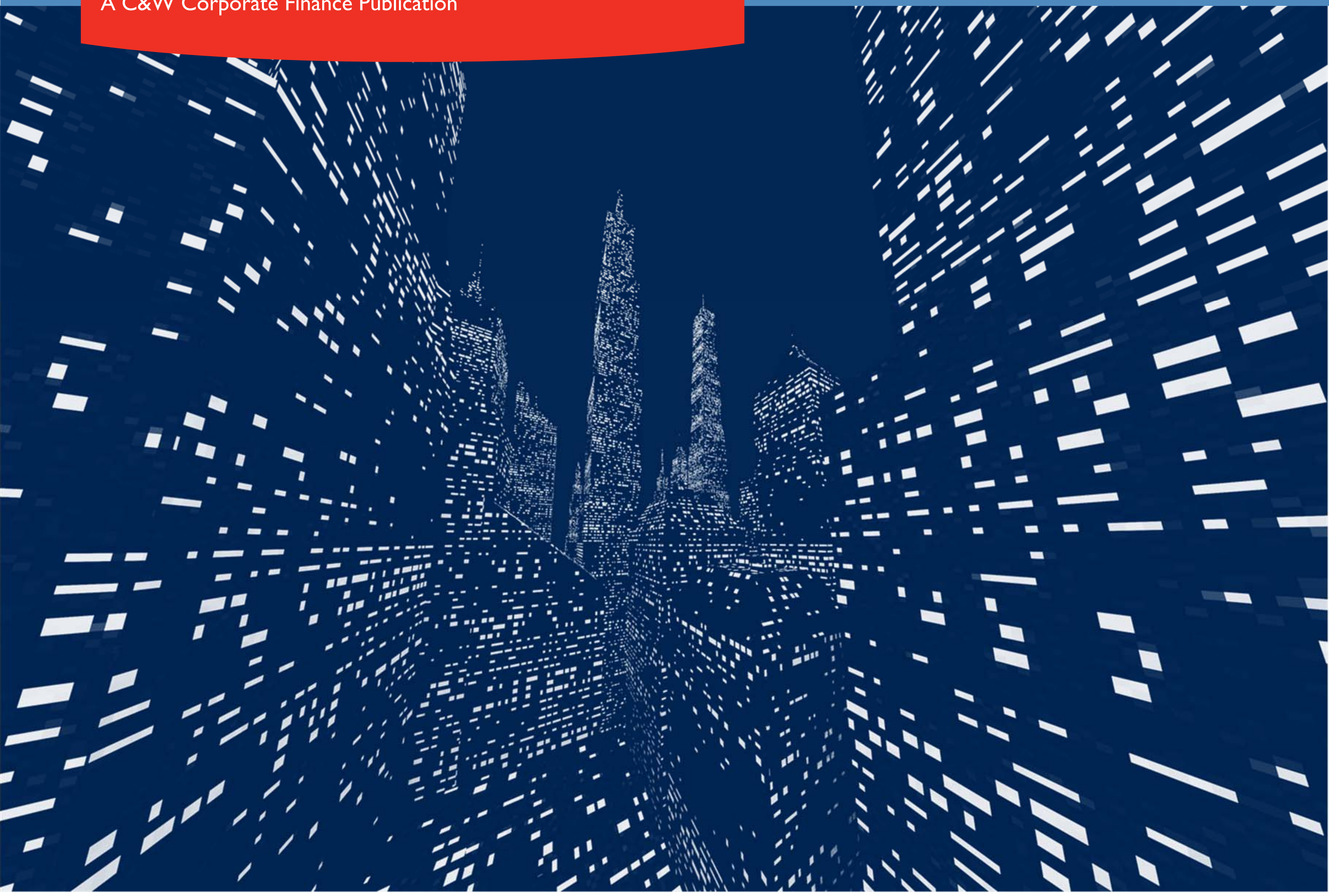
EUROPEAN REAL ESTATE LENDING MARKET

A C&W Corporate Finance Publication

CUSHMAN & WAKEFIELD®

FEBRUARY 2015



LENDING MARKET BACK WITH A BANG IN 2014

- C&W Corporate Finance tracked a 55% increase in lending origination across Europe in 2014 (new investment lending, new development lending and refinance lending.)
- Breaking this down, C&W Corporate Finance also tracked a 123% increase in new investment and development lending in 2014, with refinancing activity increasing by only 10%.
- 45% of all tracked origination in 2014 took place in the UK, whilst 41% of tracked deals were recorded in the rest of Western Europe.
- Southern European countries of Spain, Italy and Greece doubled their share of tracked lending in 2014 compared to 2013 and saw an 80% increase in tracked volumes.
- Tracked lending against multi-sector real estate exceeded any individual sector exposure in 2014, with multi-asset or portfolio lending accounting for 57% of tracked origination by value.
- Prime senior margins fell throughout Europe in 2014, with LTVs showing signs of stabilising (see visual map on pp.6).
- The all-in cost of debt for prime lending in the UK is at its lowest level since 2000, with the 5 year sterling swap hovering around 1.20% and prime margins down at 1.20%.
- C&W Corporate Finance track and monitor 186 lenders across Europe, with non-bank lenders accounting for 47% of this number. The lending list remains diverse with international lenders increasingly re-joining the European marketplace.

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2014 EUROPEAN LENDING MARKET

TRACKED LENDING

Origination lending soars…

C&W Corporate Finance has tracked European real estate lending since 2012, utilising our market exposure as well as a multitude of external resources. Based on this tracked lending, the amount of secured real estate lending origination increased by 55% in 2014. *Origination* is defined here as new investment lending, new development lending and existing loan refinancing. 2013 had itself seen a 31% increase in origination compared to 2012 levels.

H1 2014 saw a huge increase in lending compared to the same period in 2013, with tracked origination volumes up 63%. H2 volumes, though up 44% year-on-year, did not quite reach the same level, perhaps deterred by the return of economic uncertainty across Europe and associated political tensions.

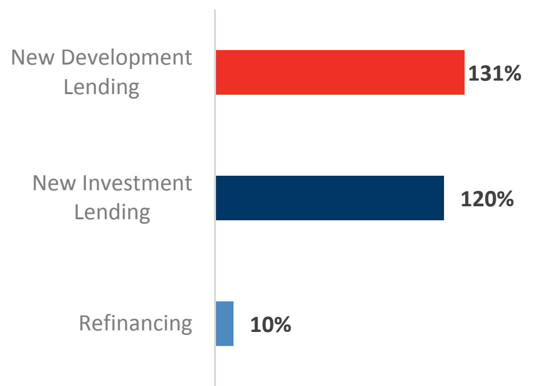
As expected, C&W Corporate Finance tracked healthy increased lending volumes across all major European debt markets in 2014. Most notably, origination tracked in Spain more than quadrupled in 2014 compared to 2013. This supports the increased investor focus the underlying commercial real estate market benefitted from, with commercial real estate investment volumes expected to have increased by at least 170% in 2014 YoY.

