

# REAL ESTATE

# ALERT

The Weekly Update on Institutional Buying Opportunities

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## Capital-Raising Team Breaks Away From BofA

The four-member **Banc of America** team that brokered equity for opportunity funds has jumped ship to start its own business.

The executives, led by eight-year BofA veteran **Jack Berquist**, have formed San Francisco-based **Presidio Partners**, whose focus will also be raising third-party capital for high-yield real estate funds.

The executives will finish brokerage assignments for four BofA clients before separating from the firm completely. The vehicles include: a \$250 million value-added vehicle operated by **Urdang & Associates** of Plymouth Meeting, Pa.; a \$200 million European opportunity fund managed by **Highcross Group** of London; and a \$400 million value-added fund launched by **Fremont Realty Capital** of San Francisco. The fourth firm could not be learned.

Berquist, who was a managing director at BofA, founded the bank's opportunity-fund capital team in 1996. He was soon joined by **Marcus Trice**, also a managing director; **Alan Braxton**, a principal; and **Desi Co**, a vice president. The team quickly became one of the industry's leading equity brokers.

BofA has no immediate plans to replace the team. While the bank will continue to raise capital for funds with other investment strategies, it will no longer specialize in high-yield real estate funds. However, it may continue to accept such assignments, which could be handled by other staffers or outsourced to Presidio.

In recent years, BofA, **Morgan Stanley**, **Credit Suisse First Boston** and **Merrill Lynch** have dominated the capital-raising market for opportunity funds. Over the past several months, demand for such brokers has grown, especially from fund operators seeking to break into the real estate arena. That has attracted some new players, including **Lazard Freres**, which hired away Merrill's capital-raising team in February. Merrill replaced the group by transferring staffers



from other areas of the firm. Numerous smaller shops have expanded their capital-raising activities this year as well.

The business is attractive because brokers not only receive a fee for finding capital, but can also be entitled to a cut of a fund's profits, without investing any equity themselves. ❖