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Outlook for Real Estate Finance

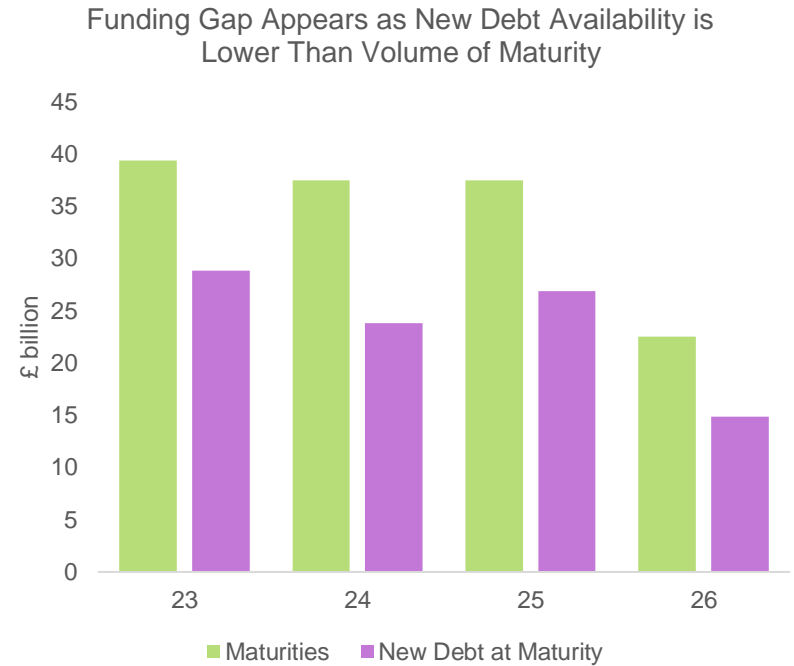
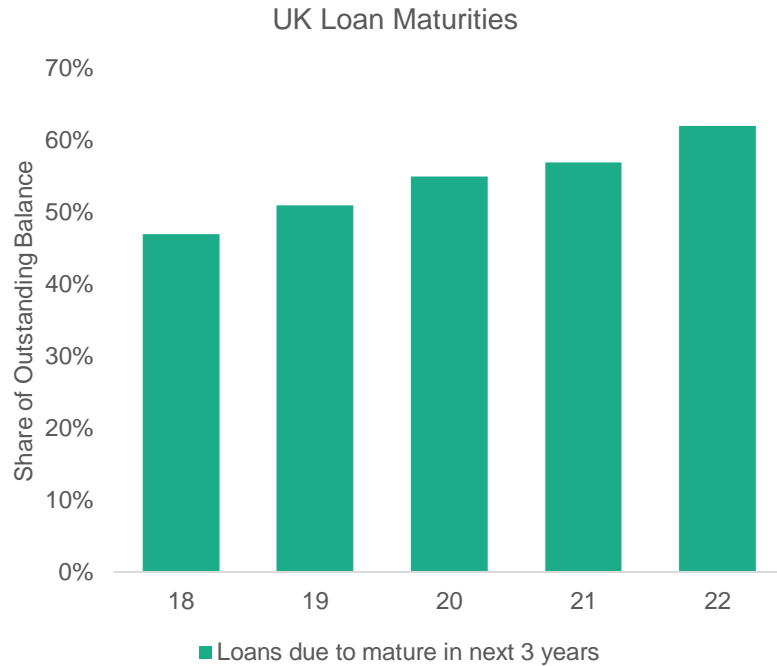
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PGIM Real Estate

REAL ESTATE FINANCE CONFERENCE

20 April 2023, London

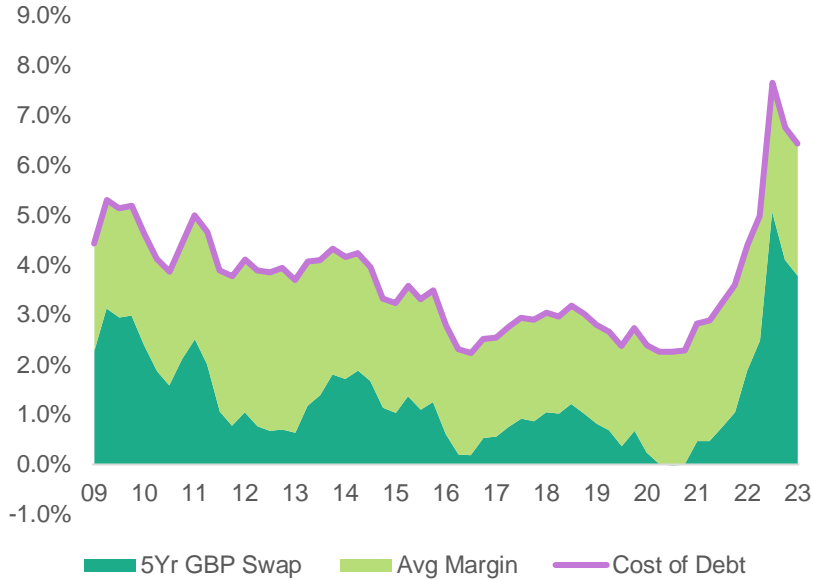


Loan Maturities Face Funding Gap...