In terms of types of origination, recorded new development lending across Europe increased by 131% YoY in 2014, emphasising the trend of lenders moving up the risk curve in search of higher returns in what has once more become an incredibly competitive market.

The tracked increase in both volume and deal flow across Europe in 2014 reflects the general increased appetite for leveraged purchasing; the post-crisis European real estate debt market appears transformed.

a 55% increase in tracked origination across Europe in 2014 compared to 2013

TRACKED ORIGINATION COMPONENTS: YoY INCREASE



TRACKED LENDERS

Still a diverse marketplace…

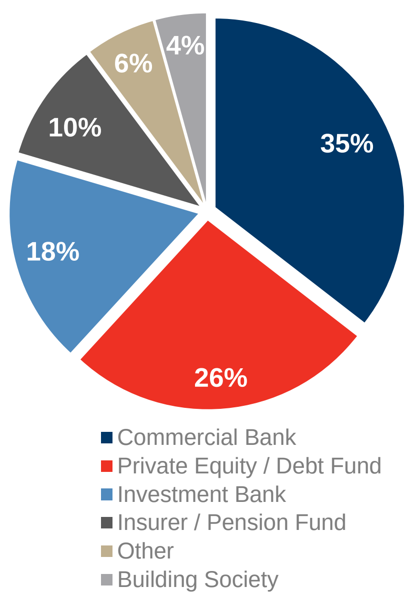
C&W Corporate Finance tracks 186 lenders across Europe, up from 161 in Q1 2014. Encompassing senior, stretch senior/whole loans and mezzanine debt lenders, they represent a broad and diverse lending market.

Commercial and investment banks account for 53% of these lenders, with debt funds and other alternative lenders making up the remainder.

The number of international entrants in the European lending market remains high, with 28% of tracked lenders coming from outside of Europe. UK lenders dominate, making up 38% of our database.

Though non bank lenders continued to play their part in 2014, the trend of falling margins and traditional banks increasingly returning to the lending scene may have resulted in the peak of this diverse landscape. Going forward, alternative lenders may have to vacate the centre ground, focussing on less "vanilla" opportunities in order to offer competitive packages.

TRACKED LENDER TYPE



Source: C&W Corporate Finance

TRACKED LENDING DESTINATIONS

UK and western Europe dominate…

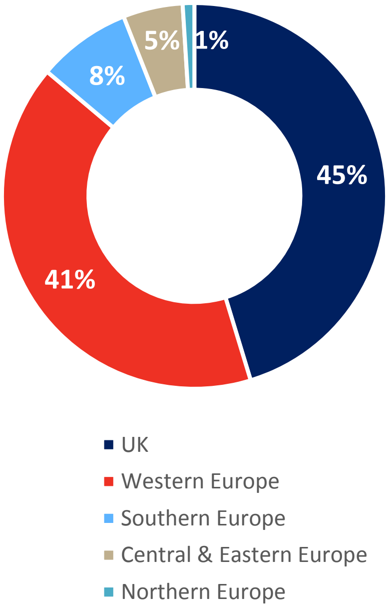
In terms of the location of assets secured by tracked lending, 45% of all recorded origination in 2014 took place in the UK. Germany and France (17% and 9%) were second and third largest destinations respectively, with Spain, Italy, The Netherlands, Poland and Ireland making up the top 8 individual country destinations.

Collectively, the UK and western Europe accounted for 85% of all tracked deals. Though this is clearly a feature of market transparency and deal reporting, it also emphasises the strength of the traditional markets in terms of core lender appetite. Though the UK, France and Germany will remain Europe's top markets in terms of deals, we would expect other western and southern European countries to erode their current market share in 2015.

There was a notable increase in tracked activity across southern Europe in 2014, with Spain, Italy and Greece accounting for nearly 10% of total tracked origination, up from around 5% in 2013. Indeed, tracked lending in these countries was up 80% in 2014 compared to 2013. Margins have fallen consistently in these countries, with opportunistic real estate investment and the subsequent softening of risk perspective promoting borrower demand, albeit most of the reported lending deals remain relationship-led and dominated by larger lot sizes.

Deals in which security was spread across multiple countries also increased in volume according to our tracked lending. Split broadly into three buckets; Western European portfolios, Central and Eastern European portfolios and Nordic portfolios, this lending amounted to 11% of tracked origination. Lenders' increased ability and willingness to lend across borders is the mark of a rejuvenated marketplace.

2014 TRACKED ORIGINATION BY DESTINATION



BUBBLE MAP OF TRACKED ORIGINATION 2014*

*includes countries in which 2014 tracked origination exceeded €150m in total

Source: C&W Corporate Finance

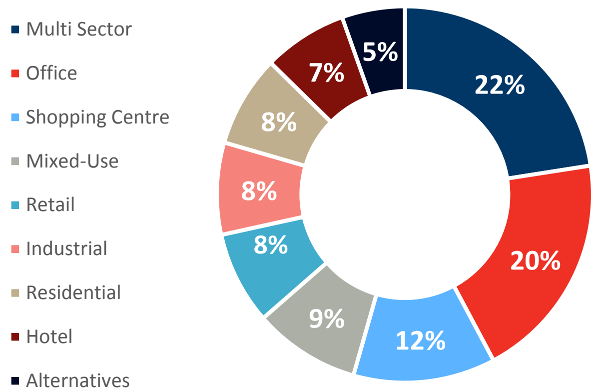
TRACKED SECURED LENDING BY SECTOR

Multi-sector and office lending out in front…

Multi sector transactions, in which security is spread across assets of differing type, were more common than any individual sector by value according to our tracked lending. This is closely followed by transactions secured by offices, which accounted for 20% of all tracked origination. Beyond this, an even split appears across remaining sectors. The healthy representation of alternative and traditionally less-core assets (hotels, mixed-use) is a good sign that lenders' horizons have broadened once again.

The dominance of multi sector lending is indicative of the large portfolios that were acquired or refinanced across Europe in 2014. Though this potentially offers some diversification benefits for real estate debt providers, the complex nature of these deals often rules out the smaller local lenders, with relationship-led lending often dominating these deals through investment banks and alternative lenders.

TRACKED EUROPEAN ORIGINATION BY SECTOR 2014



This sector analysis can be further broken down into the components of overall origination. In terms of new investment and development lending, offices, (25%) multi sector (20%) and shopping centres (13%) make up the top three sectors in terms of secured assets, therefore broadly mirroring the overall picture presented above. For tracked refinancing deals in 2014 however, multi sector has a clear margin (26%) over retail (14%) and shopping centres (13%) in second and third place.

Clearly this picture changes country by country. In the UK and France, the office sector was the most popular according to tracked lending, with Germany and Italy showing multi sector lending in the majority, and Spain and the Netherlands reporting the retail sector as the most popular by value.

