

Global Perspective - Spotlight on Real Estate Debt and Fund Finance

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Introduction

Based on the latest quarterly data from PERE, a leading publication for the world's private real estate markets, there seems to be a major shift underway in private real estate fundraising, as real estate debt has recently prevailed as the most popular strategy amongst real estate asset classes since PERE began tracking the data in 2008. This shift served as the impetus for a recent panel discussion at this year's PERE Global Investor Forum, held in May 2022, in San, Francisco, California. Moderated by Albert Tan, a Partner and Co-Head of Fund Finance at Haynes Boone, the panel, titled "Global Perspective – Spotlight on Real Estate Debt and Fund Finance," brought together the expertise of panelists Roshan Chagan, Partner at Ares Management Corporation, Vicky Du, Managing Director and Global Head of Fund Finance at Standard Chartered Bank, and Simon Uiterwijk, Head of Commercial Real Estate Debt, US, at NN Investment Partners, who addressed the recent ascension of real estate debt as a favored strategy within real estate fundraising, situating the trend within the broader economic shifts of recent years, and discussed the role of subscription-secured lines of credit within this context.

Following is a high-level summary of the discussions from that panel.

Global Perspective – The Rise of Real Estate Debt

According to PERE's Q1 2022 Fundraising Report published in early May, out of total capital raised of \$33.2 billion during the first quarter, debt prevailed as the most popular strategy for the first time since PERE began tracking the data in 2008—raising approximately \$11.5 billion. Significantly, debt accounted for more than 34% of total capital raised during the quarter—easily the largest-ever percentage for the strategy since PERE started tracking the data.

[Read the full article here.](#)