

William P. Carey, Leader in Commercial Real Estate, Dies at 81

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By Dennis Hevesi

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William P. Carey, who played a leading role in the early use of the commercial real estate transaction known as the sale-leaseback as he built a fortune in investment management, died on Jan. 2 in West Palm Beach, Fla. He was 81 and lived in Manhattan.

The cause was cardiac arrest, his brother and only immediate survivor, Francis, said.

Mr. Carey was the founder in 1973 of W. P. Carey & Company, an investment management firm in New York with about \$12 billion in assets around the world, among them nearly 1,000 retail and industrial sites totaling about 120 million square feet.

In the early 1980s the company closed transactions that were considered innovative in their use of the sale-leaseback model. The sale-leaseback is a form of financing in which a company sells its property for cash while remaining as a tenant under a long-term lease it signs with the buyer. It is often used by companies that are having trouble obtaining traditional financing.

In 1982, to finance its leveraged buyout of Gibson Greeting Cards, the Wesray Corporation, the investment company headed by William E. Simon, a former Treasury secretary, sold three Gibson manufacturing and warehouse buildings to Carey & Company.

Of the many sale-leaseback deals the company has arranged in the last 38 years, a prominent one came in 2009 when it bought 21 floors of the 52-story headquarters of The New York Times on Eighth Avenue in Manhattan for \$225 million. The Times, which entered into the transaction to pay down debt, has the option to buy back the space in the 10th year of a 15-year lease.

Mr. Carey, a leading philanthropist as well, donated more than \$100 million of his wealth through the W. P. Carey Foundation, which he established in 1988. The gifts primarily went to promote business education.

The foundation gave \$50 million to the Arizona State University School of Business in 2002. Five years later, it donated \$50 million to Johns Hopkins University to create the James Carey Business School, named for Mr. Carey's great-great-great-grandfather, a shipper in Baltimore in the early 1800s.

Last year, the foundation established a \$30 million endowment for the Francis King Carey School of Law at the University of Maryland, named for Mr. Carey's grandfather, a graduate of the school.

William Polk Carey was born in Baltimore on May 11, 1930, to Francis and Marjorie Armstrong Carey. Business acumen came early to him. As a boy, he sold soda on the streets near his home and ink he made in his basement.

Mr. Carey graduated from the Wharton School at the University of Pennsylvania in 1953 with a degree in economics. After serving in the Air Force for two years, he worked at a car dealership owned by a relative in New Jersey. At 28, he owned a company in Plainfield, N.J., that leased foreign cars. It was there he learned the basics of the sale-leaseback.

Mr. Carey's middle name, Polk, is an acknowledgment that he was a descendant of the 11th president of the United States, James K. Polk.

"He was very proud of that," Mr. Carey's great-nephew, William Polk Carey II, said last week. "He liked to hand out those \$1 gold coins with engravings of his Uncle Jim. That's what he called him."

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