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1 PERE, FERGUSON UNVEIL PAY DATA

In what is sure to be one of *PERE*'s most-read stories of the year, readers flocked to compare pay scales across the seniority spectrum and across the US, Europe and Asia-Pacific. *PERE* and global executive search advisory firm Ferguson Partners teamed up to publish the exclusive data.

2 STERNLICHT WINS LIFETIME AWARD

Starwood Capital Group founder Barry Sternlicht reflected on a decades-long winning streak as he received *PERE*'s first Lifetime Achievement Award. The entrepreneur traced his and his firm's success back to the culture he built when founding the firm in 1991. "We just work a lot harder," he said.

3 STEPSTONE CLOSES ON \$700M

StepStone Real Estate held a \$700 million final close on its latest real estate fund, StepStone Real Estate Partners III, in February, beating its \$500 million target. The firm also attracted approximately \$400 million in co-investment capital for its strategy of investing in special situations in the US and Europe.

4 BROOKFIELD'S CORE-PLUS DEAL

Brookfield Asset Management agreed to buy a 7.6 million-square-foot industrial portfolio from TA Realty Associates for over \$600 million. The acquisition marks Brookfield's first major core-plus real estate deal, which is being done through its new open-ended core-plus fund, Brookfield Premier Real Estate Partners.

5 MSREI HOLDS \$1.9BN FIRST CLOSE

Morgan Stanley Real Estate Investing held a first close on \$1.9 billion for its latest opportunistic real estate fund, North Haven Real Estate Fund IX Global. The target for the vehicle has not been disclosed. It is understood that the limited partners in the first close were predominantly existing investors.

DEALS

Related climbs the Ladder

The New York-based firm raised its exposure to the real estate debt space through the purchase of a stake in Ladder Capital. *By Meghan Morris*

The search for dealflow is leading real estate companies to look not just at assets, but also at corporate transactions, as the latest investment from Related Companies shows.

In February, New York-based Related bought \$80 million of stock in Ladder Capital, a debt-focused real estate investment trust, from shareholders.

Ladder, which was founded in 2008 and went public in 2014, originates commercial real estate loans and invests in real estate equity. It originated \$2.1 billion of loans in 2016 and had \$822 million in real estate assets as of



Metz: seeking dealflow through corporate investment

December 31, according to its Q4 earnings report.

Despite Ladder's winning track record – it has never had a loss on any of its loans – the stock market was undervaluing the REIT by Related's calculations. Justin Metz, managing principal of Related's fund group, said Ladder's relatively inexpensive stock, combined with the overall attractiveness of the real estate debt space and the strength of the firm's performance history and management team, made the investment a good fit.

Metz said the two firms complement each other because, while Ladder originates loans as Related's debt platform does, the REIT also has a securitization business.

As part of the deal, Related has a right of first offer for certain horizontal risk retention investments in which Ladder plans to keep its stake. The firm has already used that right to purchase a subordinate interest in a loan secured by a Florida hotel.

"The option gives us the opportunity to see deals we might not otherwise see," Metz said.

David Blatt, chief executive of New York-based investment bank CapStack Partners, compared Related's investment with a March transaction. In that deal, three real estate executives, Anthony Tufariello, the former co-chief investment officer of real estate at Fortress Investment Group, and New York developers Ziel Feldman and Nir Meir invested an undisclosed amount in Allegiant Real Estate Capital, a New York-based debt firm.

"The overarching theme is that real estate as an industry has a tremendous amount of capital committed to it and not a lot of access to dealflow," Blatt said. "Everyone's getting creative any which way they can to achieve yield and access that dealflow. Where you might've seen traditional groups who were participating in that aspect of the space expanding horizontally, like building out a property management company, you're starting to see these groups expand vertically from a capital perspective." □