



## **Executive of the Month: Ed Steffelin, senior vice president, leads East Coast operations in George Smith Partners' newly established New York office**

March 19, 2019 - Spotlights

New York, NY Veteran investment specialist Ed Steffelin has joined leading commercial real estate capital markets advisors George Smith Partners as senior vice president to oversee the firm's new Manhattan-based office. The New York Real Estate Journal recently sat down with Steffelin for a question-and-answer session.

Q: How did you get your start in the real estate industry?

A: After earning my B.A. in Economics from Occidental College and my M.B.A. from Dartmouth College, I secured a position at CGA Investment Management as a vice president from 1998 to 2000. There, I helped structure and execute the first two CMBS transactions created in Canada. I had also done some work at CapMAC and the New York Stock Exchange.

I moved on to XL Financial Solutions in Hamilton, Bermuda, for two years, where I focused on structured products, developed an equity defeasance product for cross-border leveraged leases, and underwrote equity tranches on corporate synthetic CDOs.

Then, I became a principal at Allianz Risk Transfer AG, where for three years I focused on leveraged credit positions and CDO equity. I also worked at TCW Group, Inc. as a portfolio manager in the mortgage-backed securities group.

In 2005, I progressed to hedge funds, joining GSC Group to manage the Eliot Bridge long-short credit hedge fund and becoming a senior managing director and part of the firm's Operating Committee. Eventually, I created and managed Pendulum, a distressed mortgage fund. I was also involved in GSC Capital Corp., which I took through bankruptcy during the financial crisis as CEO of the alternative mortgage REIT.

George Smith Partners' New York office is located within  
750 Lexington Avenue - Manhattan, NY

Q: What did you do after that?

A: In 2008 and 2009, I became a managing director at ICP Capital, where I was responsible for winding down several structured finance vehicles and purchasing distressed mortgage securities.

From 2009 until late 2017, I was executive vice president of capital markets at Walton International Group, where I oversaw a New York-based analyst team. While at Walton, I focused on building up the firm's institutional relationships. I formed a distressed vacant developed-lot fund, structured a long-term land investment vehicle with a family office, and created RAM Real Estate Capital, a private-equity firm focused on the residential real estate space.

After Walton, I co-founded two start-up real estate companies: STAC Capital, which provides sale/leaseback financing for model homes, and Balcara Group, which creates purpose-built single-family rental communities, which are still operating successfully today.

I'm excited to have joined George Smith Partners on the Malcolm Davies team—a team that arranged and closed \$750 million of real estate debt and equity in 2018 and has over \$1 billion in the pipeline for 2019. I'm looking forward to a long and prosperous journey with this company, and I'm thrilled to be a part of its continued growth.

Q: Tell us about your new role at George Smith Partners.

A: I'll be advising real estate sponsors on debt and equity capitalization for land development, residential and hospitality strategies, heading up the company's new office in New York. The establishment of this office creates a truly bi-coastal presence for GSP, allowing us to better serve our clients across the country and provide them with improved access to capital.

Q: How do you view the housing market for 2019?

A: This will definitely be an interesting year for housing. I foresee strong demand bolstered by lower supply, giving homebuilders and land developers the opportunity to make strategic moves that bring the right mix of product together.

I also foresee a continued rise in mixed-use product, as retail owners diversify and redevelop to add new housing and hospitality options.

While homebuilders will continue to navigate some volatility in the capital markets, the tremendous demand for quality housing throughout the U.S. will support strong lending in this market in the months ahead.

The good news is, many investors continue to be bullish on the market because of the continued demand for housing and high employment rates.

Q: What new trends do you see entering the housing market?

A: I see purpose-built single-family rentals as a rapidly growing new rental product to meet changing

demand. This product model mostly got its start in the Phoenix market, and it's now making its way into other markets. You might see it called by a different name—horizontal multifamily, cottages, bungalows—but its noteworthy for the main characteristics of higher density, lower square footage, high ceilings, and garages. This type of housing may or may not exist on a single plot of land, but it's a product that competes more against apartment renters than single-family housing does. George Smith Partners is arranging equity and debt for a number of developers in this growing space.

Rendering, Westphalia Town Center, the project Steffelin was working on when he met Malcolm Davies of GSP in 2013

Q: What about some of the trends you're seeing in land development?

A: Some investors from the downturn years are looking to monetize their returns, so areas to watch in land development this year include higher LTV debt providers and potential portfolio sales. The number of debt providers that will look to provide higher leverage, non-recourse, non-bank debt to land developers is increasing. For example, Land Tejas was able to refinance its successful Balmoral master plan in Houston in 2018 with debt that was not available in 2017. We will see more transactions like this in 2019, and George Smith Partners will be focusing on this area as well.

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