

## Monarch Alternative Capital and Crestlight Capital Purchase Office Portfolio in Growing Minneapolis Submarket

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### PRNewswire

Monarch Alternative Capital LP, a leading investment firm with approximately \$9 billion of assets under management, and Crestlight Capital, a Detroit-based private equity real estate investment firm, today announced the acquisition of a portfolio of three office buildings within the fast-growing North Loop submarket of Minneapolis, Minnesota. The three office buildings are located at 241 N. 5th Avenue, 411 Washington Avenue and 500 N. 3rd Avenue. All of the properties were developed and sold by an entity owned by Swervo Development Corporation.

The new ownership group views Minneapolis as a market that will continue to exhibit robust growth over the coming years. The North Loop submarket will continue to attract dynamic tenants in the post-COVID environment given the market's mix of office, residential, and entertainment elements. This portfolio of buildings is exceptionally well-positioned to benefit from the growth of the neighborhood given the design elements suited for modern work environments. The new owners plan to strategically invest in the project to enhance branding and amenities which will further increase the desirability of the properties.



The transaction marks Monarch's second office investment in Minneapolis in 2021 and Crestlight's third office investment in the market in the last 15 months. In February 2021, Monarch purchased a mezzanine loan collateralized by the Dayton's building in downtown Minneapolis. The Dayton's is a 1,148,582 square foot mixed use redevelopment project located on Nicollet Mall. In December 2020, Crestlight

acquired Riverplace, a 250,691 square foot creative office campus located along the banks of the Mississippi River in Northeast Minneapolis with a plan to reposition and renovate the campus. Crestlight also owns One MarketPointe in Bloomington, which the firm purchased in 2019.

"We are pleased to announce the successful closing of the North Loop portfolio and a continuation of Monarch's investment in the future of Minneapolis," stated Adam Sklar, co-Portfolio Manager at Monarch. "The quality and location of the portfolio will stand the test of time and we are excited to increase our investment activity in the

city's office sector. This transaction reflects Monarch's strategy of investing opportunistically in dislocated asset classes and illustrates our view that Class A properties in growing urban areas will emerge from the pandemic with robust occupancy and rent growth."

"We are very constructive on the Twin Cities as one of the premier markets in the midwestern US," remarked John Coury, founder and CEO of Crestlight. "Monarch is a talented investment partner and we are grateful to be working alongside them in this project. This campus fits squarely into our philosophy of buying well-located, differentiated, and high-quality properties where people want to live, work, and play."

"These buildings reflect our passion for renewing and repurposing properties and our longstanding commitment to downtown Minneapolis," said Ned Abdul, president of Swervo. "For these reasons, we chose Monarch and Crestline as the buyers since they will continue to invest in and operate the properties for the long-term."

## *About* Monarch Alternative Capital LP

Monarch Alternative Capital LP is a global investment firm founded in 2002 with approximately \$9 billion in assets under management. Monarch focuses primarily on opportunistic and distressed situations across corporate debt, real estate, special situations, and other market segments. Monarch draws on the skills and experience of its employees across its offices in New York and London. For more information, please visit [www.monarchlp.com](http://www.monarchlp.com).

## *About* Crestlight Capital

Formed in 2017, Crestlight Capital is a private real estate investment firm with approximately \$500 million in assets under management. Crestlight owns and operates office and mixed-use properties in select, high growth, urban and suburban markets throughout the United States, particularly those in proximity to innovation and education hubs. Principals of the firm have acquired and managed more than \$17 billion of commercial real estate across the U.S. Crestlight fosters deep relationships across the industry based on a foundation of trust and results while maintaining a hands-on, methodical approach to investing and a commitment to preservation of investor's capital.

# North Loop Portfolio

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## *About* Swervo Development Corporation

Swervo is one of the Twin Cities' largest and most successful developers of downtown commercial, office and residential properties. Since its founding in 2000, Swervo has established an unparalleled record of successful, high-profile projects. In 2017, Swervo completed a total renovation of the Minneapolis Armory, restoring one of the city's iconic properties to its full potential as a world-class events space. Through 2020, the company has completed more than 100 development projects, renewing and repurposing some of the region's most important and visible properties.