



PERE

**DEBT AND FINANCE
FORUM 2019**

THE DEBT FUND REPORT

perenews.com/events/pere-debt-finance-forum

PERE's inaugural Top 50 ranking – the RED 50 – of global private real estate debt fund managers. Based on the capital raised for debt issuance funds between 2014 and 2018. North American-based managers, in fact, dominate the ranking – 32 feature to Europe's 16 – perhaps a reflection of the maturity of the market stateside compared with other regions. But opinions in these pages suggest that US real estate debt has become overcrowded with attention now turning to Europe to source opportunities.

Asia-Pacific-based fund managers fare less well, occupying just two places in RED 50. But this masks the potential for real estate debt to grow in the region, with China and Australia highlighted as favored markets, and a healthy level of interest from US and European institutional investors, particularly of the pensions and insurance ilk.

PERE looks forward to monitoring further how the debt story continues to unfold in 2019.

Enjoy the report,

Helen Lewer
Special Projects Editor



Debt in demand

US and European managers in particular continue to attract capital for debt strategies



Oaktree surpasses \$1.75bn target for second RE debt fund

The firm raised \$2.18 billion for Oaktree Real Estate Debt Fund II to invest in value-added projects in North America and Europe. It will target a 30-40 percent allocation both for mezzanine loans and commercial mortgage-backed securities.

2018

FAP Invest seeks €250m for German real estate debt

Its Luxembourg-based vehicle, FAP Balanced Real Estate Financing I, will provide mezzanine loan financing for portfolio properties, revitalization projects and project developments in Germany. It will be able to make select investments in the Netherlands and Austria and finance residential, office, retail and hotel properties. The fund has a five-year lifespan with two one-year extensions and will seek investments from €5 million and up.



PIMCO raises almost \$700m for commercial real estate debt vehicle

The asset management behemoth rounded up \$697 million for its PIMCO Commercial Real Estate Debt Fund. The firm also targets distressed senior real estate credit with its PIMCO DiSCO II fund, specifically residential and commercial mortgage-backed securities and restructurings of those instruments.

APRIL

MAY

JUNE

JULY

Amundi launches senior real estate debt fund

The launch marks the firm's initial foray into the property lending market. The strategy will focus on floating-rate loans provided across the Eurozone. Amundi is aiming to raise up to €500 million.



Brunswick closes second Swedish senior debt fund on €640m

The Swedish asset manager closed its second property debt fund and is targeting a 2 percent net return as it provides longer-term credit across commercial real estate markets in its home market with SKr6.6 billion (\$745 million; €640 million) raised.



Maslow moves to fill debt gap for regional UK logistics assets

The real estate development finance specialist will expand its debt offering, lending against assets greater than 50,000 square feet, including refurbishment and multi-let schemes, with a focus on regional locations in the UK. Maslow's new division will provide loans for logistics developers with a minimum value of £5 million.

CalSTRS inks \$200m RE debt JV

CalSTRS set aside \$200 million for a JV with lending firm 3650 REIT, with potential for \$300 million more in equity. The JV targets loan originations to well-capitalized sponsors with properties in US metropolitan markets where 3650 REIT has a presence.





Walton Street Capital collects \$415m for latest RE debt vehicle

Six investors have so far committed to Walton Street Real Estate Debt Fund II, which targets commercial real estate with rental income potential in the US and other global markets such as Mexico.

Oaktree closes on \$2.1bn for its Real Estate Debt Fund II

The fund surpassed its \$1.75 billion target and brought in nearly twice as much capital as its predecessor, Oaktree Real Estate Debt Fund. Fund II, launched in 2016, is now 47 percent invested.



Laxfield raises additional £250m for UK debt fund

The UK property debt specialist upsized its real estate debt fund to £750 million (\$988.1 million; €837.4 million). The firm has fully deployed the fund's original allocation in loans secured on offices, student accommodation, logistics, hotels, serviced apartments and specialist retail assets across the UK.



Amundi approaches €150m first close on its debut property debt fund

Another €100 million of investor commitments to the vehicle are under due diligence and a final close on €500 million is expected by the end of 2019. Amundi's property debt strategy is currently targeting net returns of 2 to 2.25 percent.



2019

AUGUST

SEPTEMBER

OCTOBER

JANUARY



Cheyne hits hard-cap with \$800m for real estate debt

Cheyne Real Estate Credit Fund V beat its \$650 million target and is 80 percent invested, with a greater focus on senior debt funds. The final close brought total assets under management at Cheyne's real estate business to £2.3 billion. The fund aims to achieve double-digit returns with a focus on capital preservation.

Madison Realty Capital nears \$1bn close for RE debt fund

The firm raised \$935.25 million in equity for Madison Realty Capital Debt Fund IV through multiple interim closes. The vehicle will target an 11-14 percent net IRR and a 1.4x-1.7x multiple on invested capital, according to documents from the Texas Municipal Retirement System, which has committed \$100 million to the fund, according to *PDI* data. The fund's predecessor raised \$695 million in 2016.



Ares raising open-end RE debt fund, lands commitment from SIC

The New Mexico State Investment Council committed \$75 million to the firm's Real Estate Enhanced Income Fund, a leveraged fund that will issue directly originated first mortgage loans to investors in stabilized real estate assets. The fund will target a net IRR of 7-8 percent and make loans with two to three-year maturities of up to 70 percent loan-to-value.

Locust Point raises \$312m for niche debt strategy

Locust Point Private Credit Fund focuses on providing financing for senior housing and healthcare facilities. The \$312 million raised over the last two years surpassed the firm's \$250 million target and broke the \$300 million hard-cap. The fund comprised approximately 30 percent European investors and 70 percent US-based investors.

