

CASE STUDY



DIFA

CBRE Latin America & the Caribbean and CBRE Chile advised DIFA on the acquisition and financing of the 257,400-sq.-ft. Birman 24 Class A office tower in Santiago, Chile. The Birman 24 transaction not only represents the first acquisition of Chilean investment property by a European fund, but was the largest single asset transaction in Chile in 2006.

CHALLENGE

Deutsche Immobilien Fonds AG (DIFA), having previously been advised by CBRE Latin America & the Caribbean in the acquisition of the largest office building in Mexico, Torre Mayor, retained CBRE Latin America & the Caribbean and CBRE Chile as sole real estate advisors for the purpose of acquiring an investment property in Chile.

CBRE identified Birman 24, an off-market investment property, as a top candidate for acquisition. Birman 24 is considered Santiago's premier Class A office property, housing firms such as JP Morgan Chase, UBS, Merrill Lynch, Microsoft and Hewlett Packard.

Still, an important challenge remained: The CBRE team needed to restructure DIFA's existing financing. During the due diligence process, the legal counsel of DIFA confirmed the company's inability to acquire an asset with the current financing structure. Birman 24's owner had the property financed through a lease structure with Banco Bilbao Vizcaya Argentaria SA (BBVA), and the existing financing structure did not allow for any prepayments, cancellations or restructuring of the loan.

SOLUTION

The CBRE Investment team of Latin America & the Caribbean's Francis Pons and Tim Gifford, along with Chile's Carlos Antunez and Juan Manuel Garces, pitched BBVA on the merits of restructuring the loan, and after three months of intensive negotiations the team succeeded in restructuring the debt on behalf of DIFA.

DIFA ultimately purchased Birman 24 from Fondo Las Americas, a Chilean pension fund owned by PENTA, for \$62 million. The CBRE team succeeded in structuring the first ever interest-only investment property mortgage underwritten by BBVA in Chile.

RESULT

The Birman 24 sale was the largest single asset transaction in Chile in 2006, and also represented the first investment property acquisition by a European fund in Chile. The entire negotiation process took eight months from first site visit to closing.

The transaction represents a continued successful relationship between DIFA and CBRE Latin America & the Caribbean, as CBRE has since advised DIFA on investment transactions in both Mexico and Chile.

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TEAM

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