

Real Estate Debt



*Covid-19 has proven to be no obstacle
for real estate debt*

This time last year, the coronavirus crisis was being considered the first major test for the private real estate debt sector since it emerged in earnest in the last property cycle.

If this year's Real Estate Debt 50 ranking is an indicator, then it is a test passed. In aggregate, the 2021 iteration of the ranking garnered \$189.3 billion, some 20 percent more than at the last count, which was published just as the pandemic was taking a global grip. Increasingly, institutional capital is seeking the relative safe havens of credit positions as the real estate asset class still demands sustained investment to ensure these investors can meet their liabilities.

As this year's ranking demonstrates, investors' flight to the safer confines of the debt part of the capital stack is matched with their congregation with marquee names, as they are doing with equity-based strategies. Indeed, approximately two-thirds of the money raised by this year's RED 50 was raised by the top five managers alone. In the past year, more than 44 percent of the total capital raised for real estate debt strategies was for second-placed Blackstone's \$8 billion Blackstone Real Estate Debt Strategies IV alone.

Blackstone's fund was one of 23 raised in the past 12 months, a marked drop on the 40 vehicles raised in the previous year.

What does that mean for institutional appetite for property credit? When it comes to the traditional, commingled funds measured in the RED 50, the vehicles are getting bigger but are being raised by fewer managers.

Outside of the ranking, there is a growing appetite for debt strategies wrapped in direct separate accounts or joint venture vehicles.

But these two subplots are parts of an overall story about the real estate debt sub-sector growing ever more popular with investors; a story with a long way to go. ■

★ New ▲ Up ▼ Down ⇄ Same

2021 rank	Change since 2020	Manager	Headquarters	Capital raised (\$m)
1	⇄	AXA IM - Alts	Paris	21,618
2	⇄	Blackstone	New York	13,000
3	★	PAG	Hong Kong	8,685
4	▼	PGIM Real Estate	Madison	8,318
5	▼	Cerberus Capital Management	New York	7,093
6	▼	ICG	London	5,512
7	▲	Bridge Investment Group	Salt Lake City	5,508
8	▼	AllianceBernstein	New York	5,157
9	▼	M&G Investments	London	5,052
10	▼	Goldman Sachs Merchant Banking Division	New York	4,891
11	▲	LaSalle Investment Management	Chicago	4,497
12	▲	Square Mile Capital	New York	4,400
13	▲	Torchlight Investors	New York	4,173
14	▼	ACORE Capital	San Francisco	4,056
15	▼	Mack Real Estate Credit Strategies	New York	3,694
16	▼	Oaktree Capital Management	Los Angeles	3,628
17	▲	DRC Capital	London	3,549
18	▲	Mesa West Capital	Los Angeles	3,514
19	▼	BentallGreenOak	New York	3,451
20	▼	KKR	New York	3,448
21	★	Berkshire Residential Investments	Boston	3,436
22	▼	Brookfield Asset Management	Toronto	3,349
23	▼	PCCP	Los Angeles	3,104
24	▼	CAERUS Debt Investments	Düsseldorf	3,071
25	▲	Madison Realty Capital	New York	2,998
26	▼	Kayne Anderson Capital Advisors	Los Angeles	2,970
27	▼	Prime Finance Advisor	New York	2,798
28	▼	BlackRock Real Estate	New York	2,733
29	▲	MaxCap Investment Management	Melbourne	2,723
30	▲	Brunswick Real Estate Capital	Stockholm	2,644
31	▼	Aberdeen Standard Investments	Edinburgh	2,640
32	▼	Cheyne Capital	London	2,638
33	▼	Qualitas	Melbourne	2,422
34	▲	AgFe	London	2,287
35	▼	Walton Street Capital	Chicago	2,173
36	▲	Invesco Real Estate	Dallas	2,099
37	▲	AEW & Ostrum Asset Management	Paris	1,953
38	▲	Ares Management Corporation	Los Angeles	1,857
39	▼	CBRE GI	Los Angeles	1,764
40	⇄	SCOR Investment Partners	Paris	1,694
41	▼	JCR Capital Investment Corporation	Denver	1,678
42	▲	Amundi Group	Paris	1,617
43	★	3650 REIT	Miami	1,489
44	★	NN Investment Partners	The Hague	1,482
45	▼	DWS	Frankfurt	1,471
46	▼	Nuveen Real Estate	London	1,458
47	▼	Barings	Charlotte	1,430
48	▲	Invictus Capital Partners	Washington DC	1,398
49	★	Principal Financial Group	Des Moines	1,383
50	▲	La Banque Postale Asset Management	Paris	1,382