



Borrower finance team of the year: Fund manager **Blackstone**

US PRIVATE EQUITY giant Blackstone remains the single largest borrower in European real estate. “We closed on approximately €25 billion of financings last year, more than a 20 percent increase on 2017, accessing different pools of capital more so than in the past,” says Gadi Jay, managing director within Blackstone’s real estate division.

Blackstone began investing from a new, open-ended core-plus fund in November 2017, including its purchase of Network Rail’s UK railway arches alongside Telereal Trillium in September last year, against which it borrowed £777 million (€887 million) from Bank of America Merrill Lynch. The fund is predominantly financed via corporate investment grade bonds – a source the group tapped into for the first time in 2018. The biggest deal Blackstone secured finance for last year was the Neptune portfolio

of Spanish assets and loans it acquired from Santander in 2017. Blackstone raised €7 billion of debt from Morgan Stanley, Deutsche Bank, BAML, JPMorgan and NatWest. Blackstone’s mortgage REIT bought a significant portion of the debt.

Blackstone has also been a key sponsor of Europe’s resurgent CMBS market, backing 55 percent of issuances last year. In Q1 2018, it refinanced a portfolio of four Italian retail properties via the circa €404 million Pietra Nera Uno CMBS. In Q4 it refinanced a German office building called the Squire in a €475 million securitisation.

“We believe CMBS remains an important part of the overall financing market and will continue to support it as much as possible,” Jay says.