SINGLE VS. MULTI ASSET TRACKED LENDING

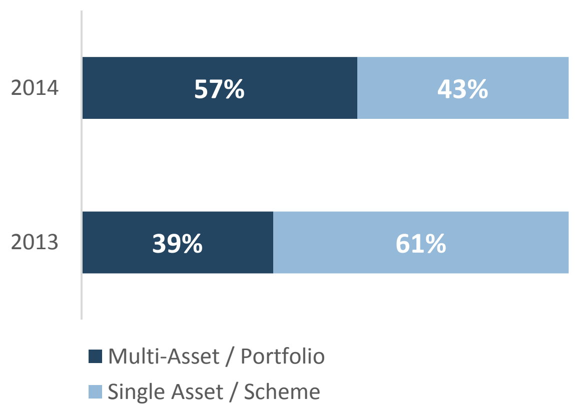
Multi-asset lending on the rise…

C&W Corporate Finance has also analysed the proportion of tracked lending secured by multiple assets/portfolios compared to single asset/scheme lending. By value, 57% of lending across Europe in 2014 was secured by more than one asset, whilst the remainder (43%) was secured by a single asset or scheme. This is a reversal from 2013, where tracked lending indicated that single asset lending was in the majority.

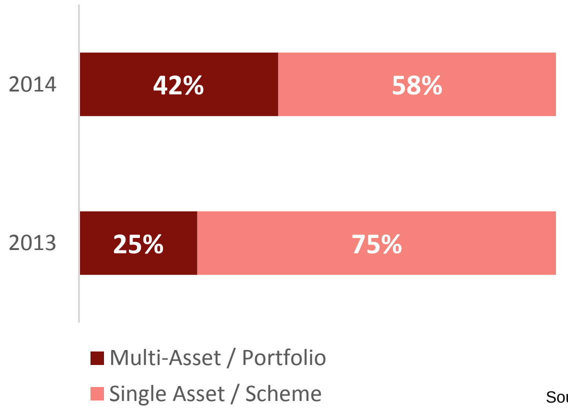
Similarly, looking at the number of deals as opposed to collective value, there was an almost doubling of tracked multi-asset/portfolio lending transactions across Europe in 2014. In terms of number, single asset underwritings were still in the majority in 2014, as perhaps could be expected, but 2014 was the year in which leverage returned to support large-scale portfolio transactions across Europe.

Going forward, we would expect to see an increase in large portfolio lending, particularly as the quantity of lenders prepared to look at well positioned cross-border portfolios increases. Though of course the number of these deals is unlikely to exceed the single asset lending we track, the often bulky nature of the deals is likely to ensure that portfolio lending dominates the value bar-chart in 2015.

TRACKED ORIGINATION TYPE: BY VALUE



TRACKED ORIGINATION TYPE: BY NO. OF TRANSACTIONS



Source: C&W Corporate Finance

TOTAL TRACKED LENDING BY TYPE

Surge in new investment and development lending…

Whilst the focus of this report is on tracked origination (new investment lending, new development lending and refinance), C&W Corporate Finance has also tracked unsecured lending to real estate companies as well as distressed lending, in which the parameters of the transaction are heavily influenced by the borrower or the collateral's distressed financial position.

38% of overall tracked lending across Europe in 2014 was executed to finance new investment / acquisition. The refinancing of existing facilities accounted for 36%. Lending to finance development (or where significant capital expenditure was the primary motivating factor for the loan) accounted for 11% of tracked lending.

This split is somewhat different from the 2013 picture, in which refinancing accounted for 56% of tracked lending. Lagging someway behind, new investment and new development lending together made up 37%. A substantial shift has therefore taken place with lenders actively moving towards new origination on a scale not seen since the crisis.

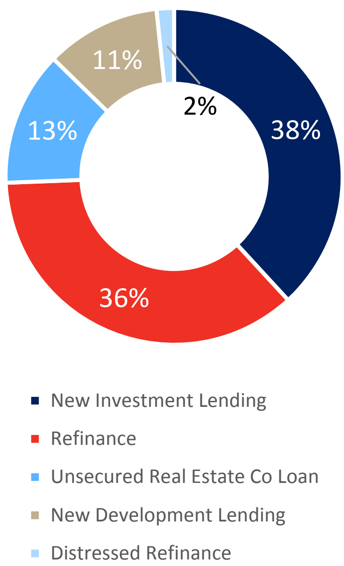
Putting all this together, 2014 witnessed a 123% increase in new investment and development lending, with refinancing activity increasing by only 10%. Collectively, these components account for the 55% increase in origination reported earlier on in this report.

It appears that 2014 has witnessed a resurgence in new origination therefore as lenders and investors alike have responded to improving market conditions across Europe. C&W Corporate Finance would expect this trend to continue into 2015, provided the macro-economic environment continues to hold or improve.

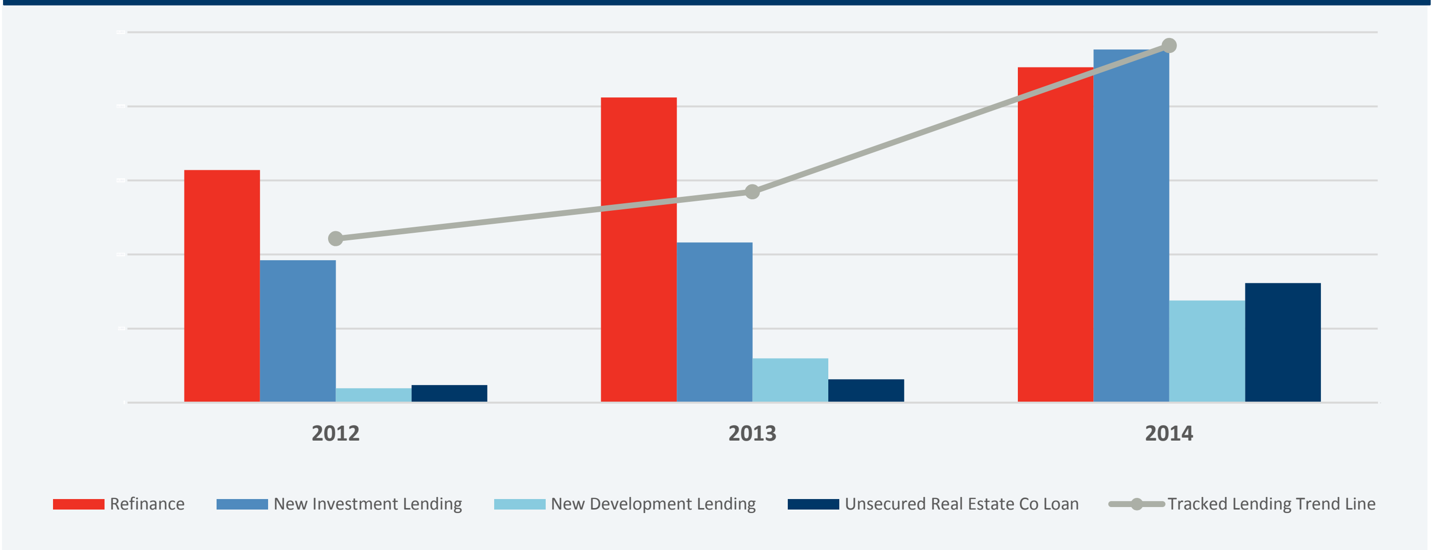
Making the assumption that a significant proportion of loans originated in the pre-crisis lending peak of 2007/08 would have come up for refinancing prior to 2015, we would expect refinancing to continue to lose share in the overall lending picture. The default has shifted and continues to shift towards supporting active investors, owners and developers of commercial real estate.

