



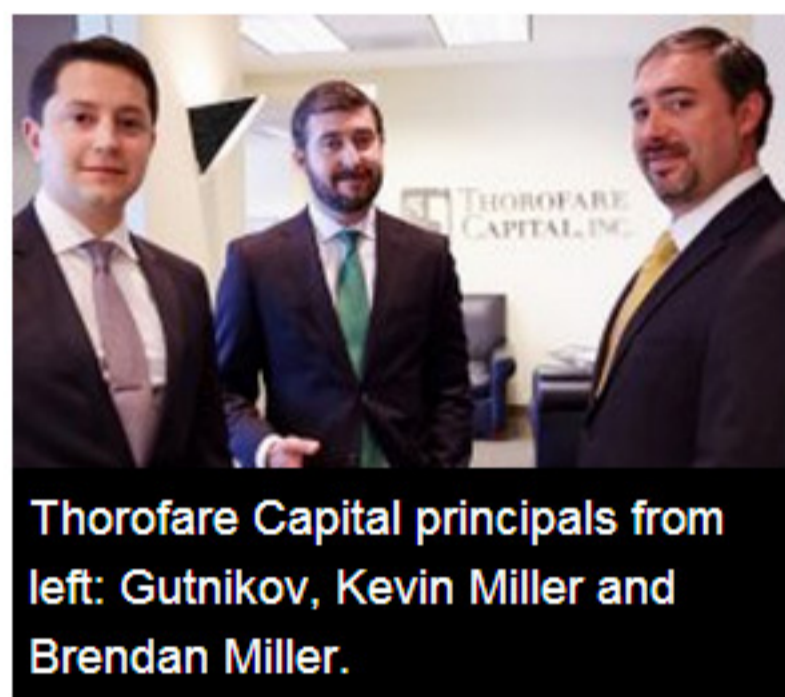
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Thorofare Capital Deploys \$236M in Financing

By [Carrie Rossenfeld](#) | Los Angeles

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Thorofare Capital principals from left: Gutnikov, Kevin Miller and Brendan Miller.

LOS ANGELES-Thorofare Capital has fully invested **Thorofare Asset Based Lending Fund II L.P.**, deploying \$236 million for more than 50 loans across 15 states. The nationwide direct lender focuses on discretionary capital, one- to three-year bridge loans and note **financing** for all property types, as well as in-house servicing and earn-outs for Capex and **leasing** costs.

According to the firm, in the last two years it has grown its market share and has originated and funded loans across 15 states, whereas in 2010 it had not yet closed a deal outside of California. The firm launched Fund 3 in November 2013 and has already raised more than \$120 million for it.

“Adding quality human capital to our originations desk has been absolutely essential to our growth,” **Kevin H. Miller**, co-president and CEO of Thorofare, tells GlobeSt.com.

SVP **Felix M. Gutnikov** says the key to the firm’s success has been not overpromising. “We may lose out on some deals because we don’t offer the lowest interest rate or the most money when offering deals. But it’s the level of execution that’s valuable, and people are recognizing that.”

Brendan Miller, chief investment officer for Thorofare, adds, “We’re extremely pleased with the support of our investors and will continue to remain disciplined in our underwriting of attractive debt investment opportunities.”

Kevin Miller points out that Fund 1 covered only California, but Fund 2 opened up the firm’s geographic boundaries to nationwide. “We’re seeking geographic diversification in our portfolio. Being well balanced within asset class and geography has been a target for us investment-wise. We’ve found a good deal of safety in that diversification.”

At the end of the day, Gutnikov says Thorofare does a “real fundamental evaluation” and always looks back to its basis in any real estate transaction. “Just because **apartment** buildings in Santa Monica are trading at a 4% cap rate doesn’t mean we’re going to go for it. We always look at price per square foot and the downside risk, so if interest rates rise and/or cap rates go up, we’ll be safe. Deals don’t always pencil because we’re not willing to accept current market conditions. This bottom-up analysis has helped us maintain discipline in today’s market because there’s been quite an uptick in the past nine months.”

Keeping the rosy glasses off in light of the recent downturn is another of the firm’s tenets, Gutnikov adds. “There could be another double dip, and valuations could be pushed up because there’s so much capital chasing deals rather than because of fundamentals like job growth.”

Fund 2 closed at the end of November 2013, and Fund 3 launched seamlessly with that closing. The firm has a \$250 million target and a \$300 cap on the third fund. “We have very high expectations for it,” says Kevin Miller.

Meanwhile, Gutnikov says the firm has further growth plans and will continue to look for new talent to bring on and retain. “We’re considering opening up addition offices and other products to add to the capital solutions that we’re offering borrowers all over the country. We’ve established a flagship model now, and we’re looking to add to that and bring on staff to help.”

As GlobeSt.com **reported exclusively in January 2013**, Thorofare closed more than nine transactions in five states for ten different property types between November 28 and December 28, 2012. Property types included **retail, multifamily, industrial, self-storage, condominiums, office, land, marina, medical and manufacturing**.

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