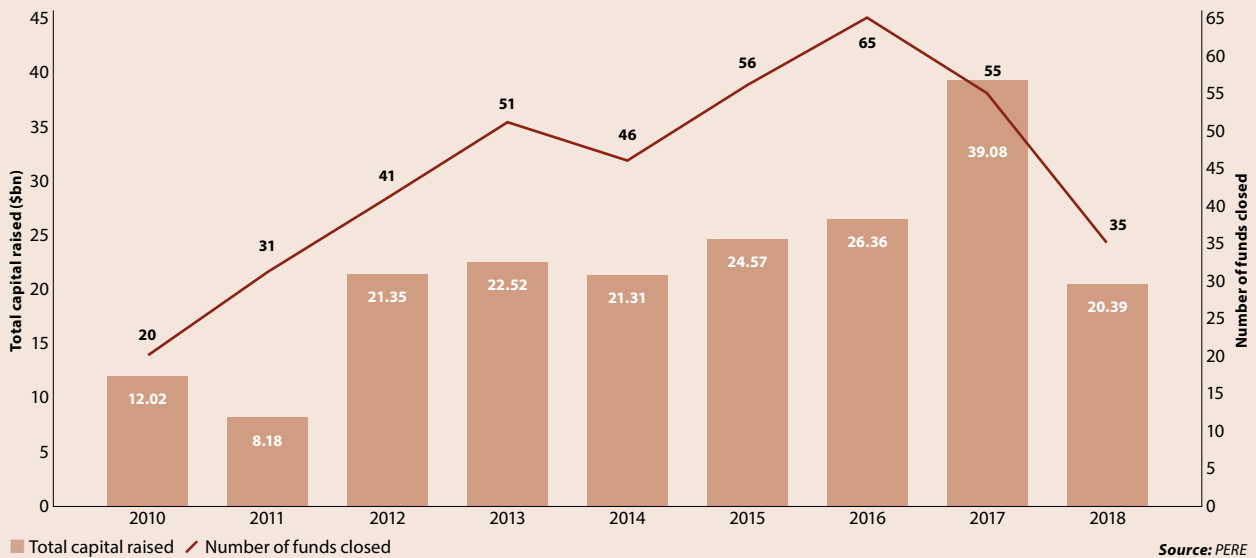


Back to normality

Debt fundraising disappointed in 2018 after the dizzy heights of a year earlier, but figures are on par with levels reached between 2012 and 2016

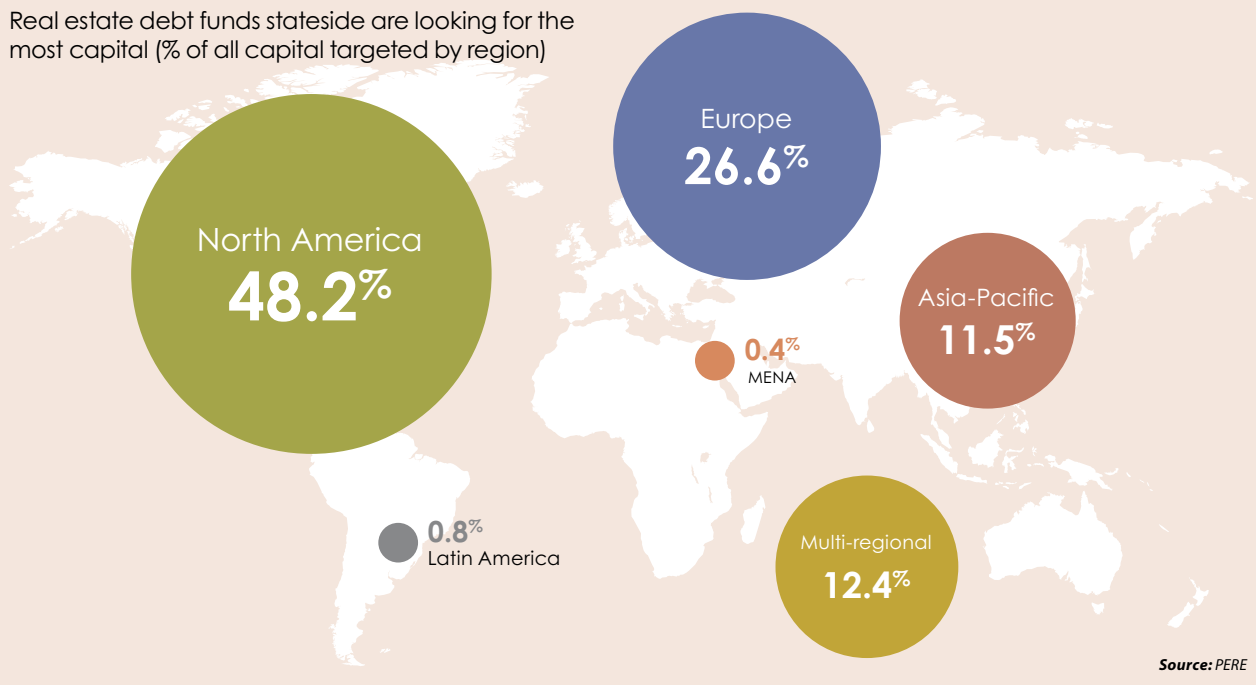
Steep descent

Total capital raised for debt funds fell sharply last year after a record-breaking 2017



Target America

Real estate debt funds stateside are looking for the most capital (% of all capital targeted by region)



\$48.01bn

Total capital targeted by
real estate debt funds in market
(as of December 31, 2018)

Midfield position

Most debt funds in market are targeting capital raises between \$100m and \$1bn

Target: Less than \$50m

12

\$50m-\$100m

5

\$100m-\$250m

23

\$250m-\$500m

25

\$500m-\$1bn

20

More than \$1bn

13

0 2 4 6 8 10 12 14 16 18 20 22 24 26
Number of funds

Source: PERE

Debt's A-listers

Seven of the top 10 debt funds in market have a North America or multi-regional focus

