

RE Development Capital Raising Best Practices

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Fidelman & Co.

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Real Estate Developers: Case Studies

J. Jeffers & Co. and The Related Companies are two examples of real estate developers that successfully raised significant capital. J. Jeffers & Co. raised \$14 million in capital through crowdfunding in a single day for the Huron Building. The Related Companies raised \$1.2 billion of its financing using the EB-5 program for the Hudson Yard. A complete copy of this response on company letterhead may be found in the [attached doc](#).

J. Jeffers & Co.

- [J. Jeffers & Co.](#) is a real estate development and investment firm based in Milwaukee, WI.
- The firm successfully raised significant capital to help bring a new [163,000-square-foot](#) office building to downtown Milwaukee: The Huron Building.
- [The Huron Building](#) is an 11 story “Class A” office with 163,000 square feet of space. It is valued at \$60 million.
- It has a targeted return of an [IRR](#) (internal rate of return) of 22.1%.
- The company raised capital through [crowdfunding](#).
- Crowdfunding [platforms](#) allows developers to build connections with a pool of accredited investors, but in a much more efficient way; no need for golfing or dinners.
- J. Jeffers & Co. raised \$14 million [through](#) crowdfunding platform CrowdStreet in a single day.

The Related Companies

- The Related Companies is one of the most [innovative](#) and prolific real estate developers in the U.S.
- The firm successfully raised significant capital to develop [Hudson Yard](#).
- Hudson Yards is the largest [development](#) project in the United States, with more than 25 million square feet of space (\$25 billion).
- The company raised capital [through](#) an immigrant investor program called EB-5.
- EB-5 gives US visas to foreign [investors](#) who put \$1 million into a business that employs American workers or \$500,000 for investors who place their capital in either a rural community or distressed urban area with a high unemployment rate.

- The EB-5 program has grown [popular](#) with real estate developers because it provides them with easy access to cheap capital.
- EB-5 [investor](#) are often simply seeking the benefits of United States citizenship so the required rate of return is an afterthought.
- The project raised [\\$1.2 billion](#) of its financing using the EB-5 program.

Research Strategy

- This research was conducted by analyzing the real estate industry news, official company websites, and industry publications about real estate developers to identify the ways that they successfully raised significant capital. These cases were then isolated and individually investigated to further breakdown the details surrounding the reasons and results behind how these developers raised capital.

Sources

1) \$10 Million in 80 Minutes: CrowdStreet Quickly Raises Equity in \$60 Million Real Estate Project

<https://www.crowdfundinsider.com/2019/05/147211-10-million-in-80-minutes-crowdstreet-quickly-raises-equity-in-60-million-real-estate-project/>

2) JJEFFERS

<https://www.jjeffers.com>

3) EB-5 Financing Once Again Faces an Uncertain Future

<https://blog.realestate.cornell.edu/2018/10/14/eb-5-financing-once-again-faces-an-uncertain-future/>

4) The Worst Thing About Hudson Yards Isn't the Architecture

<https://www.citylab.com/equity/2019/04/hudson-yards-financing-eb5-investor-visa-program-immigration/586897/>

5) Real Estate Development Landing Page | Related

<https://www.related.com/our-company/businesses/real-estate-development>

6) Real Estate Developers Case Studies: AI Capital Advisors

https://docs.google.com/document/d/1qxV4GjISVH-3Od_gopow4ZHluOeWVui7sgi5HXsVPeU/edit?usp=embed_facebook