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THE GRAPEVINE

Blackstone has added a managing director focused on acquisitions. **Marshall Nevins** started this month in New York, reporting to **Tyler Henritze**, the firm's head of acquisitions for the Americas. Nevins will scout investments across property types. He joined Blackstone from the New York office of Denver-based **Northwood Investors**, led by former Blackstone executive **John Kukral**. Nevins had been with Northwood for nine-plus years, and before that had a stint at **J.P. Morgan**, where he was on the real estate investment-banking team.

Capital-markets pro **Christopher Klare** started at **Novel Coworking** this month as a director in Chicago. He is tasked with capital raising for the firm's investment vehicles, as well as broadening its relationships with lenders. Klare reports to founder **Bill Bennett**. Novel operates

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Sale of Houston Office Trophy Falls Through

KB Securities has abandoned its plan to pay \$675 million for a Houston skyscraper, as the city struggles with fallout from both the coronavirus pandemic and plunging oil prices.

A partnership between **Calpers** and **Hines** awarded the deal for the 1.1 million-square-foot property, at 609 Main Street, to the South Korean investment bank last month. At that \$613/sf valuation, the initial annual yield would have been just over 5%.

Market sources cited the difficulty of arranging debt amid the crisis as the key factor in the deal's demise. KB hadn't yet put down a non-refundable deposit on the property, which was marketed by **Cushman & Wakefield**. Calpers and Hines are now talking to back-up bidders. The runners-up put in offers closer to \$640 million, but it's likely they would seek a deeper discount. Local pros say that it will be difficult to ascertain a new value amid the current turmoil.

The trophy building, completed in 2017, is 94% leased, with a weighted average

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Pension Pledges Fall in Early Warning Sign

Pledges by U.S. public pensions to commercial real estate vehicles plunged 32% in the first quarter from a year ago, in an early indication of the toll the public-health crisis is taking on the sector.

Pensions committed \$9.4 billion of equity to commingled funds and separate accounts in the first three months of 2020, down from \$14 billion a year earlier, according to research firm **FPL Associates**. The latest tally was well below the five-year average for first-quarter pledges of \$11.7 billion.

Even before the coronavirus outbreak, there were signs that pensions were starting to trim their exposure to real estate vehicles. Last year's commitments of \$47.3 billion were down 5% from a record \$49.6 billion in 2018.

FPL vice president **Scott McIntosh** noted that pension pledges in March were roughly even with January and February. But the Chicago firm expects the pandemic, which began shutting down large segments of the economy in mid-March,

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Office Owners Focus on Keeping Values Up

As office-property owners grapple with short-term cashflow issues caused by the coronavirus pandemic, they are looking for strategies that will also preserve the value of their properties for the long term.

In many cases, that means working with a tenant that's hard-pressed to pay its rent, with the aim of keeping it in its space once the crisis eases. It also means reconsidering how buildings should be configured and operated once stay-at-home orders are lifted and workers return to their desks.

As one West Coast landlord put it, the priorities are "to protect value, keep occupancy and collect as much rent as possible."

The start of April brought the first round of missed rent payments — although several owners said in interviews that the initial impact was milder than expected, with 85-95% of tenants sending in their checks. "Actually, 'anxious April' turned out better than expected," the West Coast owner said. "However, April doesn't tell a ton

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NorthMarq Adds Sales Pro in Denver

Continuing to expand its multi-family sales operation, **NorthMarq** has hired a former high-ranking **JLL** broker.

David Martin, who is based in Denver, will lead NorthMarq's growth plans in that market. He started this month as a managing director, responsible for building an investment-sales team. He works with **David Link**, managing director of debt and equity, to arrange financing for trades. The Denver office includes eight other capital-markets professionals.

Martin spent 15 years at JLL, and in January 2019 was elevated to co-head of the firm's roughly 15 apartment-brokerage offices. A managing director, he oversaw the West Region, with duties including managing relationships with institutional investors that own large national portfolios. His co-head was **Christine Espenshade** in Washington, who was responsible for the East Region. Both are among the staffers who have departed JLL since its midyear 2019 acquisition of **HFF**.

Martin is NorthMarq's 10th hire this year for the investment-sales platform it's building alongside its commercial real estate financing business.

In his new role, Martin reports to **Trevor Koskovich**, president of investment sales, who set up NorthMarq's first apartment-sales team in Phoenix in 2018 and has been leading the expansion drive. The firm now employs 50 brokers and transaction staffers in 11 offices, stretching across the U.S. from Florida to Southern California. By yearend 2019, its transaction volume had reached \$2 billion.

Jeffrey Weidell, NorthMarq's chief executive officer, said the company plans to expand the investment-sales operation to 20 offices in the next couple of years. He said the coronavirus pandemic has made it more difficult to meet potential recruits face-to-face. But as transaction activity has dropped off due to the crisis, it's also an opportune time for people to switch jobs, he added.



"We want to cover the nation," Weidell said. "We have gone coast-to-coast across the southern states and we are now migrating north with Denver, and that is still our plan. Whether it slows in 2020, I don't think anyone really knows for sure, but it's our goal to continue and add offices when we find the right people." ❖