

# NEWS RELEASE



**Bryan McDonnell**  
Head of U.S. Debt and Chair  
of Global Debt, PGIM Real  
Estate

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## PGIM Real Estate finances record \$22B in loans globally in 2021

*Higher-yielding lending and agricultural debt key drivers for growth*

**NEWARK, N.J., May 5, 2022** – Low interest rates, investors’ ongoing search for yield, and strong acquisitions activity continue to create a supportive environment for real estate financing and alternative lenders across the globe, contributing to a record \$22.38 billion in worldwide originations last year for PGIM Real Estate, the real estate investment and financing business of PGIM, the \$1.4 trillion global investment management business of U.S.-based Prudential Financial, Inc. ([NYSE: PRU](#)).

The nearly 15% rise in financing over the prior year was driven by PGIM Real Estate’s growth in bridge lending and preferred equity, which has been supported by strong market dynamics in the global residential and logistics sectors. PGIM Real Estate closed over \$2.9 billion in lending activity on behalf of its core-plus and value-add lending strategies as well as a record \$2.8 billion in agricultural loans. PGIM Real Estate was also very active with over \$9.2 billion in stabilized, core lending across the U.S., Europe and Asia Pacific and posted a strong year on behalf of the U.S. Agencies and FHA with over \$7.3 billion of financing.

“Our strong loan activity this year demonstrates our success meeting borrowers’ unique financing needs, while providing our investors global opportunities for yield across the risk spectrum,” said Bryan McDonnell, head of U.S. Debt and chair of Global Debt for PGIM Real Estate. “Last year was when our ongoing efforts to expand beyond our strong track record as a core and agency lender really came to the forefront and we continue to see strong opportunities across the risk spectrum going forward.”

### 2021 DEBT TRANSACTION HIGHLIGHTS:

- United States, Industrial, Preferred Equity: A nearly \$13 million preferred equity investment for the development of Falcon Parkway, a two-building, 638,520-square-foot, Class-A speculative industrial warehouse facility located 45 miles north of Atlanta along the I-85 corridor, the largest warehouse/distribution submarket in the region.
- United States, Life Sciences, Bridge: \$99.235 million in floating-rate bridge financing on behalf of its U.S. core-plus debt strategy to Invesco Advisers Inc. for

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the acquisition and lease-up of a six-property industrial portfolio supporting the life sciences industry on Alameda's Bay Farm Island.

- **United States, Senior Housing, Stabilized:** A \$250.4 million fixed-rate, cross-defaulted and cross-collateralized loan as part of a multilayered financing package for Harrison Street Real Estate Capital's acquisition of a 1,118-unit assisted living and memory care housing portfolio spread across California and Nevada.
- **Germany, Office, Stabilized:** A 7-year fixed-rate loan of €76.95 million (\$91.9 million) to Pembroke to refinance Altstadt Palais, a freehold grade-A multi-tenant office, fully let to three well-established law firms in Munich.
- **U.K., Cold Storage, Preferred Equity:** A 5-year, £65 million, preferred equity facility and £67 million senior bridge loan for Magnavale to finance the refurbishment of four existing cold storage assets located throughout the U.K. and the development of a state-of-the-art, automated cold storage facility.
- **Japan, Self-Storage, Stabilized:** \$375 million advanced across three loans of 7-year, 10-year and 13-year terms to refinance a portfolio of 58 self-storage assets located throughout Japan, totaling 86,350 square meters. Approximately 77% of the assets are located in the Tokyo metropolitan area, and approximately 80% of the assets are stabilized.
- **Australia, Affordable, Bridge:** A \$55 million loan to refinance a portfolio of 22 budget accommodation assets located across Australia. The facility included a working capital and prepaid interest component and was structured as a 5-year facility to allow for both trading to recover and a refinancing to take place prior to term.

“Looking ahead, in the U.S., we expect interest rate hikes by the Fed to cause a shift away from recent preferences for shorter, floating-rate towards longer-term, fixed-rate debt, while recent increases in values should increase opportunities to extract equity through mezzanine or preferred equity structures,” said McDonnell. “Trends are similar outside the U.S., where global markets are facing inflationary pressures and that should support the continued growth in market penetration of alternative lenders that’s been occurring for several years.”

## **ABOUT PGIM REAL ESTATE**

As one of the largest real estate managers in the world with \$209.3 billion in gross assets under management and administration,<sup>1</sup> PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.4 trillion global asset management business of Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/nyse:pru)).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing,<sup>2</sup> and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit [pgimrealestate.com](https://pgimrealestate.com).

## **ABOUT PGIM**

PGIM, the global asset management business of Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/nyse:pru)), ranks among the top 10 largest asset managers in the world<sup>3</sup> with more than \$1.4 trillion in

assets under management as of March 31, 2022. With offices in 17 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit [pgim.com](http://pgim.com).

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<sup>1</sup> As of Dec. 31, 2021. AUM reflected as gross. Net AUM is \$137.9 billion and AUA is \$45.9 billion.

<sup>2</sup> Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

<sup>3</sup> PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest investment manager (out of 477 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents global assets under management by PFI as of Dec. 31, 2020.

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