

Burkhart, Chivetta launch real estate crowdfunding startup

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St. Louis Business Journal

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Mark Burkhart (left) and AJ Chivetta are looking to capitalize on a growing crowdfunding real estate market with their new business Selequity.

Several big names in the commercial real estate industry have banded together to form a new crowdfunding platform to get more accredited investors into the mix on real estate deals.

Called Selequity, the new company is taking advantage of relatively new rules set in motion by the JOBS Act that allow those looking for funding to generally solicit accredited investors. Selequity was founded by [Mark Burkhardt](#), former CEO of Cassidy Turley; Bill Florent, former CFO of Cassidy Turley; and A.J. Chivetta and [Maria Desloge](#) of [Armstrong Teasdale](#), both members of Cassidy Turley's legal team.

So far, the founding group, which also includes [Armstrong Teasdale](#), has invested more than \$2 million in the company to get the venture up and running.

Burkhardt said the platform, which will let users browse real estate opportunities across the country, could be a game changer for real estate investment.

“Before, you had to know somebody in the industry to know about these deals,” he said. “Now we have the ability to get accredited investors who previously had no way of getting into the real estate investment industry into the game.”

According to Massolution, a Los Angeles-based crowdsourcing research firm, real estate crowdfunding grew 156 percent in 2014 to more than \$1 billion. This year, that figure is expected to grow to \$2.57 billion globally, with U.S. commercial and industrial property crowdfunding expected to grow by 250 percent.

“It appears that alternative finance platforms are here to stay and are starting to nibble away, albeit limitedly, at the regulated banking segment,” [Steven Cinelli](#), senior fellow for Massolution research, said in its annual Crowdfunding for Real Estate report. “Crowdfunding affords users and

providers of new capital options. And with enabled technology and scale, such platforms will even offer traditional banks new ways to enhance their existing client relationships through partnering.”

Burkhart said the company is looking for a number of quality projects to populate the platform before going out to recruit accredited investors.

Chivetta said though no projects are on the site yet, he’d like to help facilitate around 100 deals per year. Selequity would charge a fixed fee to sponsors for placing projects on the site.

Other companies similar to Selequity are already in operation, such as Realty Mogul, RealtyShares and Fundrise. But Chivetta and Burkhart said their industry connections will help set them apart from competitors that have gotten a head start.

Chivetta said Selequity would explore outside funding to help scale the business, too. And the money appears to be available.

According to TechCrunch, more than \$600 million was invested by venture capitalists into real estate technology startups in 2014 — up 250 percent from 2013.

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