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**JUNE 10, 2009**

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## THE GRAPEVINE

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**Scott Oran**, who led **Morgan Stanley Real Estate's** Boston office until it closed last year, has landed at **Gordon Brothers**. He joined the Boston advisory and investment firm as a managing director, focusing on acquisitions and asset management. Oran will work with managing director **Mark Duffon**, who until recently was a principal of **DJM Realty**, a corporate advisory subsidiary of Gordon Brothers. The firm plans to target small retail, office and industrial properties, primarily in the Northeast. It occasionally will join forces with institutional investors on purchases.

**Strategic Capital Partners** is looking to hire a managing director in Indianapolis to oversee a program that aims to team up with partners on the development of mixed-use properties in urban areas. The executive would replace former Indianapolis Mayor **Bart Peterson**, who announced last week he was joining **Eli Lilly & Co.** as senior vice president of corporate affairs. Peterson oversaw the program for the past year. Chicago-based Strategic Capital hopes

See **GRAPEVINE** on Back Page

## 10 Luxury Canadian, US Hotels Hit Market

A division of **Caisse de Depot et Placement du Quebec** is offering a stake in a portfolio of Fairmont hotels in the U.S. and Canada that is valued at about \$2 billion.

The pension fund manager prefers to sell roughly half of its 93% interest in the 10 luxury properties to one or more investors. But it is open to other options. For example, it would consider the sale of different stake sizes. And it would be willing to sell its full interests in the portfolio's two U.S. hotels — the 415-room Fairmont in Washington, D.C., and the leasehold interest in the 450-room Fairmont Olympic in Seattle. However, Caisse intends to retain significant stakes in the Canadian properties.

The package contains some of Canada's most prestigious hotels, including the 618-room Fairmont Le Chateau Frontenac in Quebec City, where Caisse is headquartered. Two properties — the 556-room Hotel Vancouver and the 489-room Fairmont Waterfront — are in Vancouver, which is slated to host the 2010 Winter Olympics.

Caisse assumed the majority stake in the portfolio via its C\$2.5 billion (\$2.4 billion)

See **HOTELS** on Page 4

## Wave of Auto-Showroom Listings on the Way

Brokers expect the widespread dismantling of auto dealerships to lead to a surge in offerings of car showrooms and lots.

The bankruptcies of **General Motors** and **Chrysler** will result in the closure of more than 2,400 dealerships by the end of next year. Owners are likely to be forced to put many of the associated showrooms on the block. That is providing a potential bonanza of business for brokers at a time when listings are hard to come by.

"We are buried right now in underwriting properties . . . and deciding whether we can take something to list," said **James Mitchell**, director of the national automotive group for **Marcus & Millichap**.

The value of dealer properties, which can be owned by either the dealers themselves or third-party investors, traditionally was tied to the franchise agreement that a dealership had with an automaker. Third-party owners, usually core

See **AUTO** on Page 5

## Trading of Fund Stakes Poised for Rebound

After months of limited activity, sales of fund stakes in the secondary market could start picking up soon.

More than \$5 billion of shares in real estate funds have languished on the market during the broad downturn, according to specialists in such investments. The holdup: a wide gap in the price expectations of buyers and sellers. In recent months, only a smattering of deals has occurred. And in most of those cases, one limited partner bought out a stake held by another investor in the same fund.

But there's a growing sense among market players that loss-battered investors have started dropping their prices, with the goal of bailing out of positions over the rest of the year and in 2010.

What's changed? Limited partners are getting a clearer understanding of how much the downturn has devalued their fund shares. Investors recently received yearend fund valuations that incorporated large markdowns in net-asset values. Many

See **REBOUND** on Page 7

## Southwest Next Shifts Gears on Fund

**Southwest Next Capital**, a Phoenix investment firm that focuses on distressed land and development projects in the Southwest, has dropped plans to set up its first commingled fund after falling well short of its equity goal.

