

## New Debt Platform Targets Sun Belt Markets

A family office has partnered with a former **Related Fund Management** executive to launch a commercial mortgage origination platform.

**Brian Sadrish** started this month as chief executive of **Southern Realty Trust**, which will write senior mortgages and mezzanine debt and provide preferred equity on transitional properties in the Southern U.S., defined as Florida to Texas and as far north as Nashville. The firm will originate construction loans, back conversion projects and provide financing for loan sales.

The new shop has told market pros the platform could originate as much as \$350 million of debt or preferred equity over the next 12 months. It will lend on properties across sectors, including niche asset classes such as self-storage. Loan proceeds will range from \$20 million to \$200 million, with expected returns of 11% to 15%.

The sales pitch to borrowers is that the rapid ramp-up in interest rates over the past year is resulting “in illiquidity that has created the need for alternative capital solutions,” Sadrish said. “And accelerated migration patterns to Southern states have pulled forward demand for quality residential and commercial real estate to accommodate this demand.”

Structured as a private REIT, Southern Realty is the first operating platform of **CastleKey Investments**, a venture Sadrish formed with **Tannenbaum Group** to invest in real estate on behalf of the multi-strategy family office. Another unidentified family office in New York also is backing Southern Realty.

Tannenbaum, of West Palm Beach, Fla., is led by **Leonard Tannenbaum**, founder and chief executive of **AFC Gamma**, a publicly traded commercial mortgage REIT. He also founded and led **Fifth Street Asset Management**, which sold to **Oaktree Asset Management** in 2017.

Sadrish joined Southern Realty from the investment-management arm of **Stephen Ross’** Related Cos. He spent the last decade in the firm’s New York headquarters and left as a managing director helping run its debt-fund platform. He also has had stints at **Deutsche Bank** and **Fortress Investment Group**.

In addition to Sadrish, Southern Realty has four dedicated staffers: managing directors **Chris Gioia** and **Stuart Swann**, vice president **Will Rotatori** and senior associate **Matt Friendlich**.



Gioia was previously a managing director of originations at AFC Gamma, and Swann joined from **Belair Property Group**, the firm he started after nearly 11 years with **BentallGreenOak** and a predecessor firm. Rotatori also moved over from AFC Gamma, and Friendlich joined from **Advanced Flower Capital**.

Southern Realty also is looking to grow. Its first intended hires are at least one senior team leader with a minimum of 12 years of commercial real estate experience and at least one vice president with five years or more of experience. All would help source and execute deals and report to Sadrish. Interested applicants can email **Jim Velgot**, Southern Realty’s chief marketing officer, at [jvelgot@thesrtgroup.com](mailto:jvelgot@thesrtgroup.com). ❖

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