Canopy Real Estate Nears Halfway Point for Next Generation Real Estate Fund

May 1, 2025

[Excerpted from the article published by PERE Credit]

The launch of Canopy comes at a time when more sponsors are interested in moving their investment platforms into a fund structure that will be in a better position to attract and retain institutional investors, according to **Zurab Moshashvili,** an audit and advisory partner focused on private equity funds at New York-based accounting firm Anchin.

The firm has seen a notable uptick in interest from syndicators seeking to take their portfolios and investor bases to the next level. Anchin works with established and emerging fund managers investing in real estate debt and equity, which is a group of investors varying from real estate owners, developers, syndicators and multi-generational families, Moshashvili added.

“The fund format gives them a little more wiggle room and the ability to close deals faster,” Moshashvili said.

However, making the leap to managing a fund vehicle comes with several operational challenges.

“The syndicators graduating to fund format oftentimes forget or overlook the fact that they’re running a business and are no longer only asset selectors,” Moshashvili said. “They’re running a business with employees, where they have potentially more sophisticated investors.”

The syndicators also have the responsibility to deal with more complicated compliance matters, including registering with the SEC as investment advisers. This is particularly true for managers on the credit side, he added.

“Even figuring out what that back-office fund structure looks like is not an easy exercise,” Moshashvili said. ” We can also talk to them about what a management company looks like. Does that team need a CFO? Does it need investor relations or asset management? And when we hire these people, do we give them a piece of the equity or the promote?”