

MVP: Latham & Watkins' Robert Buday

Law360 (November 29, 2018, 4:20 PM EST) -- Robert Buday of Latham & Watkins LLP is the king of billion-dollar real estate deals, guiding Phillips Edison & Co. on two key acquisitions that transformed the company, as well as major deals involving Bass Pro Shops and Hyatt Hotels Corp. to earn a spot as one of Law360's 2018 Real Estate MVPs.

HIS BIGGEST ACHIEVEMENT THIS YEAR:

Buday's most significant success came on behalf of real estate investment trust Phillips Edison & Co., which he assisted on a pair of deals he called "transformative."

In a tie-up that closed in October 2017, Phillips Edison, which at the time was called Phillips Edison Grocery Center REIT I, acquired the real estate assets and third-party asset management business of Phillips Edison Limited Partnership, the company's sponsor and external adviser.

According to Buday, the \$1 billion deal required a complete restructuring of the company's capital and organizational structure to bring PELP's management team in-house, to add the additional portfolio to its own and to position it to serve as a separate, standalone REIT. The combined entity controlled 235 shopping centers and had a total enterprise value of about \$4 billion.

In addition, Buday assisted the refinancing of \$1.3 billion of corporate debt, \$400 million in new secured debt, and the assumption of 13 commercial mortgage-backed securities loans, including two simultaneous portfolio financings.

A second, \$2 billion deal involved Phillips Edison acquiring Phillips Edison Grocery Center REIT II Inc., a grocery-anchored shopping center REIT that it advises and manages. The acquisition created an entity valued at \$6.3 billion, with a national portfolio of 323 grocery-anchored shopping centers across the U.S.

The MVP logo features the letters 'MVP' in a blue, serif font. A red circle is drawn around the 'V', with a red arrow pointing upwards from the top of the circle.

Robert Buday
Latham & Watkins

“We’ve really, through a couple of significant transactions, repositioned the company as a true industry leader within grocery-anchored shopping space,” Buday said.

HIS BIGGEST CHALLENGE:

Buday’s most challenging assignment pertains to Bass Pro Shops’ take-private deal for Cabela’s, which closed in September 2017.

Buday guided Bass Pro Shops on a trio of sale-leaseback agreements totaling \$1 billion related to several retail and industrial properties. Buday had to make sure that the simultaneous closing of the three deals, which involved three separate portfolios and three unique buyers, aligned with the timeline for the Cabela’s acquisition. This was because the funds raised by Bass Pro from the sale-leaseback deals were a component of the merger consideration in the Cabela’s deal.

“We had an enormous number of constituencies on both the real estate side as well as the merger side,” Buday said. “We had to coordinate all of the people [on the merger side], together with all of the individuals on our side who were handling all of the different work streams, in order to bring the deal together.”

WHY HE CHOSE REAL ESTATE:

Coming into the legal sector as a finance major, Buday always expected to work in some aspect of business law. But Buday entered the legal field during the recession, which made transactional opportunities scarce, so his first foray into the law was as a litigator.

It was through this work that Buday had his first brush with real estate. While working on a real estate dispute, Buday said he found the underlying documents in the case more interesting than the dynamics of litigation. After that revelation, Buday made the transition to real estate and never looked back.

“I don’t regret having the litigation background because I think it’s come in extremely handy over the years,” Buday said. “Mine was a bit of an unconventional start, but I ended up in the right place.”

WHAT MOTIVATES HIM:

Buday said he is driven by the problem-solving aspect of his practice and the challenges associated with it. He said he enjoys coming up with creative solutions for his clients and that he loves being able to serve as a trusted adviser rather than merely a service provider.

“Finding ways in which we’re able to add value to clients and their business is something that has always appealed to me, and I think it ties back to my business background,” Buday said.

HIS ADVICE TO JUNIOR ATTORNEYS:

Buday’s best advice for younger attorneys is to take ownership over their careers by seeking out opportunities that they are passionate about instead of waiting back and hoping something materializes.

He said a part of this success comes from investing in a strong network and participating in industry groups.

In addition, Buday believes it is important to make proactive changes if you are unhappy, and always be willing to bet on yourself.

“You start doing those things early on and ultimately those investments will pay off in the long run,” Buday said.

OTHER NOTABLE DEALS HE'S WORKED ON:

Buday in February led a Latham team steering Hyatt Hotels Corp.'s \$1 billion sale of three hotels to real estate investment trust Host Hotels & Resorts Inc. The portfolio consisted of properties in Hawaii, San Francisco and Bonita Springs, Florida, totaling more than 1,400 rooms.

Buday is also guiding Albertsons in connection with a major disposition program. The U.S. grocery chain's \$300 million sale-leaseback deal, its first deal as part of the program, closed in August.

Buday said he has been fortunate to work on five deals valued at more than \$1 billion in the last year alone.

“That's a pretty unique position and opportunity, and obviously it's a clear reflection of the market's recognition of what we've built here,” Buday said.

— *As told to Matthew Guarnaccia*

Law360's MVPs are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals and complex global matters. A team of Law360 editors selected the 2018 MVP winners after reviewing nearly 1,000 submissions.