



## **Company of the Month: Greenwich, CT-based family office, Lancewood Capital, emerges as a sizable provider of first lien real estate credit in the \$1-\$50 million middle market space**

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Over \$60 million of newly established senior credit facilities with alternative real estate lenders in 2022

Greenwich, CT Lancewood Capital, founded in 2014 by a family office, has become increasingly more active in the first lien real estate credit space. The company was founded by the family office to produce safe risk-adjusted returns for capital generated from other businesses ventures. The partners of the family office own various other specialty finance businesses that they have successfully owned for multiple decades.

Unlike many of its competitors, Lancewood Capital is fully capitalized by the family office. The firm's patient and stable capital source provides increased flexibility, competitive pricing, and unparalleled execution for its borrowers. The firm is exclusively focused on senior first lien loan opportunities within larger markets in New York, Florida, and California. Lancewood provides direct bridge loans to property owners as well as senior note financing to many alternative real estate lenders through the firm's lender finance platform.

\$6.5 million bridge loan

\$17.9 million note financing

The firm became increasingly more active in 2020, during a period when many conventional capital providers were having a difficult time transacting. Vice president of real estate Justin Godner said, “The dislocation of the credit markets in 2020 and the disruption in both the credit and equity markets in the later part of 2022, allowed for the firm to execute for borrowers at a time when many could not. This execution and earned trust allowed for us to develop many new borrower relationships that we will have for a long time.” He also highlighted that the founding of the firm’s lender finance platform helped address the demand for senior credit among alternative lenders. Toward the end of 2022, due to the unprecedented rate increases, the debt markets again saw a disruption, which allowed Lancewood Capital to become increasingly more active.

\$7 million construction completion bridge loan

When asked about the firm’s competitive advantage, Stephen Zaro, a vice president at the firm, said “The company’s family office capitalization structure allows for us to deploy capital during times in the economic cycle when others may not be able to.”

Lancewood has a very dedicated and growing team with extensive real estate experience. Matt Schatzle, who is a vice president at the firm, is focused on direct bridge loan originations, attributes the firm's success and growth to its ability to create flexibility for borrowers while also providing near-bank pricing. He said, "The firm has been able to close a lot of business while staying true to its investment focus and disciplined underwriting guidelines."

#### \$8 million multifamily financing bridge loan

In 2022, Lancewood Capital was increasingly more active than in past years as a function of the reduced liquidity in the debt markets. Lancewood closed 35 new credit investments. Schatzle was responsible for structuring 14 direct first lien bridge loan investments. Investment highlights included the \$8 million financing of a New York City mixed-use building, the \$7 million financing of a newly constructed multifamily building in Queens, and a \$10 million mixed-use financing in Brooklyn.

Justin Godner was responsible for structuring three direct bridge loans and 18 senior note financings with 10 different alternative real estate lenders. Lender finance investment highlights for 2022 included the establishment of over \$60 million of new credit facilities with lenders. Senior note financings included the \$17.9 million condo inventory loan secured by unsold units in the Williamsburg neighborhood of Brooklyn, a \$13.5 million financing secured by a mixed-use property in New York City, and an \$8 million financing secured by investment properties in Miami.

Lancewood Capital expects to be increasingly more active in 2023. When asked about market outlook, director of credit, Tino Martins said, "There will be an increase in demand for flexible, near-bank capital in today's challenging credit markets and Lancewood Capital's team and platform are looking forward to continued growth while providing industry-leading execution to borrowers."