Fund name	Fund manager	Target size (\$bn)	Regional focus
Related CRE Debt Fund	Related Companies	2	North America
Related HPS Joint Venture II	Related Companies	2	Multi-regional
Bridge Debt Strategies Fund III	Bridge Investment Group	1.5	North America
Fortress Real Estate Debt Fund III	Fortress Investment Group	1.5	Multi-regional
Kayne Real Estate Debt Fund III	Kayne Anderson Capital Advisors	1.5	North America
Torchlight Debt Opportunity Fund IV	Torchlight Investors	1.5	North America
ICG-Longbow UK Real Estate Debt Investments V	ICG-Longbow	1.28	Europe
Fortress Japan Opportunity IV	Fortress Investment Group	1.25	Asia-Pacific
Davidson Kempner Long-Term Distressed Opportunities Fund IV	Davidson Kempner Capital Management	1.20	Multi-regional
Bain Capital Special Situations Europe	Bain Capital	1.15	Europe

Source: PERE

Global real estate debt ranking 2019

PERE's inaugural listing of the largest real estate debt fund managers

Rank	Fund manager	Headquarters	Country	Amount raised (\$m)
1	Blackstone	New York	United States	7,165.00
2	Goldman Sachs Merchant Banking Division	New York	United States	7,065.36
3	ICG-Longbow	London	United Kingdom	4,735.38
4	AllianceBernstein	New York	United States	4,655.00
5	M&G Investments	London	United Kingdom	4,607.07
6	Brookfield Asset Management	Toronto	Canada	4,324.00
7	PGIM Real Estate	Madison	United States	4,296.33
8	Pacific Coast Capital Partners	Los Angeles	United States	4,143.00
9	Oaktree Capital Management	Los Angeles	United States	3,827.00
10	LaSalle Investment Management	Chicago	United States	3,710.12
11	DRC Capital	London	United Kingdom	3,439.28
12	Prime Finance	New York	United States	3,298.38
13	Bridge Investment Group	Salt Lake City	United States	3,232.70
14	BlackRock	New York	United States	3,202.35
15	Nuveen Real Estate	London	United Kingdom	3,188.58
16	Kayne Anderson Capital Advisors	Los Angeles	United States	2,935.00
17	AgFe	London	United Kingdom	2,889.41
18	Colony Capital	Los Angeles	United States	2,755.05
19	GreenOak Real Estate	London	United Kingdom	2,684.44
20	KKR	New York	United States	2,416.00
21	Caerus Debt Investments	Düsseldorf	Germany	2,173.74
22	Cheyne Capital Management	London	United Kingdom	2,119.00
23	Torchlight Investors	New York	United States	2,018.60
24	Rialto Capital Management	Miami	United States	1,960.30
25	DWS	Frankfurt	Germany	1,650.73
26	Ares Management	Los Angeles	United States	1,592.50
27	Atalaya Capital Management	New York	United States	1,524.12
28	Tyndaris Real Estate	London	United Kingdom	1,513.63
29	Madison Realty Capital	New York	United States	1,454.99
30	Värde Partners	Minneapolis	United States	1,412.00
31	Brunswick Real Estate Capital	Stockholm	Sweden	1,334.43
32	Square Mile Capital	New York	United States	1,243.88
33	Qualitas	Melbourne	Australia	1,237.20
34	Diamond Realty Management	Tokyo	Japan	1,185.93
35	SCOR Investment Partners	Paris	France	1,071.89
36	Walton Street Capital	Chicago	United States	1,069.00
37	Laxfield Group	London	United Kingdom	1,042.89
38	Latitude Management Real Estate Investors	Beverly Hills	United States	963.00
39	Omni Partners	London	United Kingdom	946.63
40	JCR Capital	Denver	United States	941.50
41	Incus Capital	Madrid	Spain	911.30
42	Mesa West Capital	Los Angeles	United States	900.00
43	GAM Holdings	Zurich	Switzerland	805.77
44	RCG Longview	New York	United States	793.27
45	Calmwater Capital	Los Angeles	United States	740.00
46	Oz Management	New York	United States	736.23
47	Quadrant Real Estate Advisors	Alpharetta	United States	714.00
48	Pacific Investment Management Co.	Newport Beach	United States	696.60
49	AEW	Paris	France	673.75
50	KSL Capital Partners	Denver	United States	670.90



Methodology: The PERE RED 50 ranking is based on the capital raised for the purpose of real estate debt issuance between January 1, 2014, and December 31, 2018

1 Blackstone

\$7.17 billion
New York

Part of Blackstone's Real Estate Group, Blackstone Real Estate Debt Strategies, or BREDS, launched more than a decade ago. Most recently, it closed BREDS III in summer 2016 on \$4.5 billion, ahead of its \$4 billion target. The fund has focused mostly on mezzanine and structured lending on well-located, institutional-quality real estate. It has returned an 18 percent net internal rate of return as of March 31, 2018, according to Pennsylvania Public School Employees' Retirement System.

The team of 114 professionals is led by Michael Nash, senior managing director and co-founder of the group and chairman; Jonathan Pollack, senior managing director and global head of the group; and Tim Johnson, senior managing editor and global head of originations for BREDS. Blackstone's real estate debt funds typically target investments



Blackstone HQ: the New York giant takes top spot in the RED 50

with current cashflow, capital protection and high-quality borrowers. BREDS has also bought legacy commercial real estate exposure from banks. Recently, it originated a

\$476 million whole loan secured by The Row, a seven-building retail and office campus in Los Angeles. The unit has \$17 billion in AUM as of December 31, 2018. □

2 Goldman Sachs Merchant Banking Division

\$7.07 billion
New York

Focused on both Europe and North America, the real estate group of Goldman Sachs' Merchant Banking Division has raised approximately \$15 billion of commitments for real estate credit since 2008.