The company, founded a year ago by former Phoenix Mayor **Paul Johnson**, was looking to raise \$500 million of equity via placement agent **Carlton Advisors**.

But after lining up \$75 million from private investors, the sponsor was unable to attract additional capital from pension funds and other institutional advisors. As with other fund operators, Southwest Next's marketing effort was hurt by the real estate downturn.

The company now intends to invest the committed capital in smaller-scale, one-off transactions. The investments will include recapitalizations, debtor-in-possession financing and selective purchases of distressed or foreclosed properties.

In an illustration of its more focused approach, the firm recently bought senior loans on a dozen commercial pad sites in Arizona from **Petra Capital Management** of New York. While details are unclear, market players said Southwest Next bought the first-position liens for a discount of about 50% to face amount. The company began foreclosure proceedings last week on the last of the properties. After foreclosing, Southwest Next will likely hold the parcels until land values and the availability of construction financing improve. ❖

## Grubb Lists Lot in Downtown Vegas

The listing of a 10-acre parcel in downtown Las Vegas is expected to help clarify pricing for developable land in that battered market.

The property, at West Tropicana Avenue and Cameron Street, has been approved for construction of two 36-story hotel or condominium towers with a combined 1,104 rooms. Additional approval would be required for a casino.

A local property owner, the **Falconi** family, is asking \$37.5 million for the land, though market players expect it to sell for significantly less. **Grubb & Ellis** has the listing.

The Falconis planned to develop the property as a hotel or condo complex, but the project ground to a halt as the credit crisis took hold in late 2007. Though the property comes with blueprints, a new owner would likely sit on the land until the economy improves and the Las Vegas market begins to absorb its huge inventory of unsold condos and apartment buildings.

Land sales in the city dried up during the past year as the credit squeeze cut off financing for developers.

Some market players point to a recent uptick in hiring in the metro area as a sign the region may rebound ahead of other markets crushed by the housing slump, such as Arizona and Florida.

For more information, call Grubb's **Al Barbagallo** at 702-733-7500. ❖

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<p><b>\$260,000,000</b></p> <p>Senior Construction Financing (Lead Arranger &amp; Administrative Agent)</p> <p>Gotham Center</p> <p>Office</p> <p>Long Island City, New York</p>	<p><b>\$22,929,000</b></p> <p>Senior and Mezzanine Construction Financing</p> <p>Tejon Industrial Park</p> <p>351,237 sq ft Industrial</p> <p>Lebec, California</p>	<p><b>\$48,500,000</b></p> <p>Construction Financing</p> <p>Pearl City Gateway</p> <p>151,000 sq ft Retail</p> <p>Pearl City, Oahu</p>	<p><b>\$118,326,200</b></p> <p>Senior &amp; Mezzanine Acquisition Bridge Financing</p> <p>100-200 Campus Drive - Park Avenue</p> <p>558,996 sq ft Office</p> <p>Florham Park, New Jersey</p>

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## Antares Alums Open Advisory Firm

Two workout specialists who left **Antares Investment Partners** in April have launched an advisory firm focused on distressed assets.

**David Steinberg** and **Bret Salzer**, whose New York firm is called **FrontView Advisors**, will target distressed deals from two angles. They will advise lenders, borrowers and developers on loan workouts, deal restructurings and management of troubled assets. At the same time, they will source distressed debt and properties for investors. They are currently advising five investors, a mix of private equity firms, institutional players and wealthy individuals.

Steinberg and Salzer are focusing on collateral in the Boston-to-Washington corridor, including “broken” condominium projects and retail, office and multi-family properties.

FrontView charges an upfront fee for its advisory work and in some cases may participate in gains at the back end of an investment deal. The partners plan to focus on property investments down the road.

During the past two years, Steinberg and Salzer have worked on a combined \$2 billion of workouts and restructurings of complex debt and equity deals, both for Antares and for outside clients. Antares, a Greenwich, Conn., developer, has been struggling with projects it took on during the height of the market.

