



## Starwood Property Trust Completes \$570 Million of Investments in the Fourth Quarter 2011

- Value of Investment Portfolio Now Exceeds \$2.8 Billion - - Enters into New \$236 Million Financing Facility -

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GREENWICH, Conn., Jan. 3, 2012 /PRNewswire/ -- Starwood Property Trust (NYSE: STWD) today announced that during the quarter ended December 31, 2011 the Company completed \$570 million of new investments in four separate transactions, resulting in an investment portfolio with a book value at quarter end currently estimated to be in excess of \$2.8 billion. Two significant transactions that closed late in the quarter include the discounted acquisition from a top tier international bank of a portfolio of 26 separate commercial mortgage loans with a face value of \$333 million and the acquisition of a \$185 million A-note secured by a portfolio of 143 limited service hotels.

The bank portfolio consists of 23 senior first mortgages and three second mortgages secured by office, retail, multifamily and assisted living assets that total in excess of 3.0 million square feet across 13 states. At closing, the portfolio has a weighted average loan to value of approximately 62.7%, weighted average debt yield of approximately 11.7% and a weighted average remaining term of 54 months. The Company's expected levered return exceeds 12%. The Company entered into a new \$236 million financing facility with a top tier domestic bank to finance the acquisition of the bank portfolio.

The \$185 million hotel loan is secured by 143 properties totaling 16,928 rooms located in 29 different states and was structured as a senior A-note in an existing \$275 million first mortgage loan that was used to finance the acquisition of the portfolio in August 2011. The loan has a loan to value of approximately 38% and debt yield of approximately 18%. The Company's expected return exceeds 14% when levered on its existing financing facility.

### ***About Starwood Property Trust, Inc.***

Starwood Property Trust, Inc. focuses primarily on originating, investing in, financing and managing commercial mortgage loans and other commercial and residential real estate-related debt investments. Starwood Property Trust, Inc. is externally managed and advised by SPT Management, LLC, an affiliate of Starwood Capital Group, and has elected to be taxed as a real estate investment trust for U.S. federal income tax purposes.

### ***Forward Looking Statements***

Statements in this press release which are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although Starwood Property Trust, Inc. believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include completion of pending investments, continued ability to acquire additional investments, competition within the finance and real estate industries, economic conditions, and other risks detailed from time to time in the Company's reports filed with the SEC.

SOURCE Starwood Property Trust

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