



Investment Veterans Launch RE Private Equity Firm

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By Paul Bubny

NEW YORK CITY-DCD America principals Siraj Dadabhoy and Michael Betancourt have launched AION Partners, a real estate private equity company that seeks to partner with other sources of capital and bring leadership to acquisition, development and financing opportunities across the US. The new company, announced this week, has been up and running since June.

“We formed AION to create a structure that would allow us to make owner/managers and, at the same time, work within the fold of DCD,” Dadabhoy tells GlobeSt.com. By this he means both DCD America, the New York-based investment and management group, and its UK-based parent company the DCD Group. “While AION is independently owned by management, it will have a close association with DCD. All of our private equity business will be done through AION, and DCD will continue to be an investment company only.”

In a release, Betancourt says the “excellent relationships” he and Dadabhoy have forged will enable them to move quickly in originating transactions from a variety of sources. Those relationships include lenders and equity partners such as ING Clarion, Northstar Realty Finance, the Carlyle Group and Middle Eastern financial institutions, along with the founding partners of DCD Group. Shabir Randeree, chairman of DCD Group, says in a release that his company’s



principals have “great confidence” in the AION team “and look forward to supporting and working with them going forward.”

From an operations perspective, “there is not any meaningful difference” between the structures of DCD America and AION, says Dadabhoy. “We will continue to manage the same portfolio that we amassed via the DCD structure, and as we do new transactions, they will be placed within the AION fold. However, from a profitability perspective and a profit distribution perspective, that’s where AION comes in and where we would like to bring all of our new partners into the fold.” Although AION’s principals had considered transitioning into a fund-based business, “we felt our structure and relationships would be best served if we do it more on a joint-venture basis.”

AION has already employed its new structure to purchase eight non-performing first mortgage and mezzanine loans with a value in excess of \$150 million over the last six months. The company plans to foreclose on all of the loans, take over the assets and turn them around through hands-on asset management.

Over the years, the team now leading AION has specialized in core-plus and value-add office, mixed-use redevelopment and stabilized and market rate apartments. They’ve assembled a portfolio of that includes 86 Chambers St. and 11 E. 44th St., among other properties in Manhattan, along with assets in Los Angeles and Washington, DC.

“We have recently been focusing on the acquisition of whole loans with a view to acquire the underlying property and re-branding the assets in order to create a national portfolio and structure for further expansion,” says Dadabhoy in a release. “At the same time, we will continue to seek opportunities in the office and redevelopment arena, where we have a great depth of experience.”

Dadabhoy tells GlobeSt.com that while some have questioned the timing on launching the new venture, “we feel there could not be a more opportune time.” Among AION’s initial priorities will be enlarging its pool of capital to about \$500 million, he says.

