

Brookland appointed Situs' adviser ahead of Toys r Us CMBS loan maturity

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Situs Asset Management, the loan servicing subsidiary of the Situs Companies, has appointed Brookland Partners as its financial adviser on the Vanwall Finance CMBS loan, secured by a 31-strong UK Toys r Us property portfolio, two months ahead of the securitised loan's maturity.



The joint venture equity consortium – Bain Capital, KKR, and Vornado Realty Trust – are understood to be separately advised by Cairn Capital and are seeking to a short-term loan extension to prepare a refinancing of the maturing £405m senior and junior loan through a high yield corporate bond.

CoStar News [first revealed this probable refinancing strategy two weeks ago](#) in the European CMBS loan maturity two-parter, which is expected to require a loan extension in the existing Vanwall Finance CMBS.

The high yield bond strategy would replicate the refinancing strategy adopted by the three-strong toy retailer's owners in the US, where a \$350m five-year high-yield corporate bond was announced 10 months ahead of a \$400m debt maturity.

Bain Capital, KKR, and Vornado Realty Trust's UK securitised Toys R Us portfolio is comprised of 30 stores and one distribution centre, with a £355.5m senior loan and a £60.7m junior loan originated by Barclays Capital and Deutsche Bank.

RBS, which was a joint supporting bookrunner on the Vanwall Finance CMBS, originated the £60.7m junior loan and did not manage to exit the position before the global financial crisis froze market liquidity.

As a result, RBS flipped the junior loan into Project Isobel. Blackstone is thought to be steering its joint venture interest in the junior debt with RBS.

The senior loan was securitised in the Vanwall Finance CMBS, which has an outstanding balance £345.7m and a remaining £59.85m junior loan.

Situs, as primary servicer, are expected to grant the loan extension, although the borrower consortium has been uncommunicative with all sides ahead of the imminent maturity, on 12 April.

If Situs chose to trigger an event of default on the loan, Hatfield Philips would be appointed as special servicer, under the original documentation.

Brewin Leighton Paisner has been appointed as Situs' legal counsel.

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