
American Community Property Trust (Pending)

Recapitalization of New York Stock Exchange-listed REIT



- Savills was originally retained by the founding family and majority shareholder of ACPT to secure a capital partner for a management buyout/privatization.
- The transaction was complicated a number of factors. First, the company had a highly unusual corporate structure that had become operationally inefficient and burdensome from financial reporting and tax standpoints. Second, it faced unique tax problems, involving the interplay between federal tax law, the tax laws of various states, and the laws of the Commonwealth of Puerto Rico, that made it exceptionally hard to analyze. Third, the company's business was bifurcated into two more or less independent lines: the ownership and operation of income-producing multifamily apartment properties, primarily in suburban Washington DC and Puerto Rico, and large scale land development and master planning, in the US and Puerto Rico.
- Savills's representation, which lasted well over 18 months, involved it in the competing interests between Savills' client (the founding family and majority shareholder), the independent committee of the company's board of trustees and several activist, dissident minority shareholders.
- The ultimate transaction arranged by Savills, which is still pending, involves a substantial restructuring and recapitalization of the company's asset base, and a rationalization of the company's business going forward.