

# NEWS RELEASE



**Andrew Radkiewicz**  
Global Head of Private Debt  
Strategy and Investor Solutions at  
PGIM Real Estate



**Andrew Macland**  
Head of European Debt at PGIM  
Real Estate

## PGIM Real Estate raises €1.8bn for final close of PGIM Real Estate Capital VII

**LONDON, [11 JAN 2022]** – The seventh fund in PGIM Real Estate’s European flagship high yield debt fund series, PGIM Real Estate Capital VII (PRECap VII), has closed on **€1.82 billion** (£1.53bn/US\$2.07bn), the largest European real estate debt fund closed in 2021<sup>1</sup>. PGIM Real Estate is the real estate investment and financing business of PGIM, the US\$1.5 trillion global investment management business of Prudential Financial, Inc. ([NYSE: PRU](#)).

PGIM Real Estate’s European debt platform provides alternative financing, including senior debt, whole loans and mezzanine with co-invest equity. The platform has completed over €10 billion across over 180 senior and high yield debt investments in UK and Continental Europe, through its PRECap series of funds, as well as its senior debt strategy, which also recently closed a global mandate of €1 billion from a European investor.

PRECap VII has a disciplined focus on high yield real estate debt opportunities in core liquid asset classes, in the largest European markets including the UK, Germany, France, Ireland, Netherlands, Spain and Italy. With a research driven approach, the strategy takes advantage of increasing opportunities driven by continuing regulatory change in the banking sector combined with the growing demand from borrowers for alternative sources of funding across the capital stack from large scale institutional partners.

**Andrew Radkiewicz**, Global Head of Private Debt Strategy and Investor Solutions, comments “We are delighted by the commitment we have seen from investors for PRECap VII. As a secured income driven strategy, the fund attracted global demand from pension, insurance, sovereign wealth and private clients. The strategy presents an attractive proposition for investors seeking sustainable risk adjusted returns within their real estate, private credit and alternative fixed-income allocations.”

**Andrew Macland**, Head of European Debt, comments “We are continuing to see compelling investment opportunities in logistics and living sectors as well as tactical opportunities in low vacancy office markets, fulfilment retail and leisure. We are focused on ‘create core’ real estate assets in liquid markets, founded on structural trends in e-commerce and supply chain, living and offices in smart cities across UK and Europe. We offer bespoke and creative capital solutions for our borrowers across a wide array of asset classes and jurisdictions and have already committed to 11 investments in PRECap VII, providing a range of whole loans, mezzanine and preferred equity investments.”

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PRECap VII commitments include:

- **Logistics, Italy** - a mezzanine loan to support the funding of close to a dozen logistics projects totaling over €500 million across Italy. This investment allows exposure in the ever-strengthening and competitive European logistics sector.
- **Living, UK** – a preferred equity loan for a highly-regarded specialist developer and operator, to finance £240 million of Purpose Built Student Accommodation (PBSA) developments located in the UK. PBSA continues to become an increasingly core sector of the institutional investment market.
- **Cold Storage, UK** – a mezzanine loan to fund the refinance and growth of an over £700 million cold storage portfolio in the UK. Cold storage is a growing alternative asset class, with structural demand continuing to outstrip supply following the impact of Brexit and COVID-19.
- **Office, Ireland** - a mezzanine loan and preferred equity commitment, to support the redevelopment of a €125 million office building in Dublin, Ireland. This is an undersupplied market with strong occupier demand from the clustering effect of the technology and media sector.

- end -

<sup>1</sup>Source: [Prequin](#), as of 11 January 2022

## **ABOUT PGIM REAL ESTATE**

As one of the largest real estate managers in the world with US\$201 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 US\$1.5 trillion global asset management business of Prudential Financial, Inc. ([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](http://pgimrealestate.com).

<sup>1</sup> As of September 30, 2021, AUM reflected as gross. Net AUM is \$134B and AUA is \$45B.

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

## **ABOUT PGIM**

PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world\* with US\$1.5 trillion in assets under management as of 30 Sept. 2021. 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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\* PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on 31 May 2021. This ranking represents global assets under management by PFI as of 31 Dec. 2020.

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