

## Ex-Fannie Execs Target Texas Rentals

Four former **Fannie Mae** executives have launched an investment firm that will seek core-plus returns by acquiring Class-B apartment properties in Texas.

The shop, **RailField Realty** of Bethesda, Md., will make its purchases via a joint venture with **Artemis Real Estate**, an investment manager in Chevy Chase, Md., that operates commingled funds and separate accounts. Artemis has kicked in most of the joint venture's \$50 million of initial equity.

RailField's founders include **Ken Bacon**, who retired as head of Fannie's multi-family division in 2012. Before joining the mortgage agency in 1993, Bacon was the director of the **Resolution Trust Corp.'s** securitization program.

Another founder, **Darren Thompson**, is a former senior vice president and head of credit finance at Fannie. He has also worked at investment firm **Avenue Capital** of New York, **Morgan Stanley** and **Goldman Sachs**.

The other two founders are **Jon Siegel** and **Todd Watkins**. Both are principals at Bethesda advisory firm **J.S. Watkins Partners**, which will continue to operate. The duo worked together under Bacon at Fannie before forming the advisory shop in 2007.

RailField will seek core-plus returns by buying properties in Texas' four biggest markets: Houston, Dallas, San Antonio and Austin. It will look to buy properties that it can slightly renovate to boost the return.

The shop is actively contacting Texas brokers to build an investment pipeline. With leverage, RailField can buy some \$150 million of properties. It plans to invest up to \$20 million of equity per deal. After establishing a track record via the acquisitions, RailField will likely seek to set up a commingled fund. ❖