123% increase in tracked new investment and development lending

2014 TRACKED LENDING BY TYPE



TRACKED LENDING BREAKDOWN – 2012 -2014

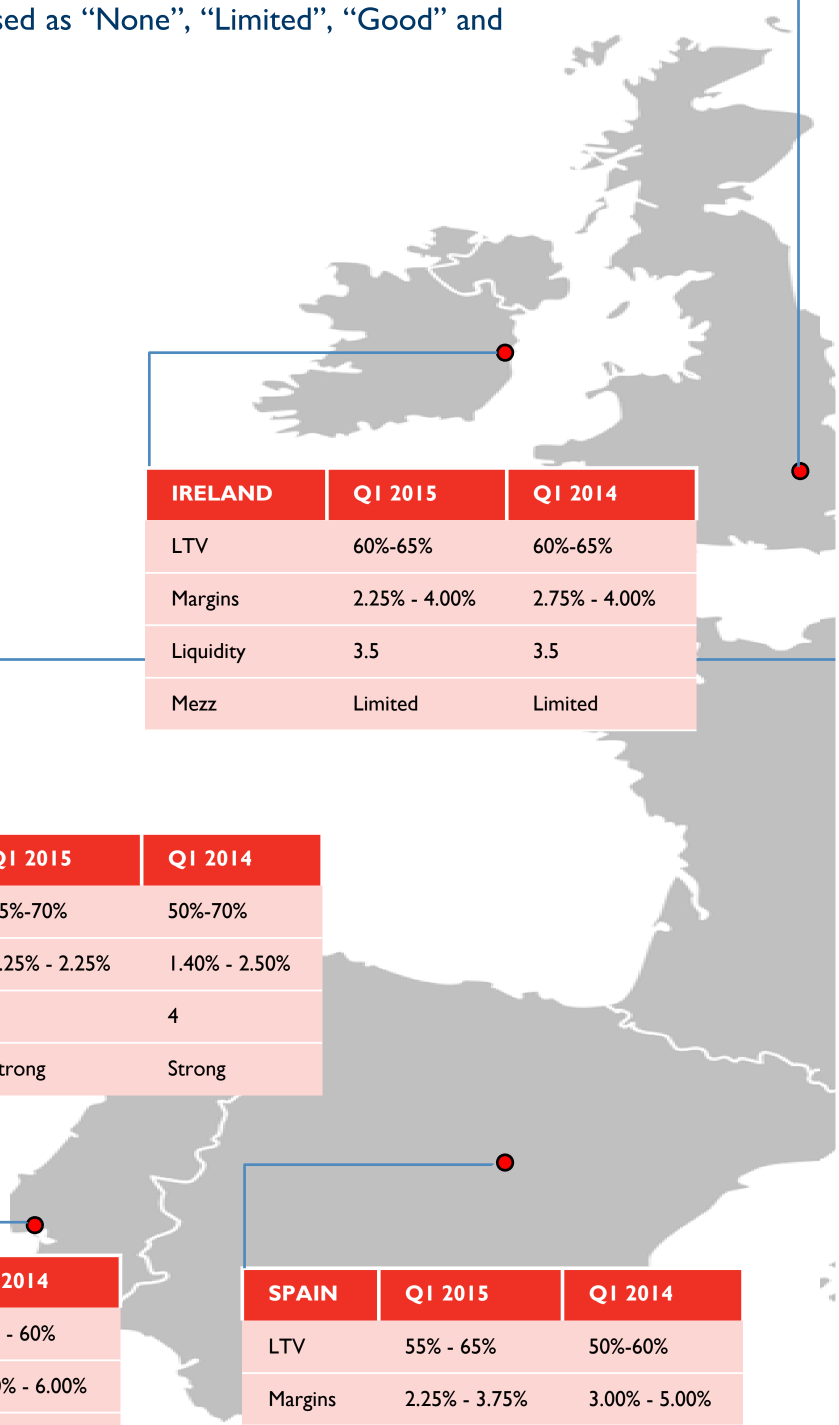


Source: C&W Corporate Finance

EUROPEAN LENDING FUNDAMENTALS

C&W Corporate Finance has compiled an indication of key lending metrics for selected countries across Europe, including LTVs and margins. The market liquidity rating estimates the depth of the lending market, with a scale of improving liquidity from one to five. The availability of mezzanine finance in each country is summarised as "None", "Limited", "Good" and "Strong".

KEY	
LTV	Senior Prime LTV
Margins	Prime Margins
Liquidity	Market Rating (1-5)
Mezz	Availability