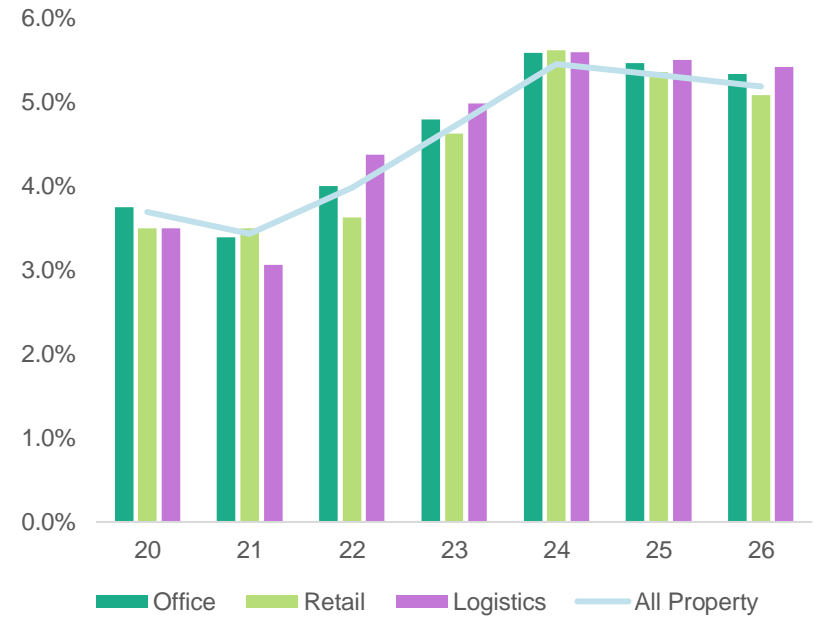


...Amidst Higher Interest Rates and Weaker Growth

UK Prime Office: Higher Swap Rates and Wider Margins Drive Cost of Debt Up

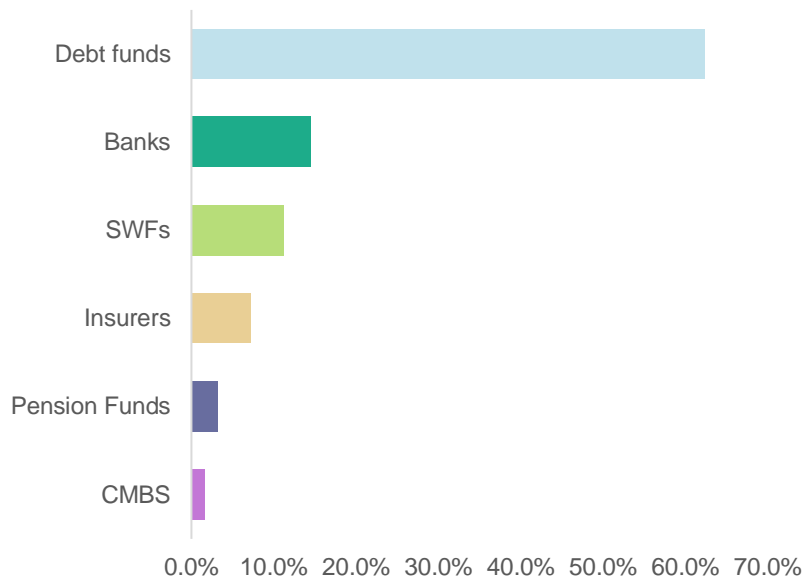


Income Yields Expected to Rise



Lender Appetite Dependent on Capital Source

Debt funds Expected to Demonstrate Greatest Growth in CRE Lending in 2023



	Commercial Banks	Investment Banks	Insurance Companies	Private Debt Funds
Regulatory	Basel framework	Securitisation rules	Solvency II	AIFMD
Economic	Cheap capital Ancillary services	Aim to distribute	Plentiful capital to deploy Long-term liability matching	Investors require higher returns Leverage to enhance returns
Outcome	Low to medium risk Medium ticket size	Higher risk Bigger ticket size	Lower risk / longer tenors Ticket size varies	Higher risk / returns Ticket size varies

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