

Chris Lacey sets up 'bespoke' resi capital markets business

■ Former CBRE executive director says the firm will advise on everything from market intelligence to funding

BY HELEN CRANE

CBRE's former executive director of residential and head of capital markets Chris Lacey has launched his own advisory firm dedicated to residential capital markets.

Lacey worked at CBRE for more than 30 years and established a reputation for brokering high-profile deals in the private rental sector as it evolved into a mainstream asset class.

He left the firm in October 2016 and this week launched Lacey Capital Partners, which will advise investors and developers in the build-to-rent, private rental and residential sectors.

Rather than focusing solely on deals, Lacey said the firm would act as a "trusted partner" and provide strategic advice on the whole process from market intelligence to funding and building an operational brand.

"There isn't an existing bespoke residential capital market business or team in the market," Lacey said. "I



want to create a boutique, high-end, personalised advisory firm.

"It's all about partnership and strategic alliance. Rather than an agency, which is focused on brokering sites and opportunities, we will be part of the inner sanctum and operate on a confidential, trusted basis."

The firm will be based in offices

at 81 Wimpole Street, and up to four members of staff are set to join Lacey in the coming months. It has also launched its new website.

Clients are yet to be announced but are thought to include some of the biggest names in the sector.

Lacey set up CBRE's residential capital markets team in the early 2000s. He worked with Moda Living

and Apache Capital Partners to set up their regional build-to-rent platform, which now has a total GDV across all projects of £1.4bn, and established a residential investment platform for Delancey and major Dutch fund APG as part of the regeneration of Elephant & Castle.

In addition, he helped Swedish housing company Akelius enter the UK market as the first institutional investor into the PRS.

Lacey said that the market had now matured sufficiently and that the conditions were right for his business to flourish. "This market works well for us. There is more equal competition between housebuilders and the PRS, rents and renting are demonstrably sustainable through good and bad markets and there are clearly more renters in the market today," he said.

"I have always been convinced that the PRS will become the biggest property sector: to me it's a no-brainer."

AI Gurg set to splash £400m in South Bank PGIM raises £1bn debt fund

Dubai's AI Gurg Group is in exclusive discussions to buy 2&3 Bankside, on London's South Bank, from M&G Real Estate for just under £400m.

The firm is close to agreeing

terms to buy the office at a yield of around 4.75%.

It fought off competition from three other bidders including Tishman Speyer.

The 370,000 sq ft building

(pictured) is let to Omnicom, which agreed to sublet the space from Royal Bank of Scotland (RBS) in 2014.

Omnicom pays rent of around £45/sq ft on two separate leases, which expire in 2027.

RBS pre-let the building, which was developed by Land Securities in 2007.

The deal would be AI Gurg Group's fourth and largest London acquisition. It made its first buy in 2013 with the £120m purchase of the IBM Building, and also owns 5 Cheapside and The Peak in Victoria.

Cushman & Wakefield is advising M&G Real Estate. JLL is representing AI Gurg,

PGIM Real Estate has raised by far its biggest real estate debt fund to date, securing commitments totalling £1bn for PRECap VI.

The previous co-mingled fund in the PRECap series raised £700m of equity.

The EU referendum failed to dull investor interest as 80% of the capital raised for the fund was secured after the vote.

As with previous funds, PRECap VI will provide a range of financing deals, typically between £10m and £100m, including whole loans, mezzanine loans and preferred equity investments.

However, unlike PGIM's previous co-mingled debt funds,

which were focused on the UK and Germany, the new fund will invest on a pan-European basis.

In addition, PGIM Real Estate has been able to adjust its strategy since the EU referendum. "We have become more income focused," said Andrew Macland, head of UK, Ireland and European debt at PGIM Real Estate.

"We have seen a slight retrenchment from the banks and that has opened up an opportunity for us to go deeper into the capital stack and deliver investments with superior risk-adjusted returns."

So far, the fund has committed £250m of capital across 10 investments.

