

**Press release**

**Hypo Real Estate Capital Corporation closes \$370 million construction loan for development of a new W South Beach Hotel & Residences**

**New York, Munich, 8 January 2007:** Hypo Real Estate Capital Corporation (“HRECC”), the New York-based subsidiary of Hypo Real Estate Bank International and one of the leading financial institutions in the United States commercial real estate industry – closed a \$370 million, 30-month loan for the construction of a new mixed-use, luxury oceanfront condominium/hotel at 2201 Collins Avenue in the world renowned South Beach section of Miami, Florida. The new development, W South Beach Hotel & Residences, will be the latest property to be managed by Starwood’s W Hotels Worldwide. The transaction closed on November 22, 2006.

The borrower, 2201 Collins Fee, LLC, is a joint venture between affiliates of RFR Holding LLC, Tristar Capital and Investcorp Properties Limited. RFR Holding is a leading private owner of US commercial real estate. Tristar is a real estate company led by real estate developer David Edelstein and operating in the New York metropolitan region for the past 20 years and Investcorp Properties Limited is a New York-based real estate investment company. Hypo Real Estate Capital Corporation most recently worked with RFR Holding in 2005 when it provided \$114.5 million in financing for the Riande Hotel Portfolio project in southern Florida.

To be developed by prominent, privately owned real estate development firm Related and managed by hotel leader, Starwood, which owns 20 W properties throughout the world, the 419-unit, 20-story, beachfront condominium/hotel project will boast several attractive amenities including a 527 space, above-ground parking garage, high-end, street level retail, signature restaurants, including famed Chinese eatery, Mr. Chow, as well as a luxury Bliss Spa®.

“Hypo Real Estate Capital Corporation was proud to be called upon again by this valued client to provide construction financing for this most promising and appealing project,” said **Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation**. “We are always pleased when our clients return to us as this decision underscores their satisfaction with our service and implicitly recognizes the excellence of our efforts in facilitating seamless solutions to their financing needs.” **HRECC Director, Bruce Kimmelman**, responsible for the RFR Holding relationship, added, “The location of the project, the experience of the development team and the high level of pre-sale activity, makes this an extremely exciting project to be involved with.”

#### **Notes to editors:**

##### **About RFR Holding**

Aby Rosen and Michael Fuchs are the founding principals of RFR Holdings, LLC, a privately held real estate investment, development and management company based in Manhattan and wholly owned by Aby Rosen and Michael Fuchs. RFR established its operations in the United States in 1991 and through various affiliates presently controls more than five million square feet of prime office and retail space in addition to approximately 2,500 luxury residential apartments. While the office and retail portfolio grew primarily through acquisition and re-positioning of existing properties in prime New York City locations, the residential portfolio, comprised of luxury Manhattan apartments, has been established primarily through new construction. As a result of its European origins, RFR has structured a number of its investments as joint ventures with European individuals and institutions and enjoys excellent ongoing relationships with its various partners as a direct result of its sound approach to investing and to serving its partners.

##### **About Tristar Capital**

Tristar Capital is a real estate company led by dynamic real estate developer David Edelstein. Operating in the New York metropolitan region over the past 20 years, Edelstein has expanded into vibrant markets including South Florida, Las Vegas and the West Coast. With billions in real estate transactions to his credit, Edelstein continues to be a leader in the industry, bringing together premier Wall Street investment banks to execute a multitude of innovative projects. The most outstanding of Edelstein’s numerous South Beach investments to date is the historic Lincoln Road pedestrian mall in Miami. Along with his many high rise developments, Edelstein has completed two world-class buildings on New York’s famed Central Park West, the Park Laurel and 279 Central Park West. Among the other outstanding projects on the West Coast, Tristar along with RFR Holdings owns and operates the 500,000 square foot Desert Passage shopping mall in the heart of the Las Vegas strip. Additionally, Edelstein is also in the process of developing an 8 million square foot master planned Las Vegas project

that will include hotels, casinos and condos along with retail and restaurants. With Edelstein at the helm, Tristar Capital prides itself on its ability to identify undervalued assets creating landmarks of enormous value.

#### **About W Hotels**

W Hotels is a global lifestyle brand with 20 properties in the most vibrant cities around the world. Inspiring and indulging its guests with thoughtful, refreshing and stylish experiences, signature restaurants, bars and destination spas, W has become the fastest growing luxury hotel brand in the world. Each hotel offers a unique mix of innovative design, comfort and cultural influences from fashion to music to art and everything in between. Recent openings include W's first property in Asia, W Seoul – Walkerhill and its first property in Canada, W Montreal. W Residences, offering the W lifestyle at home, have been announced for Las Vegas, Hollywood, Dallas, South Beach, Phoenix, Scottsdale and Hoboken. Internationally, W has announced plans for hotels in the Maldives, Barcelona, Hong Kong, Shanghai, Santiago and Dubai. For more information, visit [www.whotels.com](http://www.whotels.com).

#### **About Hypo Real Estate Capital Corporation**

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International, is one of the leading lenders in the United States commercial real estate marketplace. Hypo Real Estate Capital provides innovative financial solutions for a prestigious client base throughout the U.S. Over the last five years, the firm has closed more than \$22 billion of loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

#### **Hypo Real Estate Group**

The Hypo Real Estate Group (HREG) is one of the largest European providers of commercial real estate financing. The group consists of the non-operational listed holding company, namely Hypo Real Estate Holding AG based in Munich, and three operational entities. The Hypo Real Estate Bank International AG (Stuttgart) combines the international real estate financing activities. The centre of competence for the German market is Hypo Real Estate Bank AG based in Munich. Hypo Public Finance Bank (Dublin) combines public finance and Capital Markets activities.

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