

10 to Know... Private Equity Fund Managers

Following is REAL ESTATE FORUM's list of 10 private equity real estate fund managers worth watching over the next year. Why these firms? And why, for instance, Blackstone and not, say, Carlyle? The answer, in short, is that these funds were chosen with eclectic criteria in mind (also, technically speaking, there is talk that Carlyle will finally decide to go public this year). We wanted a wide diversity of funds and selected these to best illustrate the different investment strategies that private equity, as it emerges from its bunker, is now exploring.

That said, this list is not meant to serve as a call for investment in these vehicles. On the other hand, we would not have included them if we didn't have a certain faith in, and appreciation of, their investment strategy.

1

BLACKSTONE REAL ESTATE SPECIAL SITUATIONS FUND II

Where: New York City; www.blackstone.com

Who: Helping to lead its investment strategy is Michael Nash, senior managing director of the Blackstone Group and chief investment officer of Blackstone Real Estate Debt Strategies, the group under which this fund was raised. Prior to joining Blackstone, Nash served with Merrill Lynch for 10 years, leading its Real Estate Principal Investment Group, Americas. Before that, he was a senior vice president at Barclays Bank.

What to Know: The fund closed on February 1, 2011 and will provide debt capital to commercial real estate transactions. Recent deals include mezzanine loans for RLJ Development's acquisition of the Doubletree Metropolitan Hotel and Savanna Partners' acquisition and recapitalization of 1375 Broadway and for Republic Properties Corp.'s recapitalization of 25 Massachusetts Ave. in Washington, DC.

2

COLONY CAPITAL LLC

Where: Santa Monica, CA; www.colonyinc.com

Who: Thomas Barrack Jr., founder, chairman and chief executive officer. In this role, he's placed approximately \$45 billion around the globe. Prior to forming Colony, he was a principal with the Robert M. Bass Group and served in the Reagan administration as Deputy Undersecretary of the Department of the Interior.

What to Know: What isn't Colony involved in? It is, to cite one example, reportedly in talks with Grubb & Ellis about a possible acquisition or recapitalization. The primary reason it is appearing on this list, though, is its aggressive acquisitions via FDIC's structured sales program.

FEDERAL CAPITAL PARTNERS

3

Where: Washington, DC; www.fcpcdc.com

Who: There are four managing partners, including the two founders, Lacy I. Rice and Esko I. Korhonen, both of whom were principals at the Carlyle Group. Alex Marshall, previously a member of JP Morgan Partners' Real Estate Group, joined in 2002. Thomas A. Carr, former chairman and chief executive officer of CarrAmerica Realty, came to the firm five years later.

What to Know: Currently, at least according to an SEC filing, FCP is in the processing of raising capital for another fund. It focuses generally on the Mid-Atlantic, largely in the Washington, DC area but has been known to push into other nearby cities. Its sweet spot is value-add multifamily but it also invests in other asset classes.

GLENMONT CAPITAL MANAGEMENT LLC

4

Where: New York City; www.glenmontcapital.com

Who: Lawrence A. Kestin, founding partner and managing principal, counts as his experience executive positions with Colony Capital and vice chairman of the Real Estate Department of Rogers & Wells, now Clifford Chance LLP. Joseph C. Smith, founding principal of Glenmont, was formerly with the Real Estate Private Equity Group at Bankers Trust (later known as Deutsche Bank Alex. Brown). He was also an investment banker at Montgomery Securities.

What to Know: With an equity investment size of \$5 million to \$20 million, Glenmont focuses on the middle-market. It prefers JV investments and goes after value-add plays with an eye on repositioning the property.

GREEN COURTE PARTNERS

5

Where: Chicago; www.greencourtepartners.com

Who: Randall K. Rowe, chairman, was a cofounder and chairman of Transwestern Investment Co. He has also served as chairman and chief executive officer of Hometown America and was a senior executive with Equity Group Investments.

What to Know: The private equity investment firm targets niche real estate sectors, such as the ownership and operation of land-lease communities or parking assets.

KAYNE ANDERSON REAL ESTATE PARTNERS I LP

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Where: Los Angeles; www.kaynecapital.com

Who: Albert Rabil III is managing partner of the firm's real estate private equity activities. Prior to joining Kayne Anderson, Rabil was founder and principal of RAMZ LLC and Rabil Properties, between 2002 and 2007.

What to Know: The firm invests directly in sectors that require specialized skills and market knowledge, principally off-campus student housing properties located close to large public university campuses. It recently acquired a nine-property off-campus student housing portfolio from Education Realty Trust.

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MADISON INTERNATIONAL REALTY

Where: New York City; www.madisonint.com

Who: Ronald Dickerman, president and founder.

Prior to founding Madison in 1996, he was president and founder of First Equity Realty LLC. Before that, he was an investment banker in the real estate/partnership finance group at Smith Barney, Harris Upham & Co.

What to Know: The firm provides secondary equity capital to partners seeking an exit from an investment as well as for recapitalization of properties in the US, United Kingdom and Western Europe.

8

SAVANNA INVESTMENT MANAGEMENT

Where: New York City; www.savannafund.com

Who: Christopher Schlank, founder and managing partner. Prior to founding Savanna, Schlank was project manager for Westside Federation for Senior Housing.

What to Know: The firm focuses on major markets such as New York City, Boston and Washington, DC. Its approach varies according to the deal—it will invest alone or in partnership with other firms. It is also open to assets of all types and sizes and in positions up and down the capital stack.

9

TRIGATE CAPITAL

Where: Dallas; www.trigatecapital.com

Who: Jay Henry, is a managing member of TriGate and chief executive officer of JAH & Co. LP. Prior to this, Henry was a managing director of Morgan Stanley, running the firm's Investing Group in Europe from 2000 to 2003.

What to Know: TriGate focuses on matching capital to real estate projects via its fund, TriGate Property Partners, on behalf of institutional investors. It also manages a partnership with the California State Teachers Retirement System, which invests in larger transactions with the fund.

10

WALTON STREET CAPITAL

Where: Chicago; www.waltonst.com

Who: Neil Bluhm is the principal who oversees the strategic direction of the company. He also co-founded JMB Realty in 1969 and served as a partner with Mayer, Brown & Platt.

What to Know: An all-purpose real estate private equity fund, Walton Street has invested or committed to invest approximately \$4 billion of equity in some 175 separate transactions. These deals have ranged from development to acquisition in such asset classes as office, hotel, retail, industrial, multifamily, for-sale residential, senior and student housing and even golf assets. It provided backing to one of the largest development projects in Washington, DC in recent years, Constitution Square, and is now investing in a multi-phased office development in Northern Virginia. ♦