

## New York Lender Raises Second Fund

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Fort Amsterdam Capital, a middle market commercial real estate debt specialist, is hoping to significantly expand its reach among borrowers in New York City via its second fund. The firm recently raised about \$50m for the offering, which it hopes will allow it to increase activity with borrowers seeking bridge loans of \$2m to \$20m, according to David Schwartz, Founder.

The firm targets multifamily, small office properties, conversion opportunities and mixed-use lending opportunities, with much of its activity in the \$2m to \$10m range. A lot of the demand Fort Amsterdam is seeing is coming from value-added investors who are doing a substantial amount of redevelopment or ground-up work. "We'll typically provide leverage in the 67-73% range and, if it's the right deal and the right borrower, we will go up to 75%," said Uanderson Benedetti, Senior Originator.

Schwartz, who helped launch multifamily and mixed-use investment company Sugar Hill Partners nine years ago, rolled out Fort Amsterdam Capital in 2015. "We started with syndications and did a proof of concept fund before we raised our second fund," he said. The firm's investors include wealthy individuals and family offices, with several new investors signing up for its latest fund, he added.

The firm is in contract on four transactions on its second fund and, unlike its previous offerings, will consider transactions in markets adjacent to New York on a case-by-case basis. "We're not actively looking outside of New York but if the right deal comes along, we'll consider it," he added.

A good portion of the firm's deal flow comes from refinancings, with Schwartz noting that the original financing often has been originated with very aggressive assumptions. As a bridge lender, Fort Amsterdam often has to move quickly on financing transactions and provide flexibility in structuring loans. "People usually come to bridge lenders when there are issues with loans. Creativity is needed to structure a loan to achieve the borrower objectives and protect the investor," Schwartz said.

One recent transaction included funding a loan to a 10-unit Harlem building that had six vacancies. "The borrower was looking to renovate the building but there wasn't enough cash flow to support traditional financing. We provided \$2 million for the acquisition and another \$750,000 in renovation funds. The budget was agreed to up front and we made sure that the work was delivered on. In this case, the borrower did a \$4.1m refinancing with a traditional bank loan," Schwartz said.