

Multi-Family Shop Closes 2nd Fund

Marble Capital last week wrapped up its second value-added fund with \$250 million of equity — \$100 million more than the target.

The Houston investment manager is shooting for a 12-14% return by supplying capital to multi-family developers. It typically provides preferred equity with coupons of 13-15%, but also invests in common equity.

The manager kicks in \$5 million to \$20 million on individual projects, with the developer retaining a minority stake. Factoring in leverage and partner capital, the fund could hold stakes in more than \$1 billion of investments.

The vehicle, Marble Capital Fund 2, has already made 12 investments, tapping equity from previous closes. That has accounted for about half the vehicle's total equity. Marble has told investors it expects to place the rest by the end of next year.

The shop's debut Fund 1 held a final close in 2017 and has fully invested its \$100 million of equity. The operator, which didn't use a placement agent for either vehicle, solicited capital from "friends and family," wealthy individuals and broker-dealers.

The firm typically targets apartment properties with 3-4 floors in high-growth suburban markets. While it has focused on Texas, the Southeast and the Mountain States, it is willing to invest nationwide. The shop recently made its first investment in New Jersey.

Marble, led by president **Carson McDaniel**, was launched in 2016. So far, it has invested in some 7,000 units with a total value of about \$1 billion. ❖

