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THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

THE GRAPEVINE

Joseph Smith, a founding principal of **Glenmont Capital**, has left the opportunistic New York investment shop to set up his own firm, which will invest in hotels and multi-family properties. His new company is called **1754 Properties**, a reference to the year **Columbia University** was founded. Smith, a Columbia Business School graduate, teamed up with **Lawrence Kestin** to found Glenmont in 2001. That firm has made some \$1.5 billion of investments. ❖



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SL Green Making Play for Midtown NY Offices

SL Green is looking to take control of two office buildings near Madison Square Park in Manhattan that are leased mostly to **Credit Suisse**. The properties, at 11 Madison Avenue and 315 Park Avenue South, are separately owned, but both have become available at the same time. **Sapir Organization** of New York and **CM Group** of Los Angeles are marketing the 2.3 million-square-foot building at 11 Madison Avenue, which stretches to Park Avenue South, between East 24th and East 25th Streets. Their broker, **CBRE**, is seeking a special servicer. **CWCapital** is shopping a defaulted loan on the 330,000-sf Park Avenue building. The property, at the southeast corner of East 24th Street, was appraised at \$210 million in July, below the \$219 million balance on its securitized mortgage. **Craig Husa's RCM Development** of Denver bought the property for \$280 million in 2007 from a joint venture controlled by investors **Joseph Mizrahi, Fred**
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Houston Tower Taken Off the Market, Again

The offering of Marathon Oil Tower in Houston has been canceled after bids fell short of the owner's expectations. Three potential buyers, including a pension fund, each offered roughly \$225 million for the 1.1 million-square-foot property — a price many considered strong. The bid the seller, **Harover Real Estate**, had hoped offers would hit \$240 million, for a capitalization rate just under 6%, amid intense demand for core properties in Houston's booming office market. **Enfield Sacrored** had the listing. This was the second time in two years that Harover put the tower up for sale and then pulled it back when bids fell short of its target. It is expected to try again, perhaps as early as next year. The Greenwich, Conn., fund shop apparently is betting on continued improvement in Houston's office market amid a flourishing energy industry. Indeed, the bids this time were considerably higher than during the previous offering.
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Phil Greenberg has joined **C-III Capital** of New York as a senior managing director, on investor relations and capital raising. He reports to executive managing director **Bob Lieber**. Greenberg spent the past seven years in the investment office of **Corwell University**, most recently as a See story on Page 16

Value-Added Listings on Rise in DC Suburbs

Two more sellers are testing investor appetite for value-added apartment properties in the Northern Virginia suburbs of Washington. A **Dunn Real Estate** partnership is shopping two complexes, with 601 total apartments, via **Johns Langbein LaSalle**. The properties, in Ashburn and Leesburg, have a combined value of about \$110 million. Meanwhile, **Larman Group** is offering a 308-unit complex in Alexandria. Bids are expected to reach about \$200,000/unit, or \$62 million. **Apartment Realty Advisors** has the listing. The rental market in Greater Washington rebounded more quickly than in almost every other area after the downturn, thanks to strong employment growth and a virtual halt in construction. That led to a surge in offerings of relatively new See stories on Page 15

The next issue of **Real Estate Alert** will be published Nov. 28. Happy Thanksgiving!