

LeBlanc's CapRidge seeks \$100m for Fund II

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The former senior managing director of external private markets at the Teacher Retirement System of Texas is out capital raising for his new private equity real estate firm CapRidge Partners.

Steve LeBlanc, the man who led the private real estate investing activities of the \$120 billion Teacher Retirement System of Texas, and his business partner, have launched a second private equity real estate fund, PERE can reveal.

After forming CapRidge Partners with Texas property entrepreneur Tom Stacy at the end of 2012, the pair raised \$40 million for their first vehicle, expressly to take down value-added deals in the value office sector in the Texan markets of Austin, Dallas, Houston and San Antonio.

With that fund now essentially invested, LeBlanc and Stacey are back on the fundraising trail. They are understood to be seeking between \$50 million and \$100 million for a sequel vehicle and are expected to raise further capital besides for co-investment. They had their first close in January and it is anticipated that another close will happen in August.

As with CapRidge's first fund, the pair are targeting high net worth families for equity commitments, although institutional investors are expected to figure also, including one particular Texas-based institution. It is thought that as CapRidge's fund series evolves its capital will become more institutional in character.

LeBlanc declined to comment specifically about the fund when contacted but at last week's PERE Summit: Europe 2014 how he told of how met partner Stacey on a golf course and following his departure from Texas Teachers' in April 2012, the pair formed CapRidge.

Of his partner, he told delegates how Stacy had generated a track record investing in Texan real estate that had yielded net IRRs of 60 percent and a 1.7x equity multiple on investments held on an average of 30 months.

LeBlanc has worked as an investment principal for the largest part of his career at businesses including Lincoln Property Company and Summit Properties, a \$2 billion, listed REIT that he sold to Camden Property Trust. But he is well known for transforming the real estate investment strategy of Texas Teachers' which he built from an allocation of 3 percent to 15 percent of the plan's total assets under management, equal to about \$30 billion.

His real estate duties were passed to colleague Eric Lang after his departure. LeBlanc was also instrumental in molding the pension's private equity strategy. His duties in that asset class fell to Richard Hall, another colleague, who has since joined Harvard to manage its private equity portfolio.