Most recently, it held a final close for its latest real estate credit investment vehicle, Broad Street Real Estate Credit Partners III, in January 2018, raising \$4.3 billion, which includes a \$2.5 billion commitment from Goldman's balance sheet. Including leverage, the fund has \$6.7 billion in total capital available to invest. It also recently closed on its first senior loan in Europe, a \$240 million

for the development of a high-end senior living facility in London.

The real estate group is headed by Alan Kava, the New York-based co-head of MBD's Real Estate Group, and Jim Garman, its London-based co-head, while Peter Weidman acts as MBD's global head of real estate credit.

Goldman Sachs focuses on direct originations of both senior and mezzanine loans secured by high-quality assets in major markets in the US and in Europe. It can provide loans of \$100 million to more than \$500 million. □



Kava: heads up Goldman's real estate group

3 ICG-Longbow

\$4.74 billion
London

London-based Intermediate Capital Group's real estate investment solutions are provided and managed by its real estate division, ICG-Longbow.

ICG-Longbow's real estate team mainly invests in self-originated whole loans secured against commercial property in the UK. They also provide development funding and subordinated capital, including mezzanine debt and preferred equity. The firm also has a UK real estate senior debt program.

ICG-Longbow Senior Secured UK Property Debt Investments, a closed-end listed investment company on the London Stock Exchange, focuses on building a portfolio of UK real estate debt-related investments mainly comprising loans secured by first ranking fixed charges against



Bristol: ICG-Longbow financed an office building in the city

commercial property investments.

As of October 2018, the portfolio had nine loan investments for an aggregate value of £105.5 million (\$138.9 million; €122.6 million), mainly on properties located in London and throughout the rest of the UK.

One of its most recent transactions was a £16.2 million financing secured by a multi-let office building in Bristol.

ICG-Longbow has £3.6 billion in assets under management as of September 30, 2018.



4 AllianceBernstein

\$4.66 billion
New York

AllianceBernstein's commercial real estate debt group, AB CRED, was formed in 2012 by its current chief investment officer Roger Cozzi to provide loans to large institutional owners and operators of commercial real estate. AB CRED focuses on first mortgage loans secured by transitional properties that demonstrate potential for value creation through lease-up, asset renovation, asset repositioning or market recovery.

AB CRED's most recent fund closed in June 2018 and totaled \$3.1 billion in commitments from institutional investors worldwide, a significant increase in size compared with the two previous funds. Its first fund closed on

\$750 million in commitments in 2013, while the second closed in 2015 with commitments in excess of \$1.5 billion. AB CRED has invested more than \$5 billion since 2013 with loans ranging in size from \$20 million to \$250 million, encompassing all major commercial property types. All loans are held on balance sheet through maturity and the funds do not use leverage.

In January 2019, AllianceBernstein also finalized a joint venture with its real estate private equity group, now known as Prospect Ridge, led by Brahm Cramer and Jay Nydick.



Cozzi: founded the CRED group in 2012

5 M&G Investments

\$4.61 billion
London



Barakat: founded the business in 2008

M&G Investments' real estate debt finance team has invested more than £8.5 billion (\$11.3 billion; €10 billion) across the UK and Europe since 2009, with a primary focus on creating value by originating whole loans secured against strong underlying properties, which it holds to maturity.

It invests across the capital structure through senior, mezzanine and whole loan strategies, and offers both commingled and separate account products. It recently provided a £125 million development financing facility to Urbanest, a developer and operator of student accommodation, for a project in the City of London.

In 2017, it launched three vehicles, M&G Real Estate Debt Finance IV, V and VI, which are being raised simultaneously to invest across the capital structure. Since these strategies launched, the team has raised over £1.5 billion for the platform. All three vehicles focus on European real estate debt, investing across the capital structure.

The real estate debt finance team, headed by John Barakat, who founded the business in 2008, counts more than 20 professionals. □

6 Brookfield Asset Management

\$4.32 billion
Toronto

The Brookfield Real Estate Finance Investment team is led by Andrea Balkan and Chris Reilly, both managing partners based in the firm's New York office.

In late 2017, Brookfield Asset Management closed its latest fund, Brookfield Real Estate Finance Fund V, with about \$3 billion. Its fifth commercial real estate finance vehicle targets mezzanine debt investments through the origination of financing for high-quality properties in major markets across the US. Brookfield committed \$400 million to the fund, joining more than 60 institutional investors, including public and private pension plans, sovereign wealth funds, financial institutions, endowments, foundations and family offices. Its first vehicle closed in 2004.

Brookfield's strategy typically consists of originating whole loans, syndicating senior loans to third parties and retaining a large tranche of the mezzanine loan.

In 2017, it arranged a \$375 million financing package for 70 Pine Street, an office-to-residential/hotel conversion in Manhattan's Financial District. Brookfield also manages separate accounts focused on senior mezzanine investments. □



The Bull, NYC: Brookfield financed the office-to-residential conversion near Wall Street

7 PGIM Real Estate

\$4.30 billion
Madison, Wisconsin



Durning: leads PGIM Real Estate Finance

PGIM's real estate businesses originated a record \$18.1 billion in loans in 2018 and, in the US, provided more than \$500 million in financing on behalf of institutional investors, including preferred equity, core-plus and mezzanine debt. In one of its most recent transactions, it originated \$88.5 million to Madison Capital and Lubert-Adler Partners to refinance 71 Fifth Avenue, an office-and-retail building in Manhattan's Flatiron District.