Steinberg was a vice president at Antares, where he focused on loan workouts and restructuring of joint ventures and other investment vehicles. Before joining the firm in 2007, he was an attorney in the New York office of **Paul Hastings**.

Salzer was Antares’ general counsel, joining the firm in 2006. He previously was an attorney at **Schulte Roth** for more than nine years.

Another Antares alumnus, **Christopher Bellapianta**, has joined FrontView as a principal. ❖

## iStar Fund to Target Sale-Leasebacks

**iStar Financial** is seeking to raise \$500 million of equity for a core-plus fund that would invest in sale-leaseback transactions.

The vehicle, iStar Strategic Net Lease Partners, would shoot for a 12-14% return by acquiring properties from corporations that want to continue occupying the buildings. The sellers would sign triple-net leases for 15-plus years, with periodic rent increases. iStar, a New York REIT, would target corporations with investment-grade credit ratings that are seeking to raise capital while retaining their office space.

The REIT would contribute 10% of the fund’s total equity. **HFF Securities** is soliciting equity from outside investors. The placement agent declined to comment on the assignment.

iStar joins a handful of other fund operators that invest in net-leased properties, most of which employ different strategies. Chicago-based **Equity Capital Management**, for example, primarily looks to provide preferred equity to builders in need of capital to complete net-leased properties, which Equity

Capital buys upon completion. **AIC Ventures** of Austin, Texas, and **Angelo, Gordon & Co.** of New York target properties with non-investment-grade tenants. Angelo Gordon also looks at properties owned by companies that recently emerged from bankruptcy.

iStar has two main business lines: It invests in net-leased properties and it originates commercial mortgages. The REIT’s mortgage portfolio was hit hard by the market downturn, causing the firm’s stock to plunge to less than \$1 in February, from \$46 in mid-2007. But iStar improved its liquidity in March by lining up a \$1 billion secured credit line and restructuring its existing revolving credit facilities. The stock has since rebounded to about \$3.

The iStar fund will charge a 1.5% management fee on both committed and invested capital. After investors receive an 8% preferred return, the fund manager is entitled to 15% of any additional profits.

The company, which was formed in 1993 and went public in 1998, has acquired more than 400 properties leased to corporate tenants, totaling nearly 50 million square feet. ❖

## Aetos Shrinks Fund, Gets Extension

**Aetos Capital** has reduced the proposed size of its latest Asia fund, joining the long list of operators forced to lower their sights because of the pullback by investors.

The New York firm is now seeking to raise up to \$2 billion of equity for Aetos Capital Asia Fund 3, down from a \$3 billion maximum. Aetos lined up \$750 million of commitments at a first close last June, but hasn’t held any subsequent closings.

The opportunity fund’s initial investors have given Aetos a six-month extension, to the end of this year, to raise additional capital. The extension was granted about two weeks ago, shortly after the decision to shrink the fund, market players said. Aetos declined to comment.

When Aetos began marketing the vehicle two years ago, it told investors it hoped to raise between \$2.5 billion and \$3 billion. It was still shooting for that range when economic conditions began to deteriorate sharply last fall, market players said. The new range of \$1.5 billion to \$2 billion reflects how difficult it has become to attract capital amid the market downturn.

The fund series, which seeks a 20%-plus return, invests in Japan and China. Aetos targets distressed loans and properties, often acquiring large portfolios from banks, corporations and other owners that do not primarily invest in properties. The strategy is to stabilize, reposition or otherwise improve properties and then sell them. The fund series is headed by managing directors **Scott Kelley** and **Daniel Klebes**.

