

Pick Your Flavor

The proliferation of new funds has become so widespread that Landstone CEO Albert Praw was recently told, "You aren't anyone today if you don't have your own fund." However, according to JMP Securities managing director Phil Whitcomb, it's not just about finding backing; it's more about finding the *right* backing.

It seems that chemistry plays a major role when it comes to pairing up certain investors with certain home builders or local market veterans. "Certainly, a track record and what you have done in the industry is important, but to a large degree it's matching up the personalities and timing. The chemistry and comfort level just have to be there."

Here's a look at the reputed style of some of today's active land investors:



AGGRESSIVE

WHITEHALL

The Goldman Sachs real estate arm has been active in residential a long time and has invested in the U.S. and Mexico. Residential land investments are likely to exceed \$500 million.

BLACKSTONE

Sharply focused on distressed assets, the group is likely to invest roughly \$500 million into opportunities.

CERBERUS

Even without further capital deployment in the space, the group is already deeply vested in residential through its ownership of GMAC and Lennar Property.

STARWOOD CAPITAL

Willing to earmark between \$500 million and \$1 billion for deals. Forestar Land Partners alone represents \$500 million.

MORGAN STANLEY

Established a special land fund with Lennar Homes and purchased over \$500 million worth of properties in eight states.

MODERATE/CONSERVATIVE

OCH-ZIFF CAPITAL MANAGEMENT GROUP

What would this list be without tipping our hat to a big hedge fund? Though all the noise around the company right now is regarding its recent IPO, its investment strategy clearly includes real estate.

D.E. SHAW

After recently forming a real estate fund as a part of its financial family, this hedge fund is currently negotiating with backers. In a partnership with SunCal last June, it paid \$250 million for a parcel of land near Albuquerque.

LANGLEY PROPERTIES/WOLFE COS.

Prepared to invest up to \$500 million, the company is investing in tracts of land along the Phoenix/Tucson corridor.

SCALA REAL ESTATE PARTNERS

In October, the group announced a \$250 million fund capitalized jointly by Oxford Properties Group and Lehman Brothers Private Equity to invest in California residential and mixed-use developments.

CENTERBRIDGE PARTNERS

The private equity firm that specializes in leveraged buy-outs and distressed securities is said to be looking for opportunities in residential. Typical investments for the group range between \$50 million and \$300 million.

METRO DEVELOPMENT

Committed to a Florida land deal, buying 8,300 lots from Lennar in November.