In Europe, the business provided more than \$400 million in financing across 12 transactions on behalf of institutional investors, primarily in the UK. Transactions included whole and junior loans, and mezzanine and preferred equity positions in development and existing assets. Sectors included traditional residential, student housing, office, retail, industrial, mixed-use schemes and hotels. In Asia, the firm recently hired an executive director to lead real estate debt operations in Australia.

The real estate businesses of PGIM are led by Eric Adler, chairman of PGIM Real Estate and PGIM Real Estate Finance. The global debt real estate business is led by David Durning, president and CEO of PGIM Real Estate Finance. □

8

Pacific Coast Capital Partners

\$4.14 billion
Los Angeles

With offices in New York, San Francisco, Los Angeles and Atlanta, Pacific Coast Capital Partners, which recently celebrated its 20th anniversary, has raised, invested and managed more than \$19 billion in 850 transactions since inception. It has \$9 billion in commercial real estate debt and equity assets under management.

PCCP originates senior and mezzanine loans secured by commercial real estate, often loans to lease-up and stabilize assets, loans on properties that are being repositioned, construction loans, loans on vacant buildings, and loans for discounted payoffs and discounted note acquisitions. The firm typically invests between \$20 million and \$300 million across properties in the US, including office, industrial, multi-family, retail, hospitality, residential and land. In December 2018, it closed a \$162.5 million five-year loan on a Class A office project in Beverly Hills to Divco West.

PCCP has more than 95 employees and is led by founders Aaron Giovara, Donald Kuemmel and Bill Lindsay. It sold a 24.9 percent stake to Sydney-based money manager AMP Capital in December 2017, while the California State Teachers Retirement System is also a major shareholder. □



Beverly Hills: PCCP financed a Class A office project in the LA district in December 2018

9

Oaktree Capital Management

\$3.83 billion
Los Angeles



Guichard: co-portfolio manager for Oaktree's real estate debt and structured credit strategies

Although Oaktree's real estate team had actively invested in debt in its first 15 years, in 2010 the firm added real estate debt as a standalone strategy to invest capital in performing real estate debt on a global basis. Today the team focuses on a broad range of transactions in the commercial and residential sectors, investing in both private loans and traded securities.

The firm closed Oaktree Real Estate Debt Fund II, its follow-up commercial real estate debt investment fund, in 2018 on more than \$2 billion. Its predecessor, Oaktree Real Estate Debt Fund, had a 14.7 percent net internal rate of return as of December, according to the firm's earnings results.

The strategy is led by John Brady, a managing director and head of the global real estate group, and Justin Guichard, a managing director and co-portfolio manager for Oaktree's real estate debt and structured credit strategies. Oaktree's real estate debt strategy has \$3.2 billion in AUM as of December 31 and offices in Los Angeles, New York, London, Hong Kong, Seoul, Sydney and Tokyo. □

10

LaSalle Investment Management

\$3.71 billion,
Chicago

LaSalle Investment Management has been investing in real estate debt and equity in the UK and Germany since 2009 through its close-end LaSalle Real Estate Debt & Special Situations Fund Series. Amy Aznar heads LaSalle's European Debt & Special Situations Group.

In late 2018, it significantly expanded its business by acquiring a \$1.2 billion majority stake in the commercial real estate debt fund business of Latitude Management Real Estate Investors, broadening LaSalle's focus to the US real estate financing sector. Renamed LaSalle Mortgage Real Estate Investors, the group provides short-term, floating rate loans to mid-market commercial real estate sponsors, with a primary focus on the origination of new bridge loans for value-add and transitional properties in sustainable growth markets throughout the US.

Based in Los Angeles with an office in Denver, it is currently investing out of its most recent fund, Latitude Management Real Estate Capital IV, which has about \$480 million in commitments. The team, which counts 18 employees, is headed by Glenn Sonnenberg, president and CEO. □



Aznar: heads LaSalle's European Debt & Special Situations Group



Lattanzio: leads DRC's 20-person team in London

DRC Capital is a value-add investment advisor focusing on the commercial real estate debt sector across the UK and Europe. Through its 20-person debt team based in London, led by managing partner Dale Lattanzio, it offers advisory and origination services to borrowers and investors. Since forming in 2008, DRC has arranged more than £2 billion (\$2.7 billion; €2.4 billion) of debt investments for its client base. In 2018, it provided an €83.8 million whole loan to assist in the acquisition of a portfolio of Spanish hypermarkets. □

11
DRC Capital
\$3.44 billion
London

Prime Finance, part of Prime Group, a real estate equity and debt investment and operating platform, directly originates mortgages, mezzanine, participation and preferred equity financing. It also acquires performing, sub-performing and distressed assets, and invests in B-Pieces of CMBS. Recent transactions include an \$18 million five-year floating rate first mortgage loan for a 120-unit student housing complex in Berkeley, California, and a \$27.6 million five-year floating rate first mortgage for a 70-unit historic retail and residential building in Los Angeles. □



San Fernando Building Lofts: Prime financed this historic building

12
Prime Finance
\$3.30 billion
New York



Chung: the CIO founded the Bridge Debt Strategies team

Bridge Debt Strategies Fund Manager invests in commercial real estate-backed fixed income, focusing on underserved debt markets; more specifically Freddie Mac K-Series B-pieces and first mortgage lending on value-add opportunities in multifamily, office and senior housing assets. The team is led by James Chung, chief investment officer, who worked at Morgan Stanley before joining Bridge in 2013. Founded in 1991, Bridge Investment Group invests in multifamily, office, senior housing, medical properties, affordable housing and real estate debt strategies. The firm currently has \$13.5 billion in assets under management. □