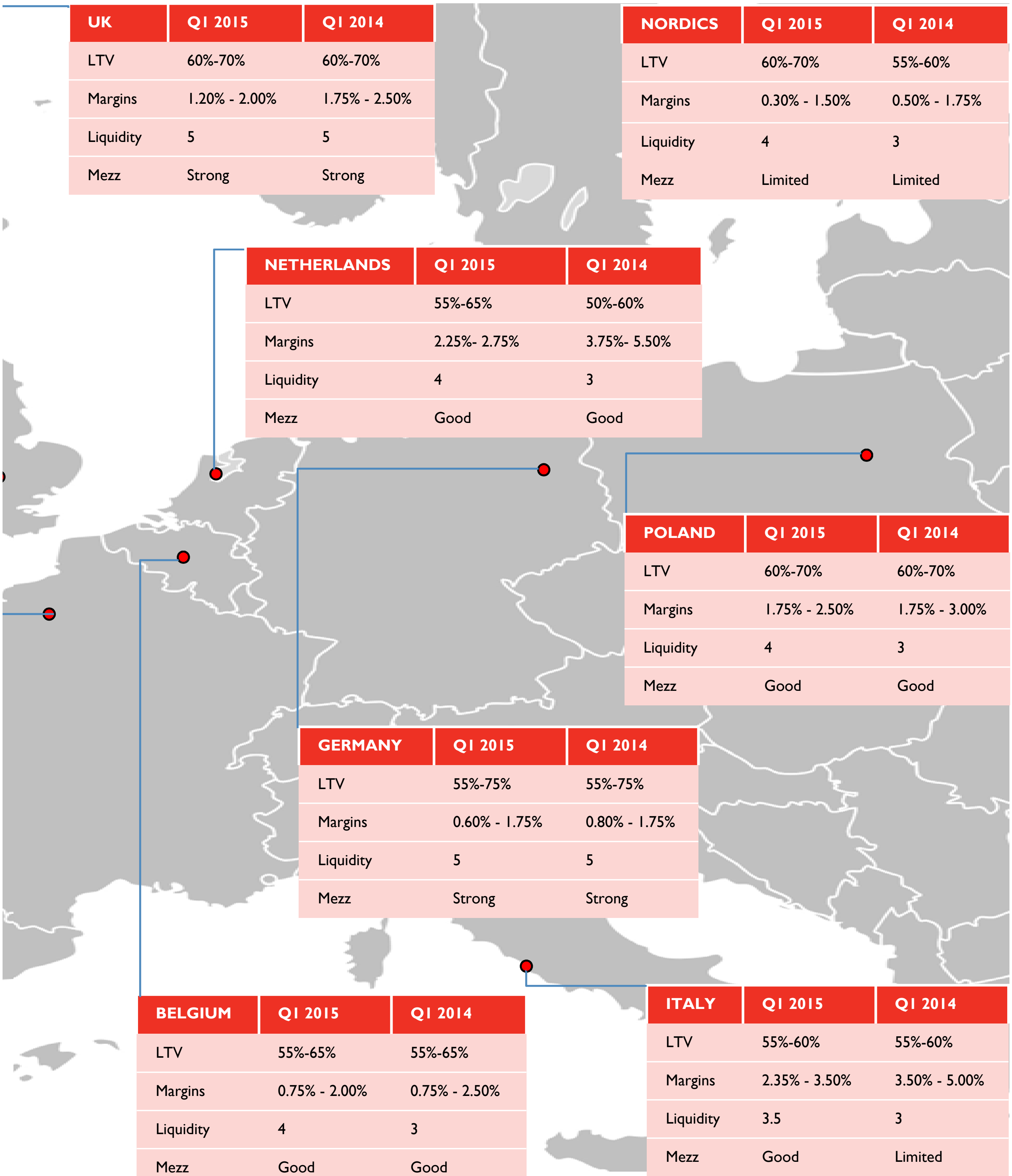


IRELAND	Q1 2015	Q1 2014
LTV	60%-65%	60%-65%
Margins	2.25% - 4.00%	2.75% - 4.00%
Liquidity	3.5	3.5
Mezz	Limited	Limited

FRANCE	Q1 2015	Q1 2014
LTV	55%-70%	50%-70%
Margins	1.25% - 2.25%	1.40% - 2.50%
Liquidity	5	4
Mezz	Strong	Strong

PORTUGAL	Q1 2015	Q1 2014
LTV	50%-65%	40% - 60%
Margins	3.50% - 5.00%	5.00% - 6.00%
Liquidity	3	2.5
Mezz	Limited	None

SPAIN	Q1 2015	Q1 2014
LTV	55% - 65%	50%-60%
Margins	2.25% - 3.75%	3.00% - 5.00%
Liquidity	4	3
Mezz	Limited	Limited



UK	Q1 2015	Q1 2014
LTV	60%-70%	60%-70%
Margins	1.20% - 2.00%	1.75% - 2.50%
Liquidity	5	5
Mezz	Strong	Strong

NORDICS	Q1 2015	Q1 2014
LTV	60%-70%	55%-60%
Margins	0.30% - 1.50%	0.50% - 1.75%
Liquidity	4	3
Mezz	Limited	Limited

NETHERLANDS	Q1 2015	Q1 2014
LTV	55%-65%	50%-60%
Margins	2.25%- 2.75%	3.75%- 5.50%
Liquidity	4	3
Mezz	Good	Good

POLAND	Q1 2015	Q1 2014
LTV	60%-70%	60%-70%
Margins	1.75% - 2.50%	1.75% - 3.00%
Liquidity	4	3
Mezz	Good	Good

GERMANY	Q1 2015	Q1 2014
LTV	55%-75%	55%-75%
Margins	0.60% - 1.75%	0.80% - 1.75%
Liquidity	5	5
Mezz	Strong	Strong

BELGIUM	Q1 2015	Q1 2014
LTV	55%-65%	55%-65%
Margins	0.75% - 2.00%	0.75% - 2.50%
Liquidity	4	3
Mezz	Good	Good

ITALY	Q1 2015	Q1 2014
LTV	55%-60%	55%-60%
Margins	2.35% - 3.50%	3.50% - 5.00%
Liquidity	3.5	3
Mezz	Good	Limited

Source: C&W Corporate Finance
and C&W Capital Markets Teams

EUROPEAN PRICING AND TERMS

LTVs

Core markets stable…

Prime lending now comfortably sits in the 55% - 70% LTV range for most countries across Europe. The core markets of the UK, Germany and France have arguably been stable over the past six to nine months and C&W Corporate Finance does not expect senior loans to be extended beyond the 65% - 70% LTV ceiling. The whole-loan market, in which pricing jumps up significantly, is nevertheless thriving, filling the gap between senior and mezzanine finance. Again, for the right sponsor, securing a 70% - 80% LTV whole loan is achievable in the current market.

Previously cautious markets such as Spain, Italy and the Netherlands have emerged from the post-crisis conservatism of 50% LTV levels and are now prepared to push loans up to and perhaps beyond 60% LTV for the right sponsor and asset. C&W Corporate Finance would expect lender confidence to continue to return in these markets as the underlying investor market (and potentially the economy) pick up.

LTVs for secondary asset lending remains subdued across most markets. C&W Corporate Finance note that lenders in this space will rarely go above 60% LTV. Rather than seeing this improve over the coming months, it is perhaps more likely that secondary lending margins will fall.

“ LTVs for prime lending have stabilised and we do not expect significant movement in 2015. Margins will however respond to ever-increasing levels of competition, especially in the likes of Spain and Italy. Certain lenders may be motivated to vacate this super prime space, seeking instead to deliver higher returns further up the risk curve. ”

