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Timbercreek Mapping Big Bridge-Loan Fund

Timbercreek Asset Management is soliciting equity for a fund with the goal of originating \$1 billion of bridge loans in the U.S.

The Toronto investment manager has hired veteran lender Patrick Maroney as an executive director to lay the groundwork for the lending program and oversee originations. Maroney previously was a managing director at New York-based Annaly Capital for three years, focusing on office and multi-family loans.

Before that, Maroney spent 15 years in GE Capital's commercial real estate group in various roles. Ultimately, he was a senior director in the institutional accounts group, originating balance-sheet loans. At Timbercreek, he reports to global debt chief Bradley Trotter, who formerly headed GE Capital Real Estate.

The closed-end vehicle, called Timbercreek U.S. Debt Fund, will originate floating-rate loans of \$10 million to \$35 million on transitional properties nationwide across asset classes. The return target is 8-10%. The plan is to raise enough equity to give the vehicle \$1 billion of origination power when combined with a moderate level of leverage. Fund raising started several months ago. Timbercreek isn't using a placement agent.

Loan-to-value ratios can range up to 80% for most property types and 85% for multi-family buildings, long a favored investment for Timbercreek. The shop will consider financing "heavy rehabilitation" projects, but not ground-up construction.

Timbercreek might carve loans into senior and subordinate pieces, and sell either component to third-party investors, depending on the loan. The company doesn't plan to use the CLO market as a financing source, but could revisit that strategy down the road.

Timbercreek, which was founded in 1999, has \$8 billion of assets under management. It invests in real estate and other alternative asset classes globally. According to the company's website, it has made \$7.3 billion of real estate debt investments and \$4.9 billion of direct property investments, laying claim to being one of the largest private investors in Canadian apartment buildings.

The new vehicle is Timbercreek's first closed-end U.S. debt fund. It operates a U.S. property fund — Timbercreek U.S. Capital Multi-Residential Opportunity Fund 1, which completed raising \$66.8 million of equity in 2014.