

will have total buying power of approximately C\$640m. It is the firm's fourth value-added fund.

## Icon for Ivanhoé Cambridge, Callahan Capital

Ivanhoé Cambridge and Callahan Capital Properties have acquired Three Bryant Park, a 1.2 million square foot office property in Midtown Manhattan for \$2.2bn, the companies announced. The acquisition of the iconic property will expand the partnership's national office platform to more than 10 million square feet. The property is 97% leased and houses tenants including MetLife, Verizon and Dechert LLP.

## HFF arranges Boston sale

HFF has closed the \$152m sale of 116 Huntington Avenue, a trophy, 274,218-square-foot office located in Boston's Back Bay submarket, the company announced. Broadway Partners was the seller, with Columbia Property Trust agreeing to buy the asset. Soundport Capital acted as an advisor to the seller. The office was built in 1991 and is close to retail and transportation.

## Will plunging oil prices hit lending, property markets?

BY DANIELLE BALBI

Falling oil prices could have an impact on property valuations in a number of oil-dependent cities in the US as well as on the lending side of the business. Cities such as Houston, TX, and Williston, ND, are heavily dependent on oil and broader energy and are expected to feel the most pain.

Within lending, expectations are that the biggest impact will be on bond spreads, especially with 10-year Treasuries dropping to their lowest level in more than 10 years. Many energy companies are dependent on the corporate debt markets for financing and that money could dry up, which will in turn have an effect on the real estate market, market players told *REFI*.

But the impact isn't expected to be broad. "I haven't seen a slowdown to property speculation outside of midland Texas and North Dakota, and 85% of US real estate is outside of those markets. Lenders haven't said anything. Everything seems to be status quo," said Ray Potter, founder and managing partner at R3 Financing.

Dan Lisser, a senior VP at Walker & Dunlop, believes North Dakota, for example, is likely to see a greater effect than Houston. "[North Dakota] was high risk to begin with and now you throw this in. In areas like Houston where you have

more of a diversified economy, you can underwrite slower growth, slightly higher vacancies and higher cap rates," he said. "You're going to see the impact in three to six months as new wells not being drilled and old ones being closed up."

The easiest thing for lenders to do is to avoid tertiary markets that have exposure to fracking. "People lending in North Dakota, southeast Ohio, and midland Texas saw a new basis that was a paradigm shift per square foot. I do think that will probably go back to where it has been historically for most of the country, but I haven't seen anyone look at things any differently in terms of underwriting," said Potter.

Even with the recent fall in oil prices, some market players have been avoiding oil-dependent cities, especially in North Dakota, for some time. "We had lots of business in North Dakota, which slowed down early last year mostly because we saw significant decrease in construction," said Anthony Orso, co-founder and co-CEO of CCRE. "Most of the lending community focuses on Houston and no one thought that rate of growth was sustainable."

A slump in the Houston market should not deter market players, said Orso. "That doesn't mean you can't make loans. You just have to underwrite slow growth rates in across the board."

## PEOPLE MOVES

### ROPES & GRAY BRINGS ON POSTHUMA, HOPPER

Ropes & Gray has brought on Matthew Posthuma as part of its asset management practice, with an emphasis on real estate funds, the company announced. Posthuma is based in Chicago and will concentrate on the formation of private investment funds and other transactions involving real estate companies, asset managers and financial institutions worldwide. The firm has also hired Carol Hopper as a partner in its London office, and Ed Sheremeta, who joined the firm on Jan. 5 in Hong Kong to lead a pan-Asia real estate initiative.

### AUCTION.COM HIRES TWO EXECUTIVES TO DRIVE FOCUS ON SINGLE FAMILY OPERATION

Auction.com has hired Rob Behrend as senior VP of single family residential and Hauke Schupp as the senior VP of operational excel-

lence in its effort to expand its focus on the operations of its single family residential division, the company announced. In their new roles, the executives will work to drive development of world-class operational controls and infrastructure for the company.

"Operational efficiency is key to Auction.com's mission to provide the most trusted online real estate marketplace and make transactions easier and more transparent," Javid Jaber, executive VP at Auction.com, said.

### EUROPA CAPITAL GROWS TEAM

Given recent growth across Europe, Europa Capital has promoted a number of its associates, expanded its team, and expects to continue to do so over the next few months.

The firm promoted Hugo Black, James Fortescue, Tom Vail and Helen Muir to directors, and James Brodie, James Farmer, Kerry Noonan and James Pennington to associ-

ate directors. New to the team is George Minns, who joins Europa's Southern Europe Acquisition team as a senior associate while Gergely Koos-Hutas has become a senior associate and asset manager for Germany and France. Jack McCarron and Suhui Wang joined the firm to provide analytic support to the acquisition teams, and Fiona Clark, Richard Mason, Nayan Mistry, Mark Pennington, Melissa Porteous and Thomas Wayling joined the finance teams.

### BERKADIA NAMES JAMES WHEELER AS CEO

Berkadia has named Justin Wheeler as its CEO, the company announced. Wheeler has served as the firm's interim CEO since April, when Hugh Frater stepped down from the position and became chairman. Wheeler, who also continued his duties as chief operating office of Leucadia National Corporation, will relinquish that position to focus on his new role.