



ORIX USA to expand multifamily banking business with acquisition of Hunt Real Estate Capital

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James Flynn, Hunt

Terry Suzuki, Hunt

New York, NY ORIX Corporation USA, the U.S. and Latin America business hub for Tokyo-based ORIX Corporation (ORIX), has signed a definitive agreement to acquire Hunt Real Estate Capital, LLC, a subsidiary of Hunt Companies, Inc. The acquisition combines the financial strength of ORIX USA and the complementary product offerings of ORIX Real Estate Capital brands, Lancaster Pollard and Red Capital Group, with Hunt Real Estate Capital's strong presence in the multifamily industry.

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“The Hunt Real Estate Capital acquisition represents the culmination of our efforts to create a top-tier national commercial real estate lender, one with the capital, skillset and product range to more flexibly address the needs of commercial real estate investors and developers than traditional bank lenders,” said Terry Suzuki, ORIX USA president and CEO. “Hunt Real Estate Capital’s portfolio of products and its geographic footprint perfectly complement those of ORIX Real Estate Capital brands, Lancaster Pollard and Red Capital Group. Hunt Real Estate Capital’s leadership team combined with our existing teams provides the expertise required to forge these three groups into a single and cohesive full-service entity.”

New York-based Hunt Real Estate Capital has earned a reputation for providing tailored financing solutions to multifamily investors across the country through its nationwide network of 25 offices. The commercial real estate lender offers the full range of Fannie Mae, Freddie Mac, and FHA financing, as well as proprietary bridge, term, and subordinated products.

Upon closing, 15-year industry veteran James P. Flynn, Hunt Real Estate Capital’s president and CIO, will be the CEO of the combined entity. “I am very excited about joining forces with the talented teams at Lancaster Pollard and Red Capital,” Flynn said. “While we each bring unique strengths and competencies to the table, we share a commitment to service and dedication to the long-term interests of our clients.”

The new company will benefit from the extensive resources that ORIX USA brings to the transaction. A subsidiary of ORIX Corporation, the Japanese-based financial services giant, ORIX USA provides a wide range of innovative capital solutions for clients in the corporate, real estate, and municipal finance sectors. ORIX Corporation assets exceed \$100 billion, and it has approximately \$400 billion of assets under management.

“The financial backing from ORIX USA is a powerful differentiator for us,” Flynn said. “It means that we will be able to offer commercial real estate investors direct capital products to more fully address their needs as they grow and evolve.”

While Lancaster Pollard and Red Capital were combined to form ORIX Real Estate Capital, they have continued to originate business under their existing brands and maintain their sector focus. Lancaster Pollard is one of the foremost lenders to the senior living and healthcare industries, and Red Capital is the nation’s leading FHA lender and an experienced loan servicer. Both are headquartered in Columbus, Ohio.

“This is very exciting for all of us at ORIX Real Estate Capital, as the combined companies give us one of the most well-rounded multifamily platforms in our segment of the market,” said Nick Gesue, CEO of ORIX Real Estate Capital. “This transaction will take us an important step closer to achieving the goals our talented team has been working so hard to attain.”

The combination of Hunt Real Estate Capital and ORIX Real Estate Capital will create a commercial real estate finance platform with annual loan production in excess of \$9 billion and a servicing portfolio of more than \$40 billion.

“We believe that our ability to provide diverse capital products will be an important way to deliver value to our clients and build loyalty,” Jerry Abrahams, CEO for ORIX Commercial Mortgage Servicing Group said. “To that end, we are committed to continue growing our range of debt solutions for our customers and partners as it will enable us to flexibly execute regardless of market conditions.”

“As we move forward, ORIX USA’s capital and its entrepreneurial culture will enable us to be thoughtfully aggressive in meeting the needs of our customers,” Flynn said. “Our goal is to be a premier national commercial real estate lender. Thanks to the talent of our combined teams and the confidence ORIX USA has expressed in this venture, this ambitious goal is well within our reach.”

The acquisition is expected to close in 2019, subject to customary closing conditions and regulatory approvals.

Advisors for ORIX USA on the transaction included Beekman Advisors, Inc. as financial advisor and Davis Polk & Wardell, LLP, as legal advisor. For Hunt Real Estate Capital, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, served as legal advisor.

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