS ACQUIRES HIGHLY SOUGHT-AFTER
CLASS A CORE OFFICE ASSET IN CHICAGO'S GROWING
FULTON MARKETPLACE FOR \$257 MILLION**

- **Google's Midwest headquarters occupies two-thirds of the building's office space**

Chicago, IL, July 1, 2016 – [American Realty Advisors](#) announced the acquisition of 1K Fulton, a Class A office asset located in the heart of Chicago's highly sought-after amenity rich River West Fulton Marketplace submarket. The complex consists of a 531,190 sf creative office and ground floor retail building, including a ten-story fully re-developed cold storage facility annexed to a newly built six-story building.

1K Fulton, which opened in late 2015, is currently 97% leased to a number of high profile tenants, including Google, which has leased approximately two-thirds of the office space.

According to Martha Shelley, American's Senior Portfolio Manager, securing an asset of this nature with long-term leases to high quality tenants in one of the most

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vibrant submarkets of Chicago is a significant accomplishment, and furthers the firm's investment objectives.

"American has continued to position its portfolios defensively, investing in true core assets in major markets and highly dynamic submarkets across the country. We believe that this is the most effective approach at this point in the market cycle, and the 1K Fulton acquisition is reflective of our strategy," noted Ms. Shelley. "We were attracted to this asset because it has long-term leases with quality tenants, such as Google. We anticipate that this property will remain a key driver of the continued growth of the River West Fulton Marketplace over time given the abundance of street level amenities, immediate proximity of public transportation, new hotels, and housing adjacent to this asset."

Shelley continues, "This burgeoning submarket is attracting a diverse base of tenants, including technology companies drawn to the area's unique and highly appealing nature. We expect that it will continue to be attractive to future tenants and generate stable returns for our investors. We are focused on making sure that our tenants and their employees have the most attractive amenities within and around the building as we continue to partner with companies to attract strategic employee talent. The Fulton Marketplace area is in the early stage of a major transformation into one of Chicago's premiere live-work-play neighborhoods."

Ray Kivett, American's Managing Director, Investments, stated, "This acquisition fulfills all of our criteria: superior location, great tenants, and high-quality construction and amenities. In addition, average current in-place rents are approximately 15 percent

below market, which supports the purchase price of \$257 million, providing the opportunity for American to increase cash flow and returns for investors.”

“1K Fulton represents the acquisition of a high quality cornerstone asset within one of Chicago’s most vibrant areas which is only in its formative period. Over the long run, we anticipate that this asset and its immediate Fulton Marketplace neighborhood will continue to grow its prominence in the overall fabric of the Chicago market,” noted Kivett. “The recent news about McDonald’s corporate headquarters relocation to this area in order to attract high quality employee talent, coupled with the new boutique hotels under construction nearby, and the area’s thriving restaurant, retail, and nightlife business all support the thesis that this is an 18-hour location.”

“The strength of this growing submarket, along with the investment grade anchor tenant at 1K Fulton, creates an opportunity for long-term stabilized value for our investors,” Kivett added.

The seller, Sterling Bay, was represented by David Knapp and Stephen Livaditis of Eastdil Secured.

ABOUT AMERICAN REALTY ADVISORS

With over \$7.3 billion in assets under management, American Realty Advisors is a leading provider of commercial real estate investment management services. For over 27 years, American has managed capital for institutional investors utilizing core and value-added commingled funds and separate accounts. American acquires assets directly or provides equity, preferred equity, mezzanine debt, debt, and hybrid debt to



primary investors and developers operating throughout the United States for office, industrial, multi-family, and retail properties. More information regarding American can be found at www.americanreal.com.