

New Lender Targeting Seattle Rentals

A new investment shop wants to provide up to \$250 million of debt over the next three years.

The private credit business of **Keelbase Capital**, which launched this year in Seattle, will focus on apartment properties in that metropolitan area and select suburban markets in Washington state. But it also can lend on industrial and retail assets.

Most deals would be structured as mezzanine loans or preferred-equity slugs of up to \$15 million that would be co-terminus with senior debt. Deal sizes could grow larger if Keelbase writes a senior loan in partnership with another lender.

Interest rates generally would be fixed, and coupons on mezz debt or preferred equity would typically top 13%. Loan-to-value ratios could go as high as 85%, including senior debt. The shop aims to write at least \$125 million of loans in the next three years.

Keelbase is looking to capitalize on situations where borrowers have maturing debt written at much lower interest rates than prevailing coupons. The strategy is to take advantage of the firm's local knowledge to identify distressed plays.

"We're highly selective, and we move quickly," said **Cooper Engst**, a co-founder and principal. "We're not chasing volume. Keelbase is targeting quality assets with strained stacks in locations we understand block by block."

Engst started the firm with **Paul Roeter**. Engst previously headed **Eastdil Secured's** Pacific Northwest multifamily practice, while Roeter most recently co-led **Cushman & Wakefield's** Pacific Northwest equity, debt and structured-finance practice.

As **reported** by sister publication **Real Estate Alert**, Keelbase also plans to invest alongside joint-venture partners to acquire institutional-quality multifamily properties. It expects to transact up to \$300 million of assets over the next three years and aims to hit more than \$500 million by 2030.

On the lending front, the partners said their focus on Seattle



is tied to a dearth of players that focus on smaller transactions.

"Despite Seattle's national recognition as an institutional gateway market, there are few local capital sources with an emphasis on middle-market real estate, and the national players are less likely to provide mezz and pref below \$15 million in proceeds," Roeter said. ❖

COMMERCIAL MORTGAGE ALERT: July 11, 2025

Click here for [more information](#) or call 949-640-8780.