

## NorthStar is Shaking Things Up

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NorthStar Realty Finance Corp. (NRF), sponsor to several public, non-traded REITs, recently announced its Board of Directors has approved spin-off plans for its asset management business. The plan includes a newly formed company, NorthStar Asset Management Corp., which is expected to list on the New York Stock Exchange and enter into a 20 year management contract to manage NRF.

The non-traded REIT business will be managed by the newly formed asset management firm which will also own the broker dealer platform, NorthStar Realty Securities, LLC.

NorthStar Chairman and Chief Executive Officer, David Hamamoto commented, "We are constantly searching for ways to maximize shareholder value. This transaction represents a fully aligned, long-term opportunity to unlock value for NRF shareholders through the creation of a leading asset-manager. NorthStar Asset Management will have a scalable operating platform with limited capital needs and a proven ability to grow."



Mr. Hamamoto continued, “This unique transaction crystallizes the value of NRF and its platform, and allows our shareholders to be the beneficiaries of a long-term contract to manage a diversified public company, a rapidly growing non-traded REIT platform and a broker-dealer.”

The non-traded REIT business includes one closed public, non-traded REIT, NorthStar Real Estate Income Trust, Inc., which had a capital raise of \$1.1 billion. They also have two public, non-traded REITs currently raising capital through the independent broker dealer channel.

NorthStar Real Estate Income II and NorthStar Healthcare Income, Inc, which as of November 11th, both have raised \$7.4 million and \$64.9 million respectively.

The distribution of the asset management business will be in the form of a tax free distribution, expected to be complete sometime in the second quarter of 2014.

