

## JCR Debt/Equity Fund Has First Close

**JCR Capital** has closed on \$46 million of initial commitments for its second fund, which will provide short-term debt and equity to owners of distressed real estate.

That puts the Denver firm nearly halfway toward its \$100 million fund-raising goal for JCR Commercial Real Estate Finance Fund 2. The vehicle will write senior and mezzanine loans, as well as purchase common and preferred equity — focusing on opportunistic and value-added deals. For example, it could provide both debt and equity to help an overleveraged borrower hold on to a property.

Individual investments are expected to range from \$2 million to \$15 million, with terms of six months to three years. The manager seeks a net return of 16-18%.

The strategy is similar to that of the shop's first fund, the \$30 million JCR Capital Distressed & Opportunistic Real Estate Fund 1. That vehicle, which wrapped up marketing last year, is fully invested and has already liquidated some of its early deals, returning roughly 30% of its equity.

With the help of New York placement agent **Perth Advisors**, JCR began marketing Fund 2 in April, targeting insurance companies, pension funds, endowments and family offices. The minimum commitment is \$5 million. About 90% of Fund 1's investors have signed on for the follow-up vehicle, market players said, with JCR's principals committing nearly \$12 million. The firm is led by former **GMAC Commercial Mortgage** executive **Jay Rollins**, who oversees the funds along with managing principal **Maren Steinberg**.

A final close is expected before March 31. Fund 2 would have an investment period of two years and a life span of four years. It could use 50% leverage when writing senior loans, but wouldn't use leverage for junior loans or equity investments.

The annual management fee is 2%. After limited partners earned a 9% preferred return, the fund sponsor would collect an unspecified majority of the profits until it amassed 20% of cumulative distributions, then receive 20% of any additional profits.

Founded in 2006, JCR has been growing into a comprehensive real estate finance company. Last month, it launched a \$100 million bridge-lending program to write fixed-rate mortgages that is backed by an unidentified institutional client. ❖



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