

# Heavy Hitters

## **Despite Size, Klehr Harrison's Real Estate Team Can Compete With The Best**

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Jeff Mordock

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The keys to grabbing a role in deals that typically go to large national firms are diversity, expertise and the ability to solve problems, said two of the real estate practice's attorneys.

"One of our overriding characteristics is that we punch above our weight class," said Jawad H. Salah, a partner in the real estate and finance department. "We have a bench and capabilities that belie our size as a firm. It's easy to have a big firm with 2,000 lawyers and 27 offices. It's harder to have a firm that has 100 attorneys and three offices, and that is a feature we are proud of."

The real estate and finance practice is much smaller than the firm on the whole. The practice is composed of 18 partners, three of counsel, 10 associates and five legal assistants, all of whom are based in Philadelphia.

Although Klehr Harrison has fewer attorneys than its national competitors, it has leveraged its attorneys' diverse areas of expertise to close several major transactions throughout the country.

In October 2011, for example, Klehr Harrison successfully represented Lubert-Adler Real Estate Fund VI in acquiring an interest in the W Buckhead Hotel in Atlanta. Klehr Harrison's attorneys negotiated a new joint venture agreement with the 291-room hotel's operating partner and the contribution of key money by the hotel's operator and also renegotiated the borrower's loan.

The firm's attorneys had to manage the competing requirements of various partners in structuring the transaction, as well as the challenges presented when a client buys into an existing property owner instead of acquiring an existing property.

In another complicated transaction, the firm represented Mercy Hospital when it leased and opened a 30,000 square foot health care facility in a 1 million-square-foot retail mall. The deal, which was said to be the first time a hospital leased space as a retail tenant, required resolving both retail and health care concerns.

"We have systems set up within our group and teams that are very efficient and really know our clients and the subject matter really well," said Bradley A. Krouse, chair of the real estate and finance department. "We are able to tackle deals much more quickly and match the pace of our clients because of the way we have set ourselves up."

One way in which Klehr Harrison has managed to compete with national firms is through setting up alliance partnerships with other law firms across the country. Klehr Harrison has law firm partners in every major city in the country and it has even joined with firms on the international stage.

"We can add value to our clients by interfacing and working with 10 to 15 different sets of counsel in the U.S. and abroad," Salah said. "We create a cohesive due diligence so the client is not looking at 10 different reports, getting confused and burning a lot of their time. We manage the process and standardize the product so our clients get a consistent view from a number of resources."

The firm's other practice areas have also assisted the real estate department in completing these transactions. Klehr Harrison's tax, litigation, bankruptcy and corporate groups have all worked in conjunction with the real estate practice to provide a full range of services to the firm's clients.

"We certainly team up with our other practice areas," Krouse said. "Our complex deals have components which require the other practice areas' service. We are fortunate to have so many important groups and we are working consistently with them."

Another key to the firm's success is recruiting a diverse group of attorneys who can solve complicated problems on behalf of their clients.

"We are proud of the complexity of our transactions and the level of teamwork that needs to go into these deals," Krouse said.

One complex deal, which required a multipractice approach to solving problems, was the December 2011 sale of seven New York properties to Extell Development Co. Several of the properties were encumbered by retail leases and billboard licenses, some of which terminated in connection with the sale. Furthermore, two of the properties had an accessory garage arrangement, but a parking garage license had not been obtained by the seller's predecessor.

Ultimately, the deal closed and the seller's debt was retired, enabling its parent company to complete a merger with a competitor.

"Complexity is important to us," Salah said. "We are resolving problems for our clients with novel solutions so they can create transactions that are interesting to the market and bring a positive change to the region."