Frank Nickel
Chairman
EMEA Corporate Finance

MARGINS

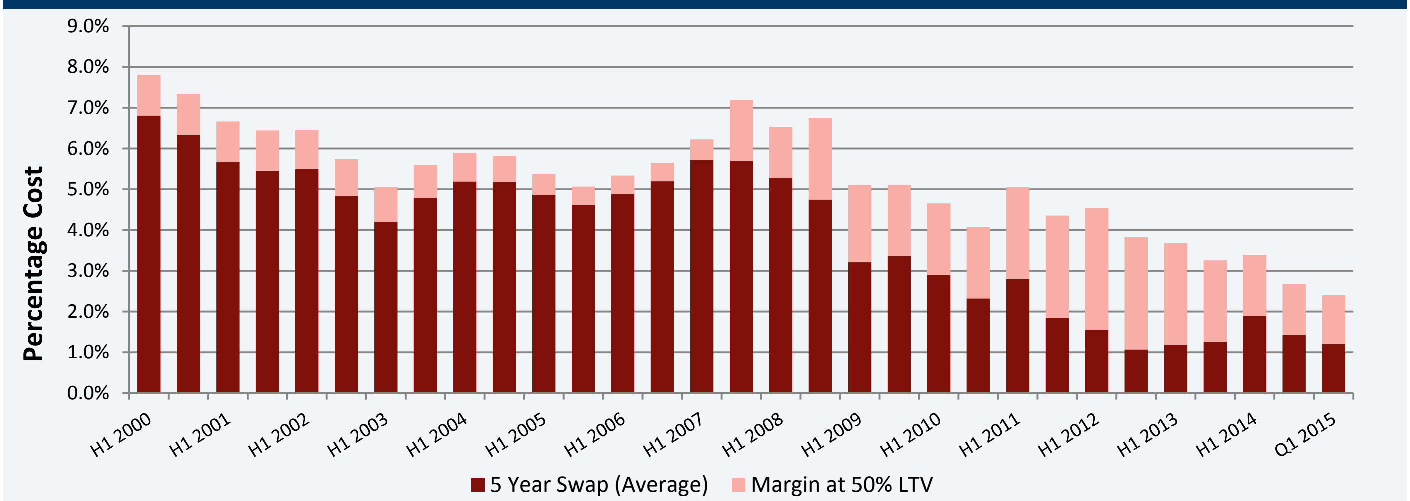
Competition continues to compress margins…

Margins for lending against the best assets to the best sponsors have continued their post-crisis downward trend across all European markets. Margins in Germany have fallen to 0.6%, with margins in France and the UK not far off 1.00%. C&W Corporate Finance has tracked the all-in-cost of five year senior debt for the UK by combining historical prime margins with relevant five year sterling swap rates. As demonstrated below, the all in cost (2.40%) is at a historic low as at Q1 2015, owing to the low five year swap rate (c.1.20%) and the low margin (1.20%.)

The previously more expensive markets of Spain, Italy and the Netherlands have seen prime margins fall to 2.50% or below by the end 2014. The outlook for further compression here looks good as an increasingly number of lenders return/enter these markets. Increased volumes and further pricing reductions can be expected in 2015.

Margins for secondary asset lending can vary immensely across Europe. Lenders are increasingly entering this space, perhaps in a response to a narrowing in the gap between prime and secondary real estate, but also more relevantly as lenders are forced to focus on return levels that shareholders and stakeholders demand. Development financing, including on a speculative basis has been another success story in 2014 and will continue to see increased lender interest in 2015.

UK ALL-IN COST OF SENIOR DEBT



Source: C&W Corporate Finance

EUROPEAN LOAN-ON-LOAN AND LOAN SALES MARKET

SELECTED 2014 LOAN-ON-LOAN TRANSACTIONS

DATE	PROJECT	LOAN VENDOR	BUYER	L-O-L LENDER	LOAN SIZE €m	DETAILS
Mar-14	Rock & Salt	IBRC	Lone Star	Citi; Royal Bank Of Canada; Wells Fargo	€ 2,419	• Margin of c400bps • Wells Fargo committed c£700m
Jun-14	Eagle	NAMA	Cerberus	Nomura; Bawag	€ 940	• Margin of c375bps • c65% LTC
Jun-14	Tower	NAMA	Blackstone	GE Capital Real Estate	€ 770	• Margin low 300bps • 5 year loan
Jan-14	Bravo & Charlie	Lloyds Banking Group	Cerberus	Credit Suisse	€ 675	• Margin in low 300bps • 3 year loan • 65% LTC
Sep-14	Rock	IBRC	Sankaty Advisors; Canyon Capital	Blackstone Mortgage Trust	€ 247	• Margin of 400bps • 57% LTV • 5 year loan
Mar-14	Holly	NAMA	Lone Star	Royal Bank Of Canada	€ 210	• Margin of c400bps • c70% LTC
Jul-14			Cerberus	Pbb Deutsche Pfandbriefbank	€ 72	• Pbb's first loan-on-loan financing

With the wealth of Corporate Real Estate (CRE) loan and Real Estate Owned (REO) transactions taking place across Europe in 2014, the loan-on-loan market is likely to have experienced a record year. Reported deals however remain somewhat limited.

EUROPEAN LOAN SALES MARKET

2014: A staggering year for European loan sales

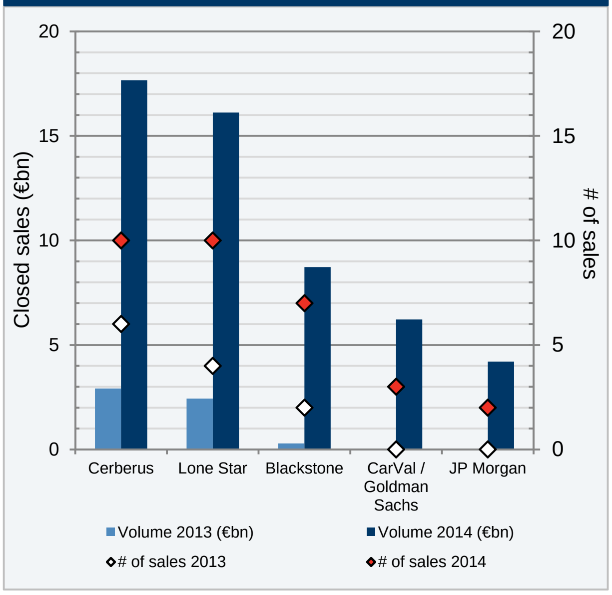
C&W Corporate Finance has recorded, in its Q4 2014 European Real Estate Loan Sales Market report, a staggering €80.6bn of closed European commercial real estate (CRE) and real estate owned transactions in 2014, over double the volume recorded for 2013. A notable extension of this is the rise of the "mega deal" in 2014, with the average deal size consequently increasing to €510m, compared to €346m in 2013.

In terms of geography, the UK and Ireland led the way, together accounting for almost two thirds of the total closed volume in 2014. (€29.8bn and €22.4bn respectively) A notable trend was the emergence of sales in Spain, with volumes almost quadrupling over the year. Deals in Denmark, Austria and Romania, in addition to the established markets, demonstrate the breadth of deleveraging taking place across Europe.

Analysing vendors in 2014, asset management agencies (AMA) were responsible for 41% of completed sales compared to just 17% in 2013. IBRC was the largest single vendor, disposing of €18.7bn, with NAMA in second place with €10.1bn of closed sales.

In a detailed analysis of loan sale purchasers, the report determines that US capital accounted for 77% of European transactions in 2014. The three largest buyers, Cerberus, Lone Star, and Blackstone, account for 70% of all closed European transactions involving Private Equity in 2014. The graph opposite captures the key players in 2014.

