

Analysis

Real Estate Debt



Real estate debt funds stand toe to toe with any other part of the growing alternative lending sector



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Welcome to the Real Estate Debt 50. In the following pages, *PERE* showcases the notable progress of the capital market behind private real estate debt strategies.

Real estate debt funds are part of an exponentially growing alternative finance offering for commercial property borrowers, filling a void left by bank lenders following the global financial crisis in 2008. As this year's RED 50 indicates, they stand toe-to-toe with any other form of non-bank lenders. This year, the 50 captured an aggregate \$224.26 billion, 18 percent more than last year's iteration. Last year's ranking was 20 percent bigger than the inaugural ranking of 2020.

Within this aggregate total, signs of sector maturation abound. There is a growing acceptance by institutional investors that real estate debt funds are no longer the sole preserve of stout-hearted lenders and borrowers willing to accept high risk for high returns, but now also for stable debt issuance and core property activity, too. As one manager told us, less than a decade ago, few investors would countenance a 10 percent return from a credit strategy commitment. Nowadays, looking for a "safe place to earn a 10 has become thematic in our industry."

The receding of bank commercial real estate lending coupled with the growing institutionalization of real estate generally means this is a market with plenty of runway ahead. Unsurprisingly, more firms are getting in on the act. This year's ranking has six new firms. That tandem with other key takeaways, including the dispersion of managers and rise of private equity managers. Responsible for almost 24 percent of the capital raised, New York still dominates as the unofficial early home of real estate debt funds, but its grip has been loosened by other cities, particularly in the US, where many of these firms are based. With Europe playing catch-up and Asia barely started, expect the sector, and the RED 50 with it, to keep growing.

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2022 rank	Change since 2021	Manager	Headquarters	Capital raised (\$m)
1	◁▷	AXA IM - Alts	Paris	26,274
2	▲	PGIM Real Estate	Madison	13,531
3	▼	Blackstone	New York	9,569
4	▼	PAG	Hong Kong	8,702
5	▲	Brookfield Asset Management	Toronto	8,235
6	▼	Cerberus Capital Management	New York	7,655
7	▲	AllianceBernstein	Nashville	6,958
8	▲	LaSalle Investment Management	Chicago	6,248
9	▲	Berkshire Residential Investments	Boston	6,030
10	◁▷	Goldman Sachs Asset Management Real Estate	New York	5,765
11	▲	Oaktree Capital Management	Los Angeles	5,737
12	▲	Kayne Anderson Capital Advisors	Los Angeles	5,735
13	▼	Square Mile Capital	New York	5,500
14	▼	Bridge Investment Group	Salt Lake City	5,126
15	▼	M&G Investments	London	5,045
16	▲	DRC Savills Investment Management	London	4,703
17	▼	ACORE Capital	Larkspur	4,566
18	▲	BentallGreenOak	New York	4,333
19	▼	ICG Real Estate	London	4,147
20	★	Heitman	Chicago	4,039
21	▲	MaxCap Investment Management	Melbourne	3,846
22	▲	Madison Realty Capital	New York	3,762
23	▲	Nuveen Real Estate	London	3,751
24	▼	Torchlight Investors	New York	3,720
25	▼	Mack Real Estate Credit Strategies	New York	3,709
26	▼	Mesa West Capital	Los Angeles	3,631
27	◁▷	Prime Finance Advisor	New York	3,555
28	▲	Qualitas	Melbourne	3,431
29	▼	PCCP	Los Angeles	3,004
30	▲	Cheyne Capital Management	London	2,889
31	▼	KKR	New York	2,845
32	▼	abrdn	Edinburgh	2,738
33	▼	BlackRock Real Estate	New York	2,734
34	▲	NN Investment Partners	The Hague	2,719
35	▲	AEW & Ostrum Asset Management	Paris	2,691
36	◁▷	Invesco Real Estate	Dallas	2,612
37	▲	Ares Management Corporation	Los Angeles	2,517
38	▼	Brunswick Real Estate Capital	Stockholm	2,408
39	▲	Pacific Investment Management Co.	Newport Beach	2,155
40	▼	CAERUS Debt Investments	Düsseldorf	2,055
41	▼	AgFe	London	1,882
42	▲	Incus Capital	Madrid	1,740
43	▲	Invictus Capital Partners	Washington DC	1,668
44	▼	Walton Street Capital	Chicago	1,641
45	▼	3650 REIT	Miami	1,489
46	▼	Amundi Group	Paris	1,478
47	▲	La Banque Postale Asset Management	Paris	1,446
48	▲	CIM Group	Los Angeles	1,439
49	▲	KSL Capital Partners	Denver	1,424
50	▲	Greystar Real Estate Partners	Charleston	1,390