13
Bridge Investment Group
\$3.23 billion
Salt Lake City, Utah

BlackRock invests in loans secured by commercial properties such as offices, apartments, retail centers and hotels in the US, Europe and Asia-Pacific. In March, it created a real assets debt group, combining its \$10.5 billion infrastructure debt platform with its real estate debt business to create a single real assets debt platform worth more than \$11 billion. Robert Karnes, who previously led the real estate debt group, leads the unit. Funds in this strategy include BlackRock US Real Estate Senior Mezzanine Debt Fund. □



BlackRock HQ in New York: the firm created a real assets debt group in March

14
BlackRock
\$3.2 billion
New York



Gay: sees real estate debt as superfood to portfolios

Nuveen's global commercial real estate debt platform invests across the capital structure, seeking income-focused, stable risk-adjusted total returns for investors. Nuveen offers open- and closed-end private funds, co-investment opportunities and separately managed accounts and finances a range of assets from industrial, office, retail and multifamily to more alternative sectors such as student housing and self-storage. The team is led by Jack Gay, managing director and head of debt, real estate, who has dubbed commercial real estate debt as "superfood" to institutional investors' portfolios by enhancing performance thanks to stable returns. □

15
Nuveen Real Estate
\$3.19 billion
London

16

**Kayne Anderson
Capital Advisors**\$2.94 billion
Los Angeles**Kulvin:** at the helm of the LA-based firm

Kayne Anderson Real Estate Debt, or KARED, focuses on Freddie Mac B-Pieces and invests across subordinated debt. Its first debt fund, KARED I, closed in the fall of 2016 on more than \$700 million in commitments, while KARED III made its first investment at the end of 2017. The debt team is headed by Karen Kulvin and Andrew Smith, co-portfolio managers and managing directors. The firm has a total \$6 billion in assets under management, including \$2.5 billion in real estate debt assets. □

17

AgFe\$2.89 billion
London

Founded in 2006 by CEO Paul Rolles, AgFe is a fully independent advisory and asset management firm specializing in complex debt-based investments. Initially specialized in providing advisory services in the private and public sectors including to central banks, regulators, commercial banks, asset managers and other companies, it branched out in 2013 when it began raising a £1 billion debut fund to lend to UK real estate. Brent Williams, a managing partner who joined in 2008, is responsible for the day-to-day management of the firm. □

**Branched out:** AgFe expanded its advisory focus to debt investing in 2013

18

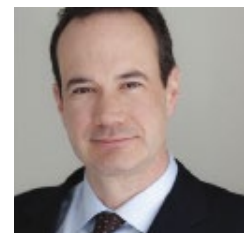
Colony Capital\$2.76 billion
Los Angeles**Traenkle:** Colony's CIO and head of all real estate credit strategies

Colony Capital has been investing in credit since inception in 1991. It established the CDCF Series in 2008 for credit investments and, to date, has raised approximately \$5 billion of commitments through four funds. The CDCF Series focuses on the origination of high-yield debt and similar financing facilities including mezzanine debt and preferred equity, the acquisition of individual and portfolios of performing, sub-performing, and/or non-performing loans and real estate-owned assets, and investments in real estate-related, distressed or special situations. The team is led by Kevin Traenkle. □

19

**GreenOak
Real Estate**\$2.68 billion
London

GreenOak's debt platform was established in 2012 by the senior management team led by Jim Blakemore. Headquartered in London, the 13-strong team has raised about \$2.6 billion of capital to focus on providing senior, junior and whole loans to support sponsors to implement their business plans and create value. The firm has local presence across Europe and is an active lender in the UK and Western Europe. Currently, there are three funds under management: GreenOak UK Secured Lending Fund I; GreenOak UK Secured Lending Fund II; and GreenOak Europe Secured Lending Fund I. □

**Blakemore:** leads GreenOak's 13-strong team

20

KKR\$2.42 billion
New York**RECOP fund:** raised \$1bn and is now 71% invested

New York-based KKR invests in commercial real estate debt through two distinct strategies. KKR Real Estate Credit Opportunity Partners, RECOP, is a fund that invests in junior tranches of new issue commercial mortgage-backed securities. RECOP closed at the end of 2017 on \$1.1 billion. As of December 31, 2018, RECOP was 71 percent invested. KKR Real Estate Finance Trust is an externally managed REIT focusing on originating senior commercial mortgage loans on transitional properties. The real estate credit team has 18 professionals, headed by Matt Salem. □

21

Caerus Debt Investments

\$2.17 billion

Düsseldorf

Caerus Invests in German-speaking core markets and the Benelux countries with a focus on whole loans and mezzanine financing for office, hotel and residential buildings.

In 2018, the firm granted more than €370 million of real estate-secured loans. The largest transaction was a whole-loan financing of nearly €120 million secured by a diversified residential property portfolio in Germany. Michael Morgenroth, chief executive, and Patrick Züchner, chief investment officer, lead the team. □

22

Cheyne Capital Management

\$2.12 billion

London

Cheyne invests in European real estate capital. It closed its fifth real estate credit fund, Cheyne Real Estate Credit Fund V, in July 2018 at its hard-cap of £600 million (\$799 million; €704 million).

The London-based firm, led by Jonathan Lourie, co-founder, CEO and CIO, and Stuart Fiertz, co-founder, president and director of research, has been involved in direct bilateral lending, investments in securitized mortgage-backed securities and in a limited number of equity participations. □

23

Torchlight Investors

\$2.02 billion

New York

Torchlight is pursuing investments across the spectrum of debt and other interests relating to commercial real estate, including senior and mezzanine mortgage loans, CMBS, preferred equity and equity positions.

Recent deals included \$159 million of senior mortgage and mezzanine financing on two Class-A office buildings in Charlotte, North Carolina, and Sarasota, Florida.

