



## **GRIP and KREEC finance \$3.4 million residential lot acquisition**

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Grosvenor Residential Investment Partners I, LP (GRIP), sponsored by Grosvenor Investment Management (GIM) and Key Real Estate Equity Capital (KREEC), an affiliate of KeyBank, has financed the acquisition of a 113-lot townhome development. The project is part of Stonewater, a 250-acre master-planned mixed-use community. GRIP's investment was structured as a participating senior loan of \$3.4 million to finance acquisition of the site and complete remaining site improvements. GRIP acquired the property in partnership with Hopper Communities.

Hopper, which will complete the remaining site improvements, has executed a purchase and sale agreement with a major national homebuilder to acquire the finished lots.

GRIP is a private partnership that invests in distressed "for-sale" residential projects and associated debt across the United States. Investments may be made in the form of senior participating debt, mezzanine debt, and equity. This is the third investment for the \$100 million fund, which is now approximately 15% invested.

"This transaction is consistent with GRIP's strategy of using senior debt to invest in in-fill urban and suburban markets, in partnership with proven local operators," said David Reiner, managing director of GIM. John Hay, director of KREEC, said, "The location, sponsorship, exit strategy and investment size of this transaction all fit well with GRIP's investment parameters."

"This was a great opportunity to acquire a property in an established community that is located within one of the nation's most thriving markets," said John Gaghan, GIM's director of residential investments. "The Triangle area is ranked as one of the most desirable regions of the country, while Cary itself has been named one of Money magazine's Best Small Cities in America. For these reasons, the region is expected to be among the first in the U.S. to recover from the recession."

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