Aetos’ first fund, a \$739 million vehicle raised in 2003 and now substantially liquidated, has posted a 30.1% annualized return. The \$2.2 billion follow-up vehicle, which closed in 2005 and is about half liquidated, has produced a 15.9% annualized return so far. That includes the impact of a 23.7% loss last year on assets that had not already been liquidated. Aetos recently told investors the fund would not hit its return target. ❖

## Talcott Aims for Yearend First Close

**Talcott Realty Investors**, which has had \$70 million of soft equity commitments in the queue for a core-plus fund for more than a year, hopes to raise another \$30 million by yearend in order to hold a first equity close.

While many other fund operators have lowered their equity targets to get funds off the ground during the market turmoil, a legal quirk is preventing Talcott from doing so.

The Hartford shop is structuring its investment vehicle as a private REIT. Under the so-called 5/50 rule, no more than five investors can account for 50% of a REIT's ownership. So far, Talcott has lined up five investors, according to market players. So it needs to bring more on board.

The application of the 5/50 rule is complex and can be especially restrictive if foundations are among the investors — as is evidently the case with Talcott's initial commitments. If it can't bring in enough additional investors, Talcott may be able to get around the 5/50 rule by dropping its foundation investors. But for now, it is telling investors that it hopes to land another \$30 million of commitments by yearend and then have a first equity close.

Talcott has set an overall \$150 million equity goal for the vehicle, Talcott Realty 4. In addition to foundations, the company has traditionally solicited capital from small pension systems, endowments and funds of funds.

The vehicle will shoot for a 12-14% return, primarily by

acquiring office properties nationwide that are underperforming or in need of renovation or repositioning. It can also expand properties. Seven principals oversee acquisitions. The \$150 million predecessor vehicle, which closed in 2005, is nearly fully invested.

Talcott, which will provide \$4 million of the new fund's total equity, charges a 1.5% management fee. After investors receive an 8% preferred return, Talcott is entitled to 20% of additional profits.

The company was formed in 1995 by former real estate executives of **ITT Hartford Insurance**. Talcott acquired a \$300 million office portfolio that year from ITT Hartford. The company's funds now have 4 million square feet under management. ❖

## Hotels ... From Page 1

takeover of Toronto REIT **Legacy Hotels** in September 2007. At the time, Caisse intended to sell half of its stake to **Lehman Brothers**, but that deal fell by the wayside when the investment bank's financial woes widened.


Now Caisse is looking to bring in new equity partners, handing the listing to **CB Richard Ellis. Curtis Gallagher**, the Toronto-based CB broker handling the assignment, declined to elaborate on specifics of the offering. But he described the properties as having "center ice" locations — a hockey term that alludes to their prime spots in densely developed urban areas. There is assumable debt, although details were unavailable.

The recession has taken a toll on hotel performance in general. Meanwhile, the credit crunch has decimated the sales market for larger properties, putting further downward pressure on valuations. But Caisse is described as not being under pressure to sell and as unlikely to accept offers that don't meet its expectations.

Caisse's interest is held via its Cadim division. Cadim's partners in the portfolio are **Desjardins**, an association of credit unions in Levis, Quebec, that holds a 4.5% interest, and operating partner **Westmont Hospitality**, a Mississauga, Ontario, firm that has a 2.5% stake. Each hotel is subject to a management contract with **Fairmont Hotels & Resorts** of Toronto.

The other properties in the portfolio are:

- Fairmont Royal York (1,365 rooms) in Toronto.
- The Queen Elizabeth (1,039 rooms) in Montreal.
- Fairmont Empress (477 rooms) in Victoria, British Columbia.
- Fairmont Chateau Laurier (429 rooms) in Ottawa, Ontario.
- Fairmont Winnipeg (340 rooms) in Winnipeg, Manitoba. ❖



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## Auto ... From Page 1

investors, were attracted by the triple-net leases signed by dealers.

But now, most showrooms and lots are being offered vacant. Because of the massive consolidation under way in the auto industry, buyers will likely have to reposition properties to other uses.

"I went from a pipeline of 80% occupied and net-leased product in January 2008 to 99% vacant" at the end of the year, said **Jodi Meade**, director of the national automotive properties group at **CB Richard Ellis**. She is currently marketing 30 properties, 28 of which are empty. The potential buyers consist mostly of regional developers and investors targeting distressed real estate.

