

## Trez Relaunching Bridge-Loan Effort

**Trez Capital** is restarting a bridge-lending expansion that it put on hold during the pandemic and expects to issue commercial real estate CLOs to finance it.

The Vancouver, Canada, company initially planned to build up the operation alongside its construction-loan business last year, after bringing in key hires in 2019 to kickstart the effort. Trez halted expansion plans as lockdowns began.

It has relaunched the program under **Darren Esser**, who came aboard in January 2020 from **Wells Fargo**, where he oversaw underwriting of CRE CLOs. He joined as head of U.S. capital markets, and the position now includes leading the bridge-lending initiative.

On June 1, the firm opened a Los Angeles office by adding veteran origination specialist **Kyle Geoghegan**. He co-led originations at **Resource America** for 14 years before leaving in April 2020.

Trez expects to hire at least three more senior and mid-level origination specialists and an underwriter, who may work with Esser in New York or elsewhere nationwide.

The company also has operations in Atlanta, Dallas and Palm Beach, Fla., with a team that includes 20 originators. It long has focused almost exclusively on construction and lot-development lending, particularly in the Sun Belt. Lot development is the process preparing land for construction. That turned out to be fortuitous, as those projects continued during the pandemic.

"The business is focused on building off the existing bridge-loan efforts, leveraging the tremendous scale of the Trez platform and creating a dedicated team to solely focus on bridge-lending opportunities," Esser said.

Esser said Trez expects to tap the CRE CLO market for financing, using public funds listed on the **Canadian Securities Exchange** for first-loss capital. Trez hopes to originate \$1 billion in bridge loans in 2022, with a concentration on multi-family, industrial and office properties across the Sun Belt. The focus will be on loans in the \$5 million to \$50 million range.

He noted that bridge lending enables the company to provide next-stage financing to its own construction-loan clients as well as those of other lenders.

Trez aims to capitalize on what is expected to be a busy bridge-loan market in the coming years, as property owners



set back by the pandemic try to complete business plans.

The previous effort was led by a three-member executive committee created in 2019. One of those executives, **David Bloom**, left the company last June to join **Conduit Capital** in New York. Another longtime executive, **Sandy Manson**, recently retired. The remaining member, **John Hutchinson**, leads the Dallas office, but focuses on construction and lot-development lending. Esser reports to chief executive **Morley Greene**, who founded Trez in 1997.

The firm has a roughly C\$4 billion (\$3.3 billion) portfolio of commercial mortgages, with about three-fourths of the properties in the U.S. and the remainder in Canada. ♦