



Antoncic: big business in the next two years

History repeating itself

Mark Antoncic is teaming up with Chip Lauckhardt, chief executive of Tuckerman Group, to advise lenders and investors on troubled real estate assets.

Today's real estate markets have prompted many veterans to compare it to the savings and loans crisis of the 1980s. Times never change, they argue. Bubbles always burst.

For Mark Antoncic, whose Greenwich, Connecticut firm TriLyn LLC manages a property debt and preferred equity fund, history is almost repeating itself after forming a joint venture with an ex-colleague to provide specialized asset management services to lenders and investors on troubled real estate assets.

Antoncic is teaming up with Chip Lauckhardt, chief executive of Tuckerman Group, with whom he worked at Eastdil Realty in the late 1980s.

The pair worked together on development finance, private equity placement and syndicated tax investment, advising and acquiring distressed debt, including RTC assets. Eastdil became one of the largest separate account pension fund advisors in the US, as well as a big player in REIT formation and structuring.

Speaking to *PERE*, Antoncic said the joint venture is expected to significantly expand assets under management at the combined companies from \$6 billion.

"We believe this will be an important business over the next 12 to 24 months as the market deals with the deleveraging and devaluation which is underway. There are many investors today that do not necessarily possess the fundamental real estate capabilities to deal with various assets, but will nevertheless soon find themselves controlling them through foreclosures and, or taking control through B-piece investments, mezzanine and so on."

He said on the traditional lending front, the JV could help by being an extension of the real estate and asset management team. "Our plan is simple: get these assets off life-support and out of the emergency room as quickly as possible through asset management and assist in executing exit strategies through capital events if and as appropriate."

TriLyn continues to manage the \$110 million TriLyn-Investcorp Mezzanine Partners I, a real estate debt investment private equity real estate fund with Investcorp and Bank of Scotland.

TriLyn says it is bringing high-yield credit structuring and work-out experience to the JV while Tuckerman is adding equity, development and redevelopment investment management experience. Tuckerman is partly-owned by the bank State Street.

The formation of the JV comes as a Real Capital Analytic report suggests there are \$106 billion of distressed and potentially troubled real estate assets in the US – with \$4.5 billion of property already handed back to lenders.

RCA said \$4.5 billion had already become real estate owned (REO) or reverted back to the lender, while another \$21.2 billion of assets were in a "truly distressed" situation, where the mortgage was in default, the owner bankrupt or where the property had been foreclosed.

NEWS IN BRIEF

Westbrook Partners has boosted its acquisitions team, hiring Pinnacle Realty Investments founder Matthew Kenney as principal in the New York office. The firm also appointed former iStar and Goldman Sachs executives David Finkel and Zubin Irani to the London office, along with ex-iStar counsel, Andrew Gummer. Kunihiro Okumura, formerly of Lehman Brothers joined Westbrook as a principal in Tokyo.

However a handful of private equity firms have been forced to mirror the actions of some of their portfolio companies by **cutting back on staff**. Sun Capital Partners, which invested in bankrupt US retailer Mervyns with Lubert-Adler Real Estate, has cut 23 employees from its 200-person staff; The Blackstone Group cut 70 jobs, or 5 percent of its 1,400-member workforce; The Carlyle Group terminated 100, mainly back office workers, primarily in the US; while 3i cut about 15 percent of its 600-member staff.

Marathon Asset Management promoted its head of real estate, **Jon Halpern**, to partner along with four other senior professionals, including Andrew Rabinowitz, chief operating officer; Richard Ronzetti, global investment management and head of research; Steve Kim, chief investment officer of Asia; and Adam Phillips, chief investment officer of Europe.

Promotion was also in line for Grosvenor's chief development officer in the US after the property company headed by UK aristocrat, the Duke of Westminster, appointed him **chief executive officer** of its North American and Canadian operations, including its investment and fund management groups. Bibby joined Grosvenor in 1984 and succeeds Bill Abelmann, who served as the firm's chief executive for six years.

With LPs facing declining distributions and fearing capital call defaults, many are looking to the **secondaries real estate market** for answers. In response, Liquid Realty Partners hired Rein Gabriel as associate to augment its portfolio management team. It follows the firm's appointment of former SL Green/Gramercy Capital executive John Graham as analyst.

Anne Stausboll has been appointed to one of the most powerful investment positions in the US: chief executive officer of the \$182 billion **California Public Employees' Retirement System**. The CalPERS veteran is the first female to hold the position in the firm's 77-year history. She has been acting as interim investment officer since former CIO Russell Read resigned in 2008.

Tri-Artisan Partners is hoping to use the current market turmoil to build a commercial real estate investment arm, hiring former Bear Stearns executive Thomas Harney in the process. As head of real estate, Harney will oversee principal investments as well as recapitalizations, privatisations, joint ventures and opportunistic investments with other management teams.

Gates Group Capital Partners, a Cleveland-based private equity firm that invests in **North American parking and infrastructure assets**, also appointed James McNulty, the former chief executive officer of engineering and construction company Parsons Corporation, as executive advisor.