Listings have already started to pick up. **DRA Advisors**, for example, has made several car showrooms available for sale or lease. The New York advisory firm assumed the properties in 2005 via its \$3.7 billion takeover of **Capital Automotive**, a McLean, Va., company that specializes in buying auto retail properties from dealers and leasing them back.

So far, however, the number of sales has been relatively low. In the first quarter, 60 dealer properties changed hands for \$136 million in total, down from 115 transactions totaling \$464 million a year earlier, when occupied dealer properties were trading more actively, according to **Marcus & Millichap**.

The value of dealer properties varies widely, depending on location. Most attractive are showrooms on large parcels along busy corridors in heavily developed areas. They may be suitable for repositioning into retail stores or other types of properties. That could make them desirable to regional developers and investors targeting distressed real estate.

But even in those instances, the buyer will price the property as land, minus the cost of demolishing existing structures and obtaining approvals to change the site's use. "It's pretty rare that you get [even] 100% of your dirt value," Mitchell said. "It's a really tough pill for a lot of these dealers to swallow right now."

The buyers — often developers — will likely need to pay cash, because debt financing for such purchases is virtually nonexistent. What's more, developers are often making purchases contingent on their ability to gain zoning approvals and pre-lease planned space — steps that can delay closings for months. For example, a vacant dealer property in Orange County, Calif., that is now under contract attracted bids from numerous retail developers, all of which insisted on getting 180 days to conduct due diligence. "No one was willing to take the gamble up front," Meade said.

Properties in rural locations, on the other hand, are much less attractive to investors because of the lack of an alternative use. National brokerages are often bypassing such properties or referring them to local brokers. "They may be vacant for a while," Mitchell said. ❖

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## Detroit-Area Office Complex for Sale

A partnership is shopping an office complex in suburban Detroit that could fetch more than \$60 million.

The Class-A property, Columbia Center in Troy, Mich., consists of three buildings encompassing 584,000 square feet. Two buildings, with 507,000 sf, are 88% occupied. The third, with 77,000 sf, is just 14% leased. The complex generates about \$8.5 million of net operating income.

Investors can bid on just the two larger buildings — Columbia Center 1&2. The buyer's initial annual yield on those two buildings would be about 13% at the expected price tag of \$125/sf, or \$63 million. The value of the third building is unclear, but is likely less than \$5 million. There is no assumable financing. **CB Richard Ellis** has the listing.

The partnership is led by Multi-Employer Property Trust,

an open-end commingled fund operated by **Kennedy Associates Real Estate** of Seattle. A local investor holds a minority stake.

Columbia Center 1&2 has 48 tenants, including legal and financial firms. Leases for just 16% of the space are scheduled to expire within two years. Rents average about \$27/sf, which represents the top of the Troy market.

The complex was developed in two phases in 1988 and 1998. It includes a garage, a fitness center and conference rooms. The property is between Interstate 75 and Big Beaver Road.

The partnership acquired the complex more than 10 years ago. Multi-Employer, based in Washington, owns full or partial stakes in 187 properties nationwide.

For more information about the offering, call CB's **Joseph Anthony** at 630-573-7029. ❖

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## INVESTMENT VEHICLES

### Goldman Closes Giant Debt Fund

**Goldman Sachs** wrapped up its latest high-yield-debt fund with about \$2.6 billion of equity, among the largest amounts ever raised for a real estate debt vehicle. Goldman originally was looking to complete its marketing campaign last September, but was delayed by the market downturn. The fund, Goldman Sachs Real Estate Mezzanine Partners, seeks a 13-15% return by investing in mezzanine loans, B-notes, high-yield senior loans, real estate corporate debt and commercial mortgage bonds in North America. It will buy or originate loans and will also bid for loan portfolios. The fund's income will come primarily from loan payments, closing fees, prepayment penalties and exit fees. It will also buy participating loans at a discount to face value. Goldman would profit if the loans are repaid in full. The investment bank is using its network of real estate and structured-finance professionals to help source, underwrite and execute deals. The network includes staff at Dallas affiliate **Archon Capital** and Goldman Sachs Mortgage. **Adam Brooks**, a Goldman managing director and head of real estate mezzanine lending, heads the fund.

