

Belgravia Reborn as Originator

Belgravia Capital, a boutique lender that became a casualty of **Finova Realty's** ill-starred foray into commercial real estate lending in the late 1990s, has returned to the commercial mortgage market.

Bankrolled by private investors in India and the Middle East, the revived unit of Belgravia Group has been making short-term loans since March to select clients buying distressed commercial mortgages. The loans are typically 2-year floaters that can be extended by up to five years.

Meanwhile, the Irvine, Calif., operation, which declined to specify origination goals for 2009, is considering the possibility of writing other types of loans. There are indications that it is also scouting for troubled lenders to acquire.

The reconstituted Belgravia is led by chief executive **R.J. Brandes**, who launched the original Belgravia Capital as a mortgage brokerage in 1984. The management team includes managing director **Nik Chillar**, another veteran of the original unit. Belgravia quickly expanded into principal lending and by the 1990s specialized in mortgages on self-storage properties and manufactured housing.

Belgravia Group, a private equity firm, sold Belgravia Capital to Finova Group of Scottsdale, Ariz., in 1997. Finova made the unit the nucleus of its Finova Realty commercial real estate business, which grew to 80 members. Finova initially sold loans to commercial MBS programs and eventually conducted a \$632 million securitization itself. But the market downturn of 1998 left the parent company staggering under the weight of nonperforming business loans. The securitization program was scuttled by early 2000.

Brandes retained a post with Belgravia Group even while assuming the title of head of capital markets for Finova Realty.



Chillar joined the London office of **Lehman Brothers** in 2001 and worked in the U.K. securitization shop headed by **Jim Blakemore**. ❖