KDM Financial launches $350M lending, distressed debt fund

By Brian Bandell – Real Estate Editor, South Florida Business Journal
Jan 22, 2024

Coral Gables-based KDM Financial launched a $350 million fund that will invest in bridge loans and distressed debt, and could look to acquire properties that were having trouble with their loans.

Holly MacDonald-Korth, CEO of KDM Financial, said this is the company's first fund with that strategy. Previously, it raised investor money for individual loans. This fund will invest in multiple loans and distressed debt ventures, including buying debt and equity, she added.

The target region is from Florida north to Virginia, and west to Texas and Colorado, she said.

"We like growth areas where there are good development opportunities to lend on and more lender friendly locals," MacDonald-Korth said.

In the bridge lending space, KDM Financial will focus on multifamily development. That could include refinancing a construction loan that matured or helping a property owner fund renovations, she said.

MacDonald-Korth recently spoke to the *Business Journal* about the [challenges multifamily developers are facing](#) when their construction loans mature. Some developers may have difficulty affording a loan with these increased interest rates and traditional banks have largely dialed back lending. Its target loan size is $5 million to $25 million.

"Right now this a great opportunity with the banks pulling back to do a lot of deals that might have gone to a local bank before," she said.

On the distressed debt side, MacDonald-Korth said they could purchase distressed debt and potentially use that to take ownership of properties. Most of the distressed debt she's seen is in the office sector, but there are some distressed retail and multifamily properties as well. Its target distressed-deal size is under $10 million.

"In some cases, there is the potential to redevelop these properties into other real estate asset classes," MacDonald-Korth said.