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Property Week

Meet the matchmakers of real estate finance

By [Guy Montague-Jones](#), [Frances Ivens](#) | Fri 8 March 2019

One of the biggest changes in the debt market since the global financial crisis has been the rise of debt advisory firms.



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Before the crash, there were fewer advisory firms because there was only a limited pool of lenders. Property investors and developers would typically bank with a few 'relationship lenders' and had little need or incentive to look any further.

Today, the market is very different. The retreat of banks and the rise of non-bank lenders have made the market far more complex for borrowers to navigate. Debt advisory specialists, which are able to keep on top of the terms offered by the plethora of active lenders, have sprung up to help borrowers find the best deals.

Ranging from small boutique firms to big agencies, they specialise in different areas, from broking loans for SMEs to providing strategic advice to big corporates.

We take a look at a cross section of some of the key players and what sets them all apart.



Eastdil Secured

Key contacts: Riaz Azadi (pictured) and Rob Weinberg, managing directors

Eastdil is one of the pioneers of real estate debt advice and a force to be reckoned. The real estate investment banking firm is known for running highly competitive auctions and has sight of a large volume of deals, which gives it good insight into market pricing and lender appetite.

The debt advisory team at the firm prices and closes more than \$1bn of loans a week globally, according to Riaz Azadi, managing director at Eastdil. He says the firm provides clients with “real-time pricing and thoughtful structuring insights delivering flawless execution”.

Link Real Estate Finance

Key contact: James Wright, head of real estate finance

Link has tended to focus on £10m to £100m ticket sizes, mainly in the UK, but this year it is looking to broaden its geographical focus and do some larger deals. “We are expanding our team significantly in 2019 with four new hires,” says head of real estate finance James Wright. “One of those hires is a director focused on tying together our continental European offering a bit more strategically.”

The practice is part of Link Asset Services, which offers a range of financial administration services. Wright says clients benefit from the group’s expertise and financial services contacts.



JLL

Key contact: Chris Holmes, head of UK debt



JLL's debt advisory team caters for the full gamut of borrowers including institutions, REITs, private equity firms and high-net-worth individuals. The team has a number of sector specialists including Chris Gow, who is focused on hotels, and Tom Upton, who is focused on residential. They work alongside JLL's capital markets and leasing teams, which head of UK debt Chris Holmes claims provides "synergy and insight to support borrowers".

Another point of difference is that JLL has a team to advise of hedging options. "We have a rates desk advising and executing interest rate and FX derivatives to complement the debt advisory service and provide a one-stop shop," Holmes says.

Arc & Co

Key contacts: John Kerrigan, director, structured finance (pictured); Edward Horn-Smith, managing director, structured finance



The majority of Arc & Co's clients are small- to mid-market property developers and professional investors. The firm prides itself on constantly improving its knowledge of debt and equity funders in the market. It also works hard to build an intimate knowledge of funders' credit and governance procedures.

"This allows us to structure deals correctly and manage the critical path from inception to execution, which strengthens our long-term relationships with both clients and funders," says John Kerrigan, director, structured finance.



Brookland

Key contact: Nassar Hussain, managing partner

Brookland has the ability to arrange everything from a simple £10m UK loan to a complex £500m European CMBS deal. Recent deals the company has advised on are testament to the breadth of its offering: a £250m high-yield bond for Pinewood Film Studios together with a £50m super senior development facility; the £2.5bn restructuring of BMI Healthcare; and the sale of a €100m Italian non-performing loan portfolio.

On the recent sale of No 1 Poultry in the City, which is mainly let to WeWork, managing partner Nassar Hussain says the debt package it put together was used to find a buyer and was instrumental in getting the sale completed. He adds that the firm's "value-add approach" sets it

apart. As well as finding the best debt product and provider, it also manages the whole execution process.

CBRE

Key contacts: Paul Coates, head of debt and structured finance, EMEA (pictured); Steve Williamson, chairman of debt and structured finance



CBRE has established itself as a major player in debt advisory having closed 54 debt deals across Europe over the past 18 months, totalling more than £6bn. The firm says its main USP is its people. A team of more than 30 in Europe provides debt origination services, headed by Paul Coates, who led the real estate finance team at RBS for a decade, and Steve Williamson, who was head of UK origination at Deutsche Bank.

Coates says it aims to be a “trusted adviser”, by taking time to understand what clients are trying to achieve and then developing a tailored solution. “We can advise right across the spectrum, from developing debt strategies to raising the best-value financing solutions to leading the execution,” he says.

The debt advisory team sits within CBRE Capital Advisors, which also provides services across corporate finance, investment advisory and loan services.