### Colony Looks to Enlarge Credit Fund

**Colony Capital** plans to re-open a distressed-debt vehicle with the aim of nearly doubling its size. Colony, which closed the fund last year with \$900 million of equity, is seeking to raise an additional \$800 million by yearend. The Los Angeles firm is telling investors that it sees too many distressed-debt opportunities to pass up. The fund's initial investors are expected to sign off on the move. Colony has already lined up \$200 million to \$300 million of additional commitments. Colony Distressed Credit Fund seeks about a 16% return by

targeting opportunities in North America, Europe and Asia. It will look to buy portfolios being liquidated by banks and the **FDIC**, as well as offerings by CDO vehicles, hedge funds and other sellers. It will also buy whole loans, structured securities, B-notes and mezzanine loans.

As it moves to re-open the debt fund, Colony is shelving plans to raise equity for the ninth fund in its Colony Investors series. Colony Investors 9 was going to have a heavy debt focus, but the company evidently decided it made more sense to expand the debt fund. Colony had discussed raising at least \$2 billion of equity for Fund 9.

### NJ Execs Prep Debt Fund

Several executives of **Cronheim Mortgage**, a lender in Chatham, N.J., recently set up a firm that is seeking to raise \$200 million of equity for a high-yield-debt fund. The firm, **Channel Capital Advisors**, is headed by Cronheim chief executive **Andrew Stewart**. The vehicle, dubbed Channel Fund, would target a 12% return by acquiring commercial mortgages or originating short-term loans for borrowers struggling to refinance. Leverage would be used sparingly, if at all. Capital is being solicited from U.S. institutional investors and sovereign-wealth funds. Cronheim, founded in 1897, has correspondent relationships with a dozen insurance companies and other institutional players. Prospective investors have been told the fund will "complement, not compete with" Cronheim's clients. Indeed, on some deals, the fund may try to arrange financing through one or more of the insurers. The fund will charge a 1.5% management fee. After investors receive a 10% preferred return, the fund manager is entitled to half of the profits until it amasses 20% of cumulative distributions. It then gets 20% of any additional profits. ❖

## Rebound ... From Page 1

investors subsequently met with operators at annual meetings, further clarifying not only the current value of holdings, but also expectations of where values may go.

"People are demanding that [fund operators] be open and honest and say where the dead bodies are buried," said one investor who specializes in the secondary-market purchase of fund stakes. "Sellers now have a better idea of what their portfolios are worth. The result is that this could be the biggest year ever [for the sale of stakes], and it could happen in a big hurry."

While some investors remain intent on holding out for a higher price, buyers said they have been seeing numerous sellers become more "realistic" in recent weeks. "If you have the luxury of clinging on to the hope that [real estate values] will return, you can wait," said one buyer. "If not, you have to accept today's pricing, and move beyond the 'sticker shock.'"

To be sure, it's a buyer's market. Many fund investors are under pressure to sell in order to raise cash to fund other commitments or to shift capital to bolster existing investments, in both real estate and other asset classes.

At the same time, funds and other investors that specialize in buying secondary stakes have only about \$2 billion of equity available — and that includes projected capital not already raised. The limited pool of buyers could constrain sales.

High-yield players, which are looking to pay 30-40 cents on

the dollar for fund stakes, generally use one of two strategies. Some target stakes in fully invested funds that haven't yet begun harvesting investments. Others seek to buy from investors that have committed capital but haven't fully funded those pledges.