Torchlight, led by founder Daniel Heflin, is currently raising Torchlight Debt Opportunity Fund VI. □

24

Rialto Capital Management

\$1.96 billion

Miami

Focused on the US market, the firm has raised three flagship opportunistic funds in addition to numerous direct lending and CMBS investments funds and separate accounts. It invests in newly issued and secondary CMBS bonds and also focuses on distressed and special situations, and direct lending, including mezzanine and floating rate debt. The firm is led by CEO Jeff Krasnoff and president Jay Mantz. □

25

DWS

\$1.65 billion

Frankfurt

Asset management firm DWS, formerly known as Deutsche Asset Management, invests in the full spectrum of debt strategies, including B-Notes, mezzanine loans and preferred equity, through DWS's direct investments team and capital markets group.

The team is led by Todd Henderson, head of real estate for the Americas, and Clemens Schaefer, head of real estate for Europe, who took up the position in the past year. □

26

Ares Management

\$1.59 billion

Los Angeles

The Ares real estate debt platform directly originates and invests in financing opportunities for owners and operators of US commercial real estate. Ares also invests through a specialty finance company, Ares Commercial Real Estate Corporation, which is primarily focused on directly originating, managing and investing in a diversified portfolio of commercial real estate debt-related investments. Bill Benjamin and Jamie Henderson, lead the team. □

RED 50

27

Atalaya Capital Management\$1.52 billion
New York

The manager invests in all major commercial and residential property types across strategies, including bridge and transitional loans, construction loans, first mortgages, mezzanine debt, and secondary performing and NPLs.

It recently provided a construction loan and preferred equity to finance the development of the new flagship Ritz-Carlton hotel in Manhattan's NoMad neighborhood. Young Kwon, managing director, leads the team. □

28

Tyndaris Real Estate\$1.51 billion
London

Tyndaris Real Estate focuses on mid-market commercial real estate opportunities from €15 million to €75 million in size and targets whole loans, mezzanine and subordinate loans, special situations capital and preferred equity in real estate across Europe.

The London-based firm closed its debt fund in 2015 on €350 million. The team is led by Clark Coffee, head of Tyndaris Real Estate, and also counts David White as partner. The firm has offices in London and Madrid. □

29

Madison Realty Capital\$1.45 billion
New York

Originates senior secured and mezzanine debt as well as preferred equity, used for construction, acquisition and refinancing of commercial real estate.

This firm is currently in the midst of raising its fourth real estate credit fund with a \$1 billion target according to an SEC filing. Madison Realty Capital Debt Fund IV, once fully closed, will be significantly bigger than its predecessor fund, which raised \$695 million in May 2016. □

30

Värde Partners\$1.41 billion
Minneapolis, Minnesota

Värde Partners lends to commercial entities that develop or manage property assets, including NPL and REO portfolios, in residential, multifamily, commercial and industrial real estate.

The firm recently led a group of investors along with Guber Banca in the acquisition of an NPL portfolio originated by 22 mutual, rural and cooperative banks throughout Italy. The gross value of the book is about €734 million. □

31

Brunswick Real Estate Capital\$1.33 billion
Stockholm

Brunswick began focusing on providing senior lending in the Nordic region, and most specifically in Sweden, in 2013.

It is currently investing out of Brunswick Real Estate Capital II, which closed in June 2018 on €640 million. Its first fund closed in March 2016. It makes loans in the range of SKr400 million (\$43 million; €38 million) to SKr1 billion, with a term of up to 10 years. The team, is led by CEO Pontus Sundin. □

32

Square Mile Capital\$1.24 billion
New York

Square Mile Capital's debt investment strategies include first mortgages and mezzanine loans. The firm also focuses on the acquiring, restructuring and resolution of commercial mortgage debt originated by other lenders.

In 2018, the firm launched Square Mile Credit Partners II, a mezzanine fund focused on real assets special situations. The firm is led by CEO Craig Solomon. Jeffrey Fastov is a senior managing director leading credit strategies. □

33

Qualitas\$1.24 billion
Melbourne

Qualitas is one of Australia's largest alternative real estate debt and equity investment groups. With 77 professionals across offices in Melbourne, Sydney and New York, Qualitas' investment activities are predominantly focused on Australia and New Zealand.

The firm manages several debt funds including: Qualitas Real Estate Opportunity Fund; Qualitas Senior Debt Fund; Qualitas Real Estate Income Fund; and Qualitas Mezzanine Fund. □

34

Diamond Realty Management\$1.19 billion
Tokyo

Part of Japanese asset manager Mitsubishi Corporation Group, the firm provides private real estate funds and mezzanine debt funds to institutional investors in Japan and overseas.

Since 2011, the firm has launched six mezzanine debt funds in Japan, the latest in March 2018. The firm has also launched a \$64 million fund specialized in mezzanine debt collateralized by a US real estate asset under construction in Brooklyn, New York. □

35

SCOR Investment Partners\$1.07 billion
Paris

Founded in 2008, SCOR Investment Partners is the asset management company of global reinsurance firm the SCOR Group. SCOR Real Estate Loans Fund III, closed in January 2018 on €550 million. The fund focuses on the financing of assets under development, restructuring or repositioning that benefit from the latest environmental labels or welfare certifications.

The team is led by Gilles Castiel, head of real estate, and Sandrine Amsili, head of real estate debt. □

36

Walton Street Capital\$1.07 billion
Chicago

Walton Street invests in debt of office, multifamily, hotel, industrial and retail real estate. Rich Ratke leads the 15-member team. Walton Street Real Estate Debt Fund I closed in April 2016 on \$654 million in commitments and is nearly fully invested.

