

THE WALL STREET JOURNAL.

MONDAY, JULY 20, 2009

© 2009 Dow Jones & Company, Inc. All Rights Reserved.

Credit Suisse Bankers Depart

By **LINGLING WEI**

Two longtime real-estate bankers at **Credit Suisse Group** AG left the bank Friday to start their own business aimed at advising managers of troubled property funds.

David Hodes, 54 years old, and Doug Weill, 43, were two of the three co-founders of Credit Suisse's Real Estate Private Fund Group, which over the past 10 years has raised more than \$40 billion for nearly 70 private real-estate funds. Both worked at Donaldson, Lufkin & Jenrette before it was acquired by Credit Suisse in 2000.

Their departure comes as managers of private-equity real-estate funds increasingly are finding it hard to raise money from institutional investors, such as pension funds and college endowments.

Their struggles stand in sharp contrast to the world of publicly traded real-estate investment trusts. Since March, more than two dozen REITs, such as Simon Property Group Inc. and ProLogis, have managed to raise more than \$13 billion by selling shares. That has raised questions about the long-term viability of private real-estate funds.

Messrs. Hodes and Weill attributed the REITs' recent fund-raising successes to the relative liquidity and transparency provided by the public market. At the same time, Mr. Hodes said, "there is always going to be a role for private real-estate funds as they provide access to some of the highest-quality investment managers and unique transactions. In the near term, the opportunity for us is to help stabilize and restructure the business before it can move into a growth phase."

Their New York-based firm, Hodes Weill & Associates, will offer advisory services to fund managers, investors, lenders and others in the real-estate fund industry.