



TerraCap backed by University of Florida

The Florida-based real estate investment firm has received a commitment from the University of Florida's endowment fund as it reaches a second close of \$30 million.

TerraCap Management has held a second close on \$30 million of equity for its latest fund, TerraCap Partners II, with a commitment coming from the University of Florida's endowment fund and several family offices. The University of Florida has committed \$5 million to the vehicle, which specialises in making investments in small distressed properties.

As well as reaching an overall \$30 million second close towards a \$200 million hard cap, the firm also said it had won a \$75 million co-investment commitment from a large institution. News of the latest fundraising milestone follows a first close of \$10 million in January. Washington, DC-based real estate investor and advisor Militello Capital is one limited partner that has committed to the fund; others being targeted include high-net-worth individuals, large family offices, endowments and other institutional investors.

TerraCap also will make its own commitment of \$3.5 million to the fund. At the time of the first close, W. Stephen Hagenbuckle, co-managing principal of the firm, said: "Distress in commercial real estate properties historically follows distress in residential markets, and TerraCap II is well positioned to capitalise on opportunities given our recent funding."

The fund targets 20 percent-plus returns investing in distressed commercial real estate in Florida and the Sunbelt region. About 80 percent of the fund's investments will involve acquisitions of office and retail properties ranging from 50,000 to 150,000 square feet in size and from \$2 million to \$20 million in price, with the remainder in industrial, hospitality and land assets.

TerraCap's previous fund, TerraCap Fund I, closed in December 2010 on nearly \$26 million in equity commitments. That fund is fully invested, having executed 15 land acquisitions in high-growth markets in southwestern Florida.

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