

## JCR launches second fund

**The Denver-based firm is seeking \$100m in equity for its second debt fund.**

Posted - 09 May 2011 22:27 GMT CET  
updated - 09 May 2011 22:33 GMT CET

JCR Capital, a Denver-based commercial real estate finance fund manager, has launched its second debt fund. A follow-up to JCR's first fund, which attracted \$30 million in commitments and is now more than 70 percent invested, the new fund has a target of \$100 million and a hard cap of \$250 million.

"Our investor profile is going to be more institutional," said Jay Rollins, JCR's managing principal. "We're accepting commitments of \$5 million and more." In addition, the firm is letting investors from its first fund reinvest in the new fund and seeing an 80 percent re-upping level. In fact, investors already have committed more than \$12 million to the new fund, the fundraising for which is being run by placement agent Perth Advisors.

The new fund, the JCR Capital Commercial Real Estate Finance Fund II, will focus on financing distressed, opportunistic and value-added real estate investments. "Fund II will seek to profit from the departure and retreat of many middle-market lenders and capital providers over the past three years," said Rollins, who is managing the fund along with managing principal Maren Steinberg. "This reduction in the supply of capital is coming at a time of significant demand for commercial real estate financing solutions." Indeed, he estimates that in excess of \$1.7 trillion of commercial real estate loans will be maturing over the next five years, and many will need to be refinanced with fresh capital.

Fund II will invest in a diversified portfolio consisting primarily of debt, participating debt, preferred equity and pari passu equity positions in US properties. The focus will be on short duration investments, ranging from six to 36 months. As a result, the fund will have a two-year investment period and a four-year term.

Although the new fund will have a national footprint, its primary focus will be on opportunities west of the Mississippi. JCR will look at opportunities backed by various property types apart from those in the healthcare and assisted-living sectors, Rollins noted. The fund is targeting returns in the high teens to low 20 percent range.

JCR's first fund began investing in 2010 and already has had one realization, which generated a gross IRR of 83 percent.

© PEI Media Ltd. All rights reserved. Content on this site may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of PEI Media or in the case of third party content, the owner of that content. You may not alter or remove any trademark, copyright or other notice from copies of the content. You may download material from this site (one machine readable copy and one print copy per page) for your personal, non-commercial use only.