

Distressed Colorado Real Estate Fund Opens

By Marc Raybin

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Distressed real estate investor Pathfinder Partners announced it has teamed with Pittman Development Group, a real estate firm, to form a private equity fund focused on acquiring real estate assets in Colorado.

According to the announcement, the fund will be overseen by Pittman Pathfinder Realty Ventures LLC, a joint venture formed by Pathfinder and Pittman.

Mitch Siegler, a senior managing director and co-founder of Pathfinder Partners, said the joint venture would be raising capital for their new fund for approximately another six months. He said limited partners tend to be high net worth individuals, family offices and investment advisers as opposed to the bigger pension funds. Siegler declined to say what the target fund raise is for the vehicle.

"This is a small, boutique fund," Siegler said.

To date, Pittman Pathfinder has made one acquisition. It was comprised of a portfolio of seven residential properties from a Colorado regional bank. The investment included 64 condominiums and townhomes, 108 residential lots and a multi-family development site. The properties are located in Denver and Colorado Springs, the announcement stated.

Siegler expects the fund to close on anywhere between seven deals and 10 deals in its lifetime.

"This is a fast moving and fluid market," he said.

Managers of the new fund will target some of the smaller deals that the mega funds are normally not attracted to, Siegler said. The fund focuses on Colorado because Pittman already has "boots on the ground" there, according to Siegler.

Pathfinder Partners focuses on the distressed real estate market and on defaulted loans. The company specializes in single-family and multi-family residential real estate projects. In addition to providing capital, the firm takes a hands-on approach to its investments. Pathfinder Partners provides property enhancements, operational support and marketing strategies.

Founded in 2006, Pathfinder Partners has acquired more than \$150 million in commercial real estate loans and properties.