TOP 5 CRE LOAN & REO INVESTORS 2014 (€BN)



Source: C&W Corporate Finance

" As recorded in this report with origination volumes, the loan sales market had an extraordinary year in 2014, with both volume and geographic breadth of activity breaking new ground. Activity in southern and eastern Europe is expected to pick up significantly in 2015, with investor appetite, particularly from the US, showing no signs of abating. "

Federico Montero
Partner
EMEA Corporate Finance

Please visit our website or contact a member of the C&W Corporate Finance team to gain access to our latest loan sales report.

50 SELECTED 2014 ORIGINATION TRANSACTIONS

DATE	BORROWER	LENDER	LOAN SIZE (€M)	ASSET	SECTOR	COUNTRY	TYPE	NOTES / COMMENTS
Dec-14	Thor Equities	Heleba	€ 98	Benetton Flagship Store, Paris	Retail	France	New Investment Lending	• 70% LTV senior loan • Heleba expected to syndicate 50%
Dec-14	Deutsche Asset And Wealth Management	LBBW	c.€400	Palais Quartier, Frankfurt	Shopping Centre	Germany	New Investment Lending	• 50-60% LTV • c85bps margin
Dec-14	Orion Capital Managers	Bank Of America Merrill Lynch	€ 120	3 Italian Shopping Centres	Shopping Centre	Italy	New Investment Lending	• Margin <300bps • 60% LTV • BAML likely to syndicate
Dec-14	TIAA Henderson Real Estate	ING Real Estate Finance	€ 85	Serravalle Designer Outlet, Milan	Shopping Centre	Italy	Refinance	• Italy's first and largest designer outlet
Dec-14	Blackstone	ING Real Estate Finance	€ 150	Retail Portfolio Acquisition	Retail	Netherlands	New Investment Lending	• ING's first whole loan since crisis • c70% LTV
Dec-14	Delin Capital Asset Management	ING Real Estate Finance	€ 41	Casablancaweg 8, Amsterdam	Industrial	Netherlands	New Investment Lending	• Margin of c200bps • 55% LTV • 5 year loan
Dec-14	Merlin Properties	Caixa Bank; Santander; BNP Paribas; Credit Agricole; Banco Popular; Société Générale	€ 940	880 Bank Branches	Retail	Spain	Refinance	• Margins range from 250bps to 775bps • 10 year facility
Dec-14	Intu Properties	HSBC	€ 225	Puerto Venecia Centre	Shopping Centre	Spain	New Investment Lending	• c350bps all in cost of debt • Bridge loan which can exchange for a 5 year term • c50% LTV
Dec-14	Kennedy Wilson Europe Real Estate	Aviva Commercial Finance	€ 427	180 Property UK Portfolio	Multi Sector	UK	Distressed Refinance	• 3 tranche senior debt facility • Weighted average margin of 206bps • Defaulted Aviva loans
Dec-14	Brookfield Office Properties	Santander; LBBW; Credit Agricole	€ 339	New Amazon HQ, Liverpool Street / Shoreditch	Office	UK	New Development Lending	• Margin sub 300bps • £105m each from Santander and LBBW • Credit Agricole commits £70m
Dec-14	Helical Bar PLC	Aviva Commercial Finance	€ 98	2 London Offices And 1 Retail Asset in Cardiff	Multi Sector	UK	Refinance	• 10 year loan • 348bps fixed interest rate
Dec-14	Safra Group	ING Real Estate Finance	€ 441	The Gherkin (30 St. Mary's Axe), London	Office	UK	New Investment Lending	• c130bps margin
Nov-14	IGIS Asset Management	Heleba	€ 280	Sanofi's Paris HQ	Office	France	New Investment Lending	• €183m senior loan • €97m mezz facility • Mezz syndicated to Korean debt fund
Nov-14	TIAA Henderson Real Estate	ING Real Estate Finance	€ 125	Islazul Shopping Centre, Madrid	Shopping Centre	Spain	New Investment Lending	• c250-275bps margin • c55% LTV
Nov-14	Great Swiss Stores	Pbb Deutsche Pfandbriefbank	€ 248	53 Swiss Retail Properties	Retail	Switzerland	New Investment Lending	• 53 properties located in all major regions of Switzerland. • Includes a small refurb facility
Nov-14	Blackstone	JP Morgan (Speculation)	€ 665	Mint Hotels Portfolio	Hotel	UK	Refinance	• c250bps margin • c72% LTV
Nov-14	Abu Dhabi Financial Group; Northacre	National Bank Of Abu Dhabi; Private Investors	€ 375	1 Palace Street	Residential	UK	New Development Lending	• Senior financing plus pref equity tranche • Pref equity return of 15%
Nov-14	Blackstone	Citi	€ 139	UK Warehouse Portfolio	Industrial	UK	New Investment Lending	• c250 margin • c75% LTV
Nov-14	M7 Real Estate; Starwood Capital	Bank Of America Merrill Lynch	€ 95	Pan-European Light industrial Assets	Industrial	Western Europe Portfolio	New Investment Lending	• Margin of c325bps • 75% LTV
Oct-14	Kai Yan Holdings	Société Générale	€ 175	Five-Star Marriot Hotel, Champs-Elysées, Paris.	Hotel	France	New Investment Lending	• c56% LTV
Oct-14	Deutsche Wohnen	Berlin Hyp	€ 710	Berlin Residential Portfolio	Residential	Germany	New Investment Lending	• Lender's biggest loan of the year • 6,800 units
Oct-14	Almacantar	Cain Hoy	c.€447	Shell Centre, Southbank	Mixed-Use	UK	New Investment Lending	• One of the UK's largest ever loans on a single asset that will be held entirely on balance sheet.
Oct-14	Braeburn Estates (Canary Wharf Group And Qatari Diar)	Lloyds Banking Group; Barclays; HSBC; Qatari National Bank	c. €544	Shell Centre, Southbank	Residential	UK	New Development Lending	• 877 new homes to be built
Oct-14	Structadene Group	Lloyds Banking Group	€ 254	South East Portfolio	Multi Sector	UK	Refinance	• 170 asset portfolio • c250bps margin • 5 year loan
Sep-14	Pointpark Properties	Československá Obchodní Banka; Komerční Banka; Česká Spořitelna,	€ 380	Czech Logistics Portfolio	Logistics	Czech Republic	New Investment Lending	• <200bps margin • c72% LTV • Banks fought off significant German competition

