

Edgar Filing: Equity Commonwealth - Form 8-K

Equity Commonwealth  
Form 8-K  
March 27, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): March 26, 2019

EQUITY COMMONWEALTH  
(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction of Incorporation)

1-9317	04-6558834
(Commission File Number)	(IRS Employer Identification No.)

Two North Riverside Plaza,	60606
Suite 2100, Chicago, IL	
(Address of Principal Executive Offices)	(Zip Code)

(312) 646-2800  
(Registrant’s Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Item 2.01 Completion of Acquisition or Disposition of Assets.

On March 26, 2019, Equity Commonwealth, a Maryland real estate investment trust (the "Company"), by and through its primary operating subsidiary, EQC Operating Trust (the "Operating Trust"), and another subsidiary (collectively, "Sellers"), closed on the previously announced sale of 100% of the equity interests in the fee simple owner of 1735 Market Street in Philadelphia, Pennsylvania, to certain affiliates of Silverstein/Arden 1735 Market Holdco LP for a gross sale price of \$451.6 million. Proceeds after credits for capital costs, contractual lease costs, and rent abatements were \$435.4 million.

1735 Market Street is an approximately 1.3 million square foot, Class A, office property located in the Market West submarket of Philadelphia, Pennsylvania.

Item 7.01 Regulation FD Disclosure.

In addition to the required pro forma financial information presented below pursuant to Item 9.01, we have included calculations of the net operating income and cash basis net operating income for 1735 Market Street, as well as reconciliations of such numbers to operating income, in Exhibit 99.2 to this Current Report on Form 8-K, which are incorporated herein solely for purposes of this Item 7.01 disclosure.

The information in this Item 7.01 disclosure, including Exhibit 99.2, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section. In addition, the information in this Item 7.01 disclosure, including Exhibit 99.2, shall not be incorporated by reference into the filings of the Company under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

We intend to use any of the following to comply with our disclosure obligations under Regulation FD: press releases, SEC filings, public conference calls, or our website. We routinely post important information on our website at [www.eqcre.com](http://www.eqcre.com), including information that may be deemed to be material. We encourage investors and others interested in the company to monitor these distribution channels for material disclosures.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information

The pro forma financial information of the Company as adjusted to give effect to the sale of 1735 Market Street is presented in the unaudited pro forma condensed consolidated financial statements filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

(d)	Exhibits
Exhibit Number	Description
99.1	<u>Unaudited Pro Forma Condensed Consolidated Financial Statements</u>
99.2	<u>Calculation of 1735 Market Street Net Operating Income (NOI) and 1735 Market Street Cash Basis NOI</u>



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EQUITY COMMONWEALTH

By: /s/ Orrin S. Shifrin

Name: Orrin S. Shifrin

Title: Executive Vice President, General Counsel and Secretary

Date: March 27, 2019