The firm, which is headquartered in Chicago and has offices in Mexico City and Mumbai, has \$11.8 billion in assets under management. □

37

Laxfield Group\$1.04 billion
London

Through Laxfield LLP, a £750 million (\$1 billion; €880 million) vehicle, the firm provides whole loans of £7 million to £100 million, while Laxfield National offers senior loans of £4 million to £20 million.

Recent financings through the Laxfield LLP fund include an £80 million loan of a mixed-use scheme in Scotland and a £20 million financing of a newly completed hotel in London. □

38

Latitude Management Real Estate Investors\$963 million
Beverly Hills, Los Angeles

LaSalle Investment Management acquired a \$1.2 billion majority stake in the commercial real estate debt fund business of Latitude Management Real Estate Investors in 2018. Renamed LaSalle Mortgage Real Estate Investors, the group focuses on the US market, providing short-term, floating rate loans to mid-market commercial real estate sponsors. □

39

Omni Partners\$947 million
London

Omni Partner focuses on loans to professional property investors that fund refurbishment projects or the acquisition of buy-to-let properties. In 2017, it closed on Omni Secured Lending III with £340 million (\$452 million; €400 million). Its predecessors, OSL I and OSL II, raised \$45 million and \$240 million, respectively.

The firm was founded by Steve Clark in 2004 and has also has an office in Irvine, California. □

40

JCR Capital\$942 million
Denver

JCR Capital's latest fund, JCR Capital Income Plus Fund IV, closed in November 2018 on \$306 million, surpassing its initial target of \$130 million. The fund focuses exclusively on mid-market properties valued at \$50 million and less in the multifamily, industrial and office sectors, as well as select retail.

The firm is managed by Jay Rollins and Maren Steinberg, both managing principals. □

41

Incus Capital\$911 million
Madrid

Incus Capital focuses primarily on asset-backed lending, real estate credit and leasing, and has raised more than €1.2 billion and deployed over €1 billion since inception in 2012. Its third fund closed on €500 million in 2018 and is about 20 percent deployed, while the firm plans to launch Fund IV in 2021.

Incus is owned and operated by its five partners: Andrew Newton, Martin Pommier, Estanis Carvajal, Alejandro Moya and Alvaro Rivera. □

42

Mesa West Capital\$900 million
Los Angeles

The firm provides non-recourse first mortgages for core, core-plus, value-add and transitional properties in the US. In 2017, it was acquired by Morgan Stanley Investment Management, although it continues to operate as a separate entity within MSIM's real assets group.

Mesa West Real Estate Income Fund IV, the firm's largest closed-ended real estate debt fund, closed on \$900 million in 2017, beating its target of \$750 million. □

43

GAM Holdings\$806 million
Zurich

GAM Holdings' real estate finance business has accumulated about £1.1 billion. The firm is led by Andrew Gordon and Martin Farinola, who jointly manage GAM Investments' real estate finance team.

The firm is currently investing out of its GAM Real Estate Finance Fund II, which launched in April 2018 and invests in whole loans and junior loans across the UK and Europe. □

44

RCG Longview\$793 million
New York

RCG Longview's recent transactions include the refinancing of a multifamily condo building in New York City's East Village through a \$34.2 million mezzanine loan, and a \$70 million mezzanine loan to fund the acquisition, renovation and conversion of two Class A stabilized multifamily rental towers into condominiums in Manhattan. It has also financed several suburban apartment complexes in the US. □



45

Calmwater Capital

\$740 million

Los Angeles

Calmwater Capital provides senior and mezzanine financing and focuses on office, retail, industrial, hospitality, multifamily, student housing, healthcare and special-use assets in the US. Currently investing out of its US Real Estate Credit Fund III, a \$636 million vehicle, the team is led by Larry Grantham, co-founder and senior portfolio manager. Recent transactions include the financing of the Thompson Hotel in Hollywood. □

46

Oz Management

\$736 million

New York

Oz Management focuses on North American real estate credit investments across multiple asset classes and security types, including first-lien loans, mezzanine loans, subordinate notes, B-notes, loan portfolios, preferred equity, ground leases, sale-leasebacks and other credit instruments.

Steve Orbuch is the New York-based firm's executive managing director and founder. □

47

Quadrant Real Estate Advisors

\$714 million

Alpharetta, Georgia

Quadrant Real Estate Advisors primarily focuses on debt investments collateralized by commercial real estate in the US, Ireland and the UK. Recent transactions include a \$175 million first mortgage loan to finance the acquisition a Class A life science office building with retail in Boston, and a \$48 million construction to permanent loan for a 230-unit multifamily building in Chicago. □

48

Pacific Investment Management Company

\$697 million

Newport Beach, California

Pacific Investment Management Company invests in real estate debt in Europe and in the US through several fund families. Recently, it has been raising PIMCO Commercial Real Estate Debt fund. Its Bank Recapitalization and Value Opportunities, or BRAVO, fund series targets residential real estate, commercial real estate and specialty finance assets. □

49

AEW

\$674 million

Paris

AEW is a real estate asset manager, investing through separately managed accounts, and open- and closed-end funds. In June 2018, it closed its second fund from a joint venture with Ostrum Asset Management, raising €549 million for Senior European Loan Fund, SELF II. AEW has offices in Boston, Los Angeles, London, Paris, Hong Kong, Singapore and Sydney, and additional offices in nine European cities. □

50

KSL Capital Partners

\$671 million

Denver

Since forming in 2005, KSL Capital Partners has raised four private equity funds and two credit funds with about \$9 billion in commitments, ranging across travel and leisure businesses such as hotels, resorts, clubs, fitness, family entertainment, skiing and resort real estate. With offices in Denver, Stanford and London, the firm is led by Michael Shannon, chairman, and CEO Eric Resnick. □

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