

## Analysis

# Real Estate Debt



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

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.

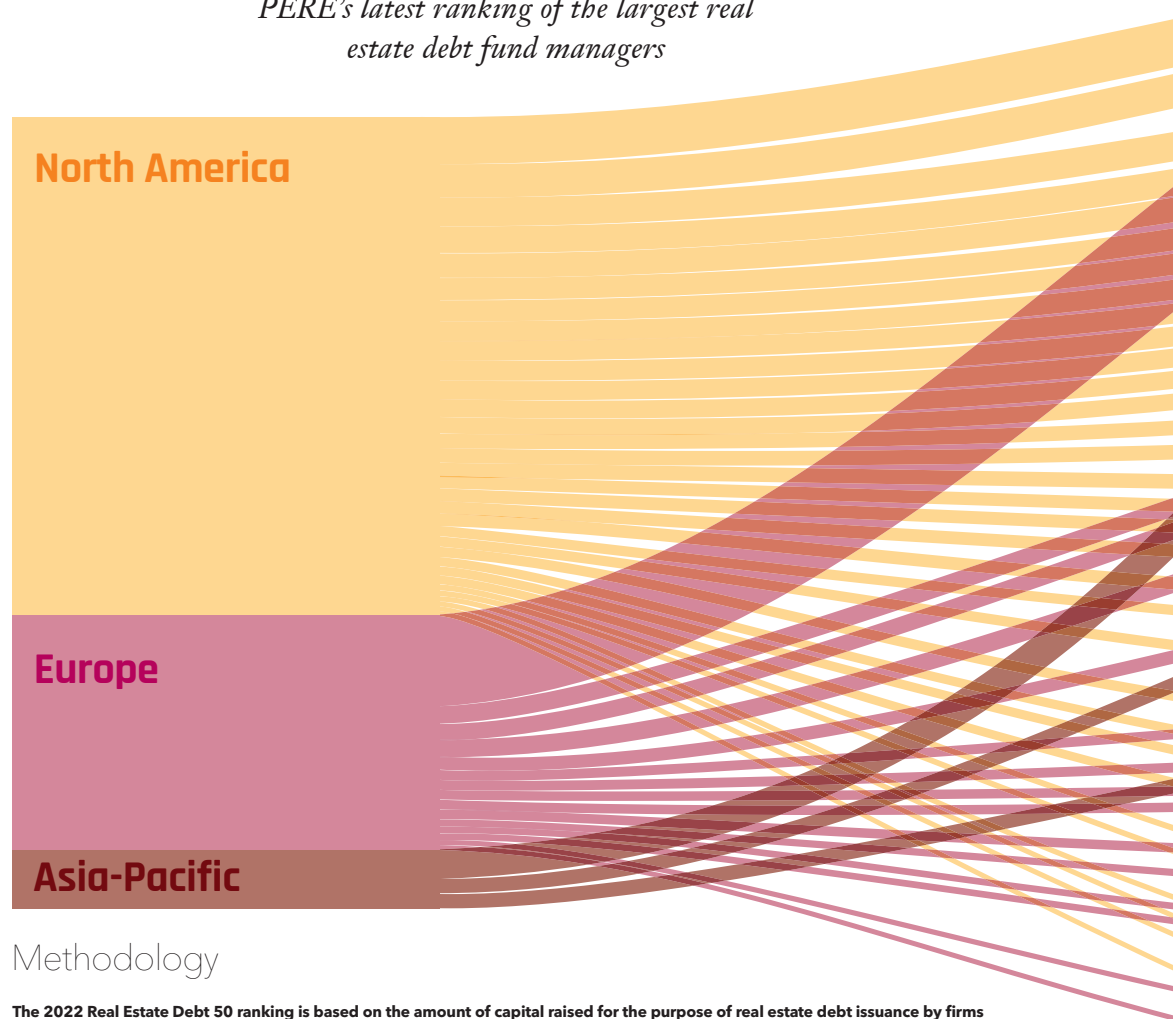
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					★ New	▲ Up	▼ Down	◁▷ No change
2022 rank	Change since 2021	Manager	Headquarters	Capital raised (\$m)				
1	◁▷	AXA IM - Alts	Paris	26,274				
2	▲	PGIM Real Estate	Madison	13,531				
3	▼	Blackstone	New York	9,569				
4	▼	PAG	Hong Kong	8,702				
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				

**Analysis**

# The Real Estate Debt 50

*PERE's latest ranking of the largest real estate debt fund managers*



## Methodology

**The 2022 Real Estate Debt 50 ranking is based on the amount of capital raised for the purpose of real estate debt issuance by firms between January 1, 2017 until December 31, 2021.**

### What counts?

#### Structures:

- Limited partnerships
- Co-investment/side car vehicles
- Seed capital or manager commitment

#### Strategies:

- Debt issuing funds
- Participation in syndicated real estate loans

### What does not count?

- Expected capital commitments
- Open-ended funds subject to conditions
- Public funds
- Funds of funds
- Non-discretionary vehicles
- Secondaries vehicles
- Private equity

- Real estate equity funds (core, core plus, value-add, opportunistic)
- Infrastructure funds
- Hedge funds
- Capital raised from affiliated entities
- Capital raised on a deal-by-deal basis
- Private real estate funds for which purchasing debt is part of the strategy

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