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Cannon Hill, TriPost Partner to Target Distressed Office Opportunities

The new partnership will acquire real estate and NPLs, and provide rescue capital for office properties in New York, Boston and Washington, D.C.

BY CATHY CUNNINGHAM DECEMBER 1, 2025 12:00 PM

CANNON HILL CAPITAL PARTNERS' ERIC RUBIN (FROM LEFT), JEFF GRONNING, AND MELISSA DONOHOE.

PHOTOS: COURTESY CANNON HILL PARTNERS

Cannon Hill Capital Partners has formed a partnership with **TriPost Capital Partners** to acquire distressed office properties in New York report.

Targeting deal sizes upward of $50 million, the new partnership said it will be able to acquire as much as $1.5 billion in office properties over the next few years via opportunistic real estate investments, non-performing loan purchases and rescue capital.

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Cannon Hill was formed in 2022 by **Jeff Gronning, Melissa Donohoe** and **Eric Rubin**, who previously worked together at **Normandy Real Estate Partners** and then **Columbia Property Trust**. The three led a buyout of Columbia Property Trust's investment management business that included real estate funds and management contracts, including those from Normandy Real Estate Partners.

"Now, we're turning our attention to growth, and taking advantage of what we think is a compelling investment opportunity and vintage in the market," Gronning, founder and chief executive officer of Cannon Hill, told CO. "What we see today is an increasingly attractive opportunity that still exists in office. Liquidity is returning and values are starting to rise. We're optimistic that alongside TriPost, we can deploy our expertise to maximize our investments across the East Coast."

The unison represents Cannon Hill's first piece of business with TriPost — led by **Brad Carroll** and **Todd Silverman** — although the two firms' principals have known each other for more than a decade, Gronning said. TriPost provides growth capital to platforms like Cannon Hill, but hasn't had an office-focused partner relationship — until now. And, the new partnership is launching at an opportune time in the market.

Gronning said. “We’ve been longtime office investors, but, between 2019 and 2024, Cannon Hill didn’t acquire one office building, and the reason for that was because the opportunity wasn’t there at that point in time. It wasn’t until the second quarter of 2024 that we began investing in the office space again.”

Now, “you’ve got liquidity returning, the debt markets are opening back up for office, transaction volumes are off the bottom and you’ve got office utilization and leasing volumes in places like New York City that are back to pre-pandemic levels,” Gronning said.

The recovery is uneven, of course, and opportunities vary market by market and even submarket by submarket. But nonetheless, “We have made that shift, and that gives us confidence and conviction,” Gronning said. “Now is a good time to be transacting in the market again.”

The three markets that the partnership will target — New York, Boston and Washington, D.C. — are familiar territory for the Cannon Hill partners.

“At Normandy, we always had a footprint in the D.C. to Boston corridor and a Northeast focus. It’s also where we have boots on the ground in our vertically integrated platform where we have around 60 people and manage a portfolio currently of about 10 million square feet,” Rubin, Cannon Hill’s CIO, said. “Given the knowledge and history that comes with that portfolio, it helps us to think about the next opportunities in those markets with real insight.”

From a recovery standpoint, New York is leading the charge relative to D.C. and Boston, Rubin said.

“I would say D.C., not surprisingly, given the softness in government spending and the headwinds that are facing the D.C. environment, has its challenges. Having said that, we’re seeing some green shoots in the in the CBD," Rubin said. "So, to the extent we can be opportunistic in D.C., and find opportunities to buy assets at significant discounts — frankly, at land values — and look at repositioning and redevelopments, those opportunities are extremely compelling to us."

Moving up the map to Beantown, "I'd say Boston generally lags New York by about a year in terms of some of the activity that we've seen," Rubin added. "On the tenancy side, there's been some musical chairs of tenants moving from one building to the other and I think that's negatively impacted the Boston market, but given the fact that there's a small group of owners that control the majority of office product there, that changes the dynamics for some of the opportunities, and makes it harder to find those opportunities — because there aren't as many assets to select from because of the small nature of the market."

Cannon Hill already has a head start due to its decades of experience in all three markets, however.

"We envision ourselves at Cannon Hill as real sharpshooters," Donohoe, Cannon Hill's COO, said. "Eric mentioned Boston, New York and D.C., which are three large office markets, but we really underwrite the deals that we're looking at, because we know the markets, we know the neighborhoods, and have a history of investing in those three markets. When we're looking at maturing office loans, it's across all all types, from trophy to Class C, and we're being really specific about what we're looking at and what we're underwriting to ultimately make sure that we're putting together a very high-quality portfolio at the right basis in these markets."

And there could be plenty of opportunity on the maturing loan front, with $500 billion in loans on offices due to mature by 2028, according to MSCI data.

While the opportunity is one to be snapped up right now, it's also one that will play out further over the next two to three years, Donohoe said, portfolio of six to eight assets that over a shorter-term hold period will deliver outsized returns to the partnership versus historical periods," she said.

When it comes to ideal opportunities for the new partnership, some stand out.

"There's several legs to the stool, but certainly distress is one theme that we're trying to invest into," Gronning said. "We're in some way agnostic as to whether it's an overleveraged or undercapitalized property where, for example, a borrower is underwater, isn't going to delever and is cooperating with the lender to offer it to the market in a short sale. There's a lot of that going on today, and we're actually bidding on one as we speak."

The other side of the coin is non-performing loans (NPLs), where banks are looking to liquidate notes. "That's akin to what we saw coming out of the Global Financial Crisis (GFC), when we bought a lot of NPLs, and did loans-to-own and took over the equity during that period," Gronning said. "For us, the goal is to ultimately control the real estate and leverage our operating platform to create value."

As Cannon Hill takes its first steps in its TriPost partnership, it's already made headlines investing with partners **TPG** and **Global Holdings** at properties such as **101 Franklin Street** and **888 Broadway**.

And, it's only the beginning.

"Office is part of our DNA," Gronning said. "It's our history. In the 35 years that I've been in this business, the highest returns we've delivered to our investors were coming out of the GFC in the office space. I'm not saying that this is exactly the same environment today, because there are differences, obviously. But, we feel like this vintage should be a very good one, and it's why we're very excited to be moving forward."

director at TriPost, said. "Their years of focused experience in the office sector provide a significant advantage to effectively capitalize on compelling opportunities emerging in the space."

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