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Pathfinder Acquires \$50M in Lux Homes

By [Kelsi Maree Borland](#) | Los Angeles

LOS ANGELES—**Pathfinder Partners**, a San Diego-based private equity fund manager, has completed the purchase of 14 luxury **single-family homes** near the Sunset Strip in Hollywood. Pathfinder intends to rehabilitate the homes in a project that will cost \$50 million, including the aggregate cost to acquire the properties. The purchase was funded through Pathfinder's \$12-million Lux Home Fund and with capital from prior funds. The purchase also aligns with the closing of the Lux Home Fund.



The 14 homes range in size from 3,000 to 6,000 square feet and range in price from \$2 million to \$7 million. The renovation budget is \$1 million to \$2 million per home, which will be used, in part, to increase the home's square footage by 30% to 50%. The properties are located in high-end neighborhoods, including Beverly Hills, Bel Air, Pacific Palisades, the Hollywood Hills, Rancho Palos Verdes and Rolling Hills Estates. Rehabilitation of two of the homes is already complete, and the homes have been listed for sale. Rehabilitation of the remaining properties is underway.

According to **Mitch Siegler**, Pathfinder's co-founder and senior managing director, the project was inspired by the dwindling supply of "modernized homes in L.A.'s best neighborhoods." He says that many homes haven't been updated since as far back as the 1970s, although there is a large market of luxury buyers seeking high-end, turnkey homes. "By acquiring a well-located, older home and then reimagining and transforming the home, we create tremendous value and expect to generate attractive risk-adjusted returns for our investors," he adds. Profits made from the sales of these homes will be recycled into other high-end homes over the next 18 months. This is in addition to other ongoing projects, including residential construction on a 10-acre Colorado development site [it purchased in partnership](#) with **Meriwether Companies** earlier this year.