



KDM launches \$350M commercial real estate fund

Coral Gables-based firm aims to provide bridge loans for multifamily projects and buy distressed properties

By [Francisco Alvarado](#)

KDM Financial is launching a \$350 million fund to provide bridge loans for recently completed multifamily projects and to purchase distressed properties, *The Real Deal* has learned.

It's the Coral Gables-based lending firm's first fund, KDM CEO [Holly MacDonald-Korth](#) told *TRD*. And it joins a swell of real estate funds launched or completed in recent months.

"Previously, you would have to invest in one of our individual loans," MacDonald-Korth said. "Now, you can invest in our business model. We have a long history of being a CRE lender. It will be an evergreen fund to give us flexibility as the market changes."

KDM is aiming to close the first round of funding by the end of the first quarter, MacDonald-Korth said. Her firm wants to take advantage of the current state of the lending environment, she added.

“Higher interest rates combined with banks pulling back [means] there is a lot of opportunity for private lenders,” MacDonald-Korth said. “There are a lot of multifamily projects that have run over construction deadlines and that have had a hard time refinancing in this environment. We think there are a lot of opportunities in that area.”

KDM will focus on multifamily projects in the central and Southeast U.S., providing loans between \$5 million to \$45 million, MacDonald-Korth said.

Her firm also plans to set aside some of the investment fund to acquire distressed commercial real estate properties.

“Right now there is a lot of tumult in the commercial real estate market,” MacDonald-Korth said. “As opportunities present themselves, this discretionary capital will allow us to execute on deals. It will depend on the location, the level of discount we can get and the potential business plan to turn a property around.”

Founded in 2006, KDM is a middle market commercial mortgage lender offering financing from \$5 million to \$100 million for multifamily, office and retail projects, the firm’s website states.

Several South Florida developers and real estate investment firms have launched or completed raising funds in recent months. In November, a partnership between Miami-based Eagle Property and Mexico City-based Promecap completed raising [**\\$309 million**](#) for an investment fund targeting multifamily properties in Sun Belt states.

Launched in 2021, that fund will be used to provide equity for the acquisition of about \$883 million in apartment complexes, buildings and communities.

In October, Miami-based Highline Real Estate Capital launched a **\$350 million** investment fund aimed at owners of distressed commercial real estate in the Southeast. The fund will provide equity and debt financing to commercial property owners struggling to sell or finance office, retail, multifamily and industrial properties, as well as acquire properties.

Participant Capital, a real estate investment firm founded and led by developer Dan Kodsi, launched a **\$250 million** equity fund in May targeting multifamily developments in the Sun Belt, mostly in Florida. And in February, Arnaud Karsenti, who leads Miami-based 13th Floor Investments, launched a **\$300 million** real estate fund targeting growing markets nationwide, as well as distressed opportunities in South Florida and elsewhere.