

Halpern Fund Lines Up \$40 Million

A development shop led by the former real estate head at **Marathon Asset Management** has wrapped up marketing of its debut fund with \$40 million of equity.

Halpern Real Estate Ventures held a final close for its Sponsor Fund short of its original \$50 million equity target — in part because it had also lined up a \$20 million co-investment vehicle backed by some of the fund's limited partners. The manager decided to stop fund raising to focus on deploying the roughly \$25 million of equity still available in the main fund.

The New York shop, headed by **Jon Halpern**, invests in development, redevelopment and distressed deals involving multi-family and hotel properties. It can provide equity, preferred equity or mezzanine debt, investing up to \$15 million per deal. The firm's goal for each deal is to keep about a 25% interest and find equity partners for the rest.

The focus is on Manhattan south of 23rd Street and nearby sections of the outer boroughs and suburbs. The manager has made seven investments so far, including its first in Westchester County, N.Y. It paid roughly \$3.5 million for \$13 million of defaulted debt on Sheldrake Lofts, a proposed residential subdivision in Mamaroneck. Halpern Real Estate now plans to develop the property.

The shop raised the equity for its first vehicle from wealthy individuals and family offices. Next year, it may seek backing from institutional investors for a larger fund, but it also has had preliminary discussions about a separate account with \$100 million of equity.

Halpern founded the shop in 2011 after leaving Marathon the previous year. His team includes partner **Bruce Berg**, vice president **Adam Sterling** and director **Previn Raheja**. The firm



plans to hire two more executives this year, one to work on transactions and the other on the operations side of development deals. ❖