BBS Capital

Key contacts: Adam Buchler and Joanne Barnett (pictured), co-founders

London-based BBS Capital arranges investment, development and short-term finance in the UK and western Europe. The firm specialises in loans of between £20m and £100m, and claims its knowledge of the market garnered from 15 years of experience in structuring finance sets it apart.

In 2018, the team, who have backgrounds in accountancy, surveying and banking, helped clients finance £1.37bn of deals, working with 25 different lenders to secure funding.

Laurus Property Partners

Key contact: Andrew Wheldon, managing director

Laurus works mainly with global private equity firms and institutional investors on a pan-European basis offering a full service debt advisory practice. The firm advises on transactions ranging from senior and whole loans to mezzanine capital and preferred equity deals across a range of sectors and jurisdictions.



Andrew Wheldon, who launched Laurus's London office this year, says the firm is particularly well positioned to support growth sectors such as UK build-to-rent (BTR). Laurus can offer significant value to clients thanks to its experience arranging financing in the established German BTR market, he adds.



Native Finance

Key contact: David Shaw, head of real estate origination

Native's core market covers the SME real estate developer and investor space but it is growing its client base to include larger institutional names and private equity clients. The firm is also in conversations with brokers looking to use its technology platform to speed up the fundraising process.

According to head of real estate origination David Shaw, the platform sets Native apart from its competitors by using a data-led approach to sourcing capital. "By capturing risk appetite and analysing pricing quotes through our platform, we are able to match borrowers to funders more efficiently," says Shaw. "This means we can show borrowers the best options and show lenders only those deals we know they will have a chance of securing."

Brotherton Real Estate

Key contact: Richard Fine, managing director

Brotherton's business is centred on mid-market loans, typically under £100m, to property companies as well as private equity firms and hedge funds. Managing director Richard Fine says the team of bankers, lawyers and surveyors has invested heavily in its execution function, which he sees as a differentiating factor between Brotherton and other brokers. "We are much better placed than most typical brokers to really run a process from start to finish," he claims.



Brotherton has a joint venture with US outfit Mission Capital, under which it advises Mission's clients when they are pursuing investments and developments in Europe, while Mission will do the same for Brotherton's clients in the US.



Rothschild & Co

Key contact: Toby Cohen, managing director, head of real estate debt advisory

The real estate debt advisory team at Rothschild & Co has advised on more than \$40bn of real estate debt over the past three years.

The team typically advises major corporates on their financing, rather than brokering straightforward debt deals. It advises on both secured and unsecured structures, covering bank debt, bonds, private placements and credit ratings.

“One of our USPs is that we provide a holistic corporate finance advisory service,” says Toby Cohen, managing director, head of real estate debt advisory. The wider real estate services provided by the bank include M&A and equity advisory.

JCRA

Key contact: Shripal Shah, head of real estate



Known as a leading derivatives adviser, JCRA also has a broader debt advisory offering. The firm prides itself on its ability to advise or arrange finance from a broad range of debt capital sources including banks, alternative lenders, institutional funds, private placements and the public bond market.

Increasingly, JCRA advises investors in alternative sectors such as later living, which head of real estate Shripal Shah says is “not well understood or serviced by mainstream lenders”.



CR Capital Advisory

Key contact: Kirsten Glaser, founder and director

CR Capital Advisory is part of CR, a pan-European adviser, asset manager and investment manager. The debt advisory practice draws on the group’s local knowledge of European property markets and aims to go further than the competition by advising on deals from inception to completion.

“When clients need support from financial providers, we don’t just make the introduction and move on; we manage the process and provide experienced advice to keep projects on track,” says CR Capital Advisory founder and director Kirsten Glaser.

HFF

Key contact: Michael Kavanau, senior managing director



US-based HFF has quickly established itself as one of the biggest players in the debt advisory field since entering the UK market at the end of 2016.

Since the London office was established, the firm has advised on more than £3.5bn of debt deals, ranging from £10m to more than £500m. One of the most recent was to advise on a £350m financing package for a residential development in Marylebone, London, called Regent's Crescent.



Bayhead Advisers

Key contacts: Andrew Wilson, managing partner (pictured); Leo McLaughlin, partner

Bayhead's clients include private equity firms, international funds and UK property companies. Its typical deal size is more than £20m and its work covers sourcing, negotiating and supporting the transaction management.

"We have a proven track record in situations that tend to involve more complex financing, or more 'vanilla' financing but where the client is seeking a third party to cover the wider market with the option of additional transaction support," says managing partner Andrew Wilson.

On top of its debt advisory work, Bayhead specialises in asset work-out and 'turnaround', mainly for private equity firms.