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## LaTerra Launches First Rental Fund

Multifamily builder LaTerra Development is looking to raise \$250 million of equity for its first fund, which would purchase properties mainly across the Southwest.

The Los Angeles-based firm's LaTerra Apartment Acquisitions Fund would seek a 13% to 15% return. With leverage it could buy some \$625 million of assets.

To spearhead the capital-raising effort, LaTerra last month brought aboard Ben Grosberg as a vice president focused on capital markets and investor relations. Working from the firm's headquarters, he is targeting wealthy individuals, registered investment advisors and family offices. He reports to managing director **Chris Tourtellotte**.

Grosberg spent the last five-plus years at Los Angeles-based advisory firm Dekel Capital, leaving as a director of capital markets. Before that, he worked at Spotlight Group, a large family office in Australia, where he managed investment holdings and helped grow the firm's U.S. presence

The LaTerra fund will focus on deal sizes of roughly \$50 million to \$60 million, which typically draw less competition from larger shops that need to deploy capital at scale. Its target markets include Arizona, California, Colorado, Nevada, New Mexico, Texas and Utah.

LaTerra is telling prospective investors that the multifamily sector is seeing deep discounts to replacement costs, making it the right time for the firm to move into the investment-management game.

"With values bottoming out and interest-rate cuts commencing, this is an excellent entry point for acquisitions," Tourtellotte said. "We believe we have a rare window of opportunity to buy multifamily assets today at a deep discount and benefit from a recovering market."

LaTerra was founded as a multifamily shop in 2009 by chief executive and industry veteran Charles Tourtellotte, Chris Tourtellotte's father. It owns more than 3,000 apartments.

In 2022, it expanded into self-storage development, forming a joint venture with Macquarie Asset Management to build up to \$300 million of properties. The firm also controls LT Building, a construction affiliate.