The biggest potential buyers in the market are fund shops **Landmark Partners** of Simsbury, Conn., and **Liquid Realty Partners** of San Francisco, each of which has told investors it hopes to have first equity closes in the third quarter for new funds targeting the purchase of secondary stakes. Landmark is seeking to raise \$750 million for Landmark Real Estate Fund 6. Liquid has an equity goal of \$750 million to \$1 billion for Liquid Realty Partners 5. Each operator still has equity remaining from its most recent fund.

Other fund operators in the market include **Belveron Real Estate** of San Francisco and **Credit Suisse**. Some funds of funds also plan to invest a portion of their capital in secondary stakes, including a real assets fund of funds being marketed by **Sterling Stamos Capital** of Menlo Park, Calif. Some secondary-market players that traditionally target other alternative investments are expected to make a few real estate plays. And some foreign investors may also drift into the sector.

Also, some pension systems have established separate accounts to invest in secondary stakes. Among the recent entrants are **Arizona Public Safety Personnel** and **New Mexico Educational Retirement**, which formed accounts this year under the management of consultant **ORG Real Property**. ❖

# Public Funds Summit East

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Opal Financial Group's annual **Public Funds Summit East** will address issues that are most critical to the investment success of senior public pension fund officers and trustees. The event will kick off with the 3rd Annual America's Cup Regatta, in which attendees will have the opportunity to work with a professional sailing charter crew while competing against industry peers.

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## THE GRAPEVINE

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to pick a successor this month. Because of the dismal equity-raising market, the company has put a planned \$100 million fund on hold, probably until next year, and is focusing for now on a joint venture that is developing a mixed-use property in Indianapolis.

**David Christensen** is joining **Grubb & Ellis** in San Francisco as an executive vice president. Christensen, who starts next week, will work with West Coast clients that want to refinance or recapitalize holdings. Christensen previously was a debt specialist in the real estate banking group of **Jones Lang LaSalle**.

Meanwhile, veteran land broker **Scott Davis** has jumped to **Grubb & Ellis** from **CB Richard Ellis**. Davis, a vice president, is heading a new group that seeks to capitalize on what is expected to be a heavy flow of offerings of parcels and stalled developments. He remains based in Houston, where he spent the

last nine years working for CB's land group.

**Sebastian Grisoni** has left **Covington Realty Partners**, where he was a senior analyst, assisting on acquisitions and asset management. The Chicago company caters to tax-deferred investors, focusing on core office and multi-family properties. Grisoni previously was with **Equity Office Properties, LaSalle Investment Management** and Jones Lang LaSalle. It's unknown whether he has landed a new position.

Brokerage and advisory firm **BlueGate Partners** wants to hire a vice president or associate vice president in Palm Beach, Fla. Duties would include the preparation of offering memorandums and financial analysis. The position requires at least three years of experience. The New York firm was formed a year ago by former **DTZ Rockwood** brokers **Daniel Sachs, Mark DeLillo** and **Eric Bylin**.

Investors have given **Covenant Capital** a six-month extension, through the end

of October, to finish raising \$150 million of equity for its latest apartment fund. The Nashville shop has closed on \$117 million of commitments to date for the vehicle, **Covenant Apartment Fund 6**. **Quince Hill Partners** is the placement agent. **Covenant** originally planned to raise \$300 million, but reduced the goal late last year. The fund series seeks a 16% return through the rehabilitation of garden-style apartments built in the 1970s and 1980s. **Covenant** invests nationwide, except for the West Coast and New England. Managing partners **Govan White** and **Rick Scarola** head the series.

**LNR Property** of Miami Beach, Fla., is sounding out investors about the possibility of extending the investment window for its \$1.1 billion **LNR Commercial Property Investment Fund**. The four-year investment period is scheduled to end late this year. **LNR**, which has about \$400 million of equity left to invest, is apparently weighing whether to make a formal extension request. The fund seeks a 16% return through land and development plays in the U.S.

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