

Sound Point Adds Fundraising Staff

Sound Point Capital Management has beefed up its business-development team, hiring four staffers in recent months, in a push to raise additional capital for strategies including commercial real estate lending.

The most recent hire is managing director **Scott Selby**, who joined the firm this month from hedge fund shop **Candelo Capital Management**. He followed several hires, made from August to February, that included managing director **Roger Li**, director **Michael Baran** and managing director **Carolyn Fiuzza**.

The recruits joined an existing team of more than a dozen business-development specialists, who have helped double assets at the New York-based investment manager to more than \$45 billion over the past three years.

In February, the firm formed Sound Point CRE Management, a step toward raising debt funds. It also published a white paper extolling emerging opportunities in commercial real estate lending, noting that many large lenders have shifted away from originated debt as they remain preoccupied by underperforming office assets.

“While many investors are seemingly holding out for the perfect opportunity to scoop up distressed assets at the bottom of the market (whenever that may be), they are perhaps missing out on the more immediate opportunity to originate new, high-quality loans on performing, high-quality assets into a new pool with no legacy credit issues,” the firm said in the paper.

Sound Point has been managing \$1.5 billion for **Aflac** since 2021, and, according to market sources, the insurer later sent the firm another \$1.1 billion loan portfolio to service. Last year, Sound Point added another \$1 billion commitment — some of which can be spent on commercial real estate debt — from **Assured Guaranty** after agreeing to acquire that insurer’s asset-management arm. Sound Point’s portfolio weighs in at around \$3.5 billion.

Matthew Donnelly, who has led originations since joining the firm in 2016, said nonbank lenders such as Sound Point expect a sharp pickup in bridge-loan originations in the coming months following a slowdown that accompanied rising interest rates over the past two years.

He said the firm has ratcheted down its target loan size to



around \$10 million to \$30 million with a focus on multifamily, industrial, manufactured housing, self-storage and grocery-anchored retail properties. While Sound Point will lend nationwide, it’s focusing on growth areas such as the South and Southwest and away from central business districts.

“There is more dealflow now for sure than there had been,” Donnelly said. “The **Federal Reserve** signals at the end of last year brought some more people into the market, so it’s pretty competitive. We are being selective.”

He said that unlike 2021 and the first half of 2022, when a flood of multifamily acquisitions hit the market, the latest loans tend to be “true bridge” loans, with more detailed business plans designed to increase cashflows. ❖

COMMERCIAL MORTGAGE ALERT: March 29, 2024

Click here for [more information](#) or call 949-640-8780.