

Monarch Alternative Capital Acquires Premier Office Campus in Growing Phoenix Market

NEW YORK and LONDON
Mar. 15, 2022

PRNewswire

Monarch Alternative Capital LP, a leading investment firm with approximately \$9.5 billion of assets under management, today announced that it has acquired The Esplanade, a marquee office portfolio comprised of four Class A buildings in Phoenix, Arizona. This acquisition illustrates Monarch's continued focus on identifying strong assets in rapidly growing markets that are benefitting from corporate migration and population growth trends. Monarch leveraged its real estate office expertise and proven commitment to transacting quickly and with certainty to secure this premier collection of office assets.

The Esplanade assets that Monarch purchased comprise one million square feet of high-profile real estate within a significantly amenitized mixed-use campus located in Camelback Corridor in Phoenix, Arizona. The assets feature retail and fine dining and benefit from an on-property luxury hotel. The Esplanade has coveted characteristics that cannot be replicated in the Phoenix market due to zoning and development restrictions. These attributes include unobstructed views of Camelback Mountain and the downtown Phoenix skyline, underground parking, and direct pedestrian connectivity to the Biltmore Fashion Park. The property, which is home to prestigious finance, insurance, real estate, and law firms, is already over 85% leased.



As part of its acquisition, Monarch intends to execute on a transformative capital plan to further augment the quality of the property. Following recent capital enhancements in 2019, Monarch's plan will strengthen the tenant experience through amenity expansion, lobby and roof deck upgrades, and improvement of the plaza offerings. While already a well-positioned property, Monarch expects The Esplanade to be the

market-leading and most sought-after asset in the area upon the completion of the renovation plan.

The Esplanade's desirable location in the heart of Camelback Corridor makes it an attractive office site for an existing and growing roster of blue-chip corporations in the Phoenix market. The Phoenix metro area has attracted numerous new-to-market companies, including Amazon, DoorDash, Intel, Lyft, and Turo, who have announced job expansion in and relocation plans to Phoenix in recent years. Furthermore, Monarch believes that

The Esplanade will benefit from the limited options to tenants in the market given zoning restrictions on future development.

Joshua Acheatel, Managing Principal at Monarch, said, "We are excited to enter the Phoenix market through best-in-class assets that embody the differentiating aspects that Monarch looks for in our real estate investments. The attractive supply-demand environment in the Phoenix area combined with the property's unparalleled characteristics make The Esplanade a highly desirable location for the market's most dynamic employers."

Monarch will operate the property in partnership with Tourmaline Capital Partners, a real estate investment and operations firm focused on the office sector.

About Monarch Alternative Capital LP

Monarch Alternative Capital LP is a global investment firm founded in 2002 with approximately \$9.5 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.

About Tourmaline Capital Partners LLC

Tourmaline Capital Partners LLC is real estate investment and operations firm founded in 2021. Tourmaline focuses on opportunistic office investments throughout the continental United States and is led by its founders: Brandon Huffman, Jeffrey Fronek, and Jonathan Jacobs. The three founders were recently the portfolio manager, director of investments, and senior asset manager of a value-added office focused investment firm, where they successfully executed on opportunities across the continental United States.