Source: C&W Corporate Finance

50 SELECTED 2014 ORIGINATION TRANSACTIONS (continued)

DATE	BORROWER	LENDER	LOAN SIZE (€M)	ASSET	SECTOR	COUNTRY	TYPE	NOTES / COMMENTS
Sep-14	NBG Pangea	Cairn Capital	€ 236	77 Assets, Mainly Let To National Bank Of Greece	Multi Sector	Greece	Refinance	• 485bps margin • 50% LTV
Sep-14	Blackstone (Logicor)	Citi	€ 285	23 Asset Portfolio	Industrial	Spain	New Investment Lending	• c71% LTV
Sep-14	KKR	Blackstone Mortgage Trust	€ 72	2 Retail And Leisure Parks	Retail	Spain	Refinance	• Whole loan - 70% LTV • Finances acquisition and capex • 5 year loan
Sep-14	Canary Wharf Group	Lloyds; Wells Fargo; Barclays; HSBC	€ 726	Group's Entire Retail, Leisure And Parking Portfolio	Multi Sector	UK	Refinance	• c150bps margin • c.57% LTV • 5 year loan
Sep-14	Tesco; British Land	Heleba; Handelsbanken	€ 393	Two Retail Parks, Five Shopping Centres And Four Tesco Superstores.	Multi Sector	UK	Refinance	• c150bps margin • 50/50 contribution from each lender
Sep-14	Blackstone	Metlife	€ 241	125 Old Broad Street, London	Office	UK	New Investment Lending	• c150bps margin • c63% LTV
Sep-14	Grosvenor London Office Fund	BNP Paribas; SMBC	€ 243	4 Central London Office Buildings (Fund Refinancing)	Office	UK	Refinance	• c120bps margin • c40% LTV
Sep-14	Kennedy Wilson Europe	RBS	€ 223	Jupiter Portfolio	Multi-Sector	UK	Distressed Refinance	• c190bps margin
Aug-14	TIAA Henderson Real Estate	Pbb Deutsche Pfandbriefbank	€ 55	Parndorf, Designer Outlet	Shopping Centre	Austria	Refinance	• Two tranche loan • c160bps margin
Aug-14	Oaktree Capital Management; Patrizia Immobilien	Barclays	€ 405	3 UK Regional Business Parks	Office	UK	New Investment Lending	• c80% LTV • Borrower sought <150bps margin
Aug-14	Kingdom Hotel Investments; Lloyds	Deutsche Bank; Apollo Global Management	€ 363	The Savoy Hotel, London	Hotel	UK	Refinance	• £200m senior loan from DB • Senior margin <300 bps • Separate £100m mezz loan from Apollo • Mezz return slightly higher than 7%
Jul-14	Codic International	Pbb Deutsche Pfandbriefbank	€ 54	Office Development, Southern Paris	Office	France	New Development Lending	• 3 year loan • €20m syndicated to SCOR
Jul-14	Hines Italia Sgr (Hines And Manfredi Catella)	BNP Paribas; Unicredit; Banca Imi; Société Générale Bank Of America Merrill Lynch	€ 450	Porta Nuova Development	Multi Sector	Italy	Refinance	• 5 year loan • Margin understood to be <250bps
Jun-14	China Life; Qatar Holding; Canary Wharf Group	Barclays;	€ 532	10 Upper Bank Street, Canary Wharf	Office	UK	New Investment Lending	• 55% LTV • c160bps margin
May-14	Jost Hurler Beteiligungs	Pbb Deutsche Pfandbriefbank; Ergo Insurance Group	€ 388	Schwabinger Tor Development, Munich	Mixed Use	Germany	New Development Lending	• pbb :€188m • Ergo: €200m • 20 year facility
May-14	WP Carey	Pbb Deutsche Pfandbriefbank	€ 55	Lipowy Office Park, Warsaw.	Office	Poland	Refinancing	
May-14	Blackstone	Wells Fargo; Metlife	€ 224	Alban Gate, EC2	Office	UK	New Investment Lending	• c150bps margin
Apr-14	Green REIT; Pimco	Bank Of Ireland	€ 150	Central Park Office Portfolio	Office	Ireland	New Investment Lending	• 295bps margin • c.65% LTV
Apr-14	AREIM	Pbb Deutsche Pfandbriefbank	€ 155	Stockholm Office Building	Office	Sweden	New Investment Lending	
Apr-14	Apollo Global Management	Bank Of America Merrill Lynch	€ 314	Project Moon Portfolio	Multi Sector	UK	New Investment Lending	• c65% LTV
Mar-14	Hannover Leasing Group	Aareal Bank	€ 152	Belair Office Complex	Office	Belgium	New Investment Lending	• 10 year loan
Mar-14	ADIA	Heleba; Pbb Deutsche Pfandbriefbank; Allianz Real Estate	€ 350	6-8 Boulevard Haussmann and Le Capitole Business Park, Paris	Mixed Use	France	Refinancing	• c150bps margin • c63% LTV
Mar-14	The Mall Fund	Morgan Stanley	€ 453	6 Shopping Centres	Shopping Centre	UK	Refinancing	• c175bps margin
Mar-14	Hines Union Investments	Dekabank	€ 145	Sixty Holborn, EC1	Office	UK	New Investment Lending	• Margin <150bps
Feb-14	CBRE Global Investors	Natixis; ING Real Estate; Allianz Real Estate; Axa Real Estate	€ 407	12 French Shopping Centres	Shopping Centre	France	Refinancing	• c200bps margin • c63% LTV
Feb-14	HSBC Alternative Investments Limited; Hines	Bank Of Ireland	€ 140	Liffey Valley Shopping Centre	Shopping Centre	Ireland	New Investment Lending	• c375bps margin • c55% LTV
Feb-14	Native Land Grosvenor; Hotel Properties; Amcorp Properties	DBS Bank; OCBC Bank	€ 242	Campden Hill Development, Holland Park	Residential	UK	New Development Lending	• c350bps margin

Source: C&W Corporate Finance

EXPECTATIONS FOR 2015

- C&W Corporate Finance expects both volume and deal flow in 2015 to exceed 2014 levels.
- Though borrowers can draw from a diverse pool of lender types, the levels of competition in the mature European debt markets may see traditional banking lenders start to dominate the prime end of the market once more.
- We expect to record significantly increased deal volumes and quantities across southern European economies such as Spain and Italy in 2015.
- It is expected that portfolio and multi-asset lending will continue to dominate tracked lending by value. Bulky financings, utilising existing relationships, will be more common in 2015 as underlying investment activity continues to pick up.
- New origination (lending to support acquisition/investment and development) will continue to grow in 2015, with refinancing activity expected to lose its share of the overall origination picture.
- LTVs should remain stable across core markets, with some increase in appetite in emerging European countries perhaps to be expected.
- Margins are more likely to see compression however, especially in the likes of Spain and Italy. Core markets will not be exempt from this, though a competitive floor is likely to be reached far sooner than elsewhere in Europe.

About the Report

The research was conducted by C&W Corporate Finance, with support provided by C&W offices and Alliance Partners across Europe. In reporting tracked lending, we are not claiming to have captured the whole market, but instead to have captured key trend through utilising all available public and private data sources. For more information, please contact the C&W Corporate Finance team.

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