PGIM’s real estate businesses complete over $35B in transactions worldwide in 2019

NEW YORK, March 2, 2020 – The real estate businesses of PGIM completed over $35 billion in transactions worldwide in 2019. The volume represents a total of 954 transactions and includes $14.8 billion in real estate equity investments and dispositions on behalf of third-party investors, in addition to a record $20.5 billion in real estate financing. PGIM is the $1.3 trillion global investment management business of Prudential Financial, Inc. (NYSE: PRU).

“2019 was a very strong year for us across all facets of our global real estate platform,” said Eric Adler, chairman of PGIM’s real estate businesses. “Our enhanced focus on collaboration across regions and strategies enabled us to optimize the ways in which we serve investors and borrowers to create value on their behalf. We have a tremendous opportunity ahead of us in 2020 to leverage the breadth of our platform to uniquely provide a full spectrum of equity and debt solutions that will help our clients achieve their goals.”

The total transaction volume includes approximately $29.0 billion through 849 transactions in the Americas, composed of $11.0 billion in equity and $18.0 billion in debt; $3.5 billion through 46 European transactions, composed of $1.8 billion in equity and $1.7 billion in debt; and $2.7 billion through 59 transactions across Asia Pacific, composed of $1.9 billion in equity and $805 million in debt.

Real Estate Equity Transaction Highlights

- **Americas:** PGIM Real Estate, in partnership with Bridge Development Partners, launched a $150 million cold storage investment program targeting $400 million in assets across the U.S. The program is fueled by unprecedented demand in the sector.

- **Americas:** In partnership with Tribeca Investment Group and Meadow Partners, PGIM Real Estate acquired Manhattan’s 700,000-square-foot Textile Building and plans to overhaul the 98-year-old property to attract tenants from the local burgeoning technology and finance sectors.

- **Europe:** In Berlin, PGIM Real Estate acquired office tower STREAM, which is under construction and located at the Mercedes-Benz Arena. When finished, the architectural landmark will shape the cityscape and house around 2,500 workspaces.
• **Europe:** PGIM Real Estate established a partnership with French subsidized housing specialist Groupe UNITI, through which the companies will commit nearly €40 million to their new joint venture, UNITI Croissance, to deliver over €200 million of new homes.

• **Asia Pacific:** PGIM Real Estate purchased Riverside Shinagawa Konan, a 10,077-square-meter office building located in the highly sought-after submarket of Higashi-Shinagawa in Shinagawa, Tokyo. The property, which completed a capital improvement program in 2018, is fully occupied by a diverse mix of office tenants.

• **Asia Pacific:** PGIM Real Estate completed $1.4 billion in property dispositions in 2019 across Asia Pacific, capitalizing on positive market conditions and the completion of value-add programs for 10 assets in the region. The sales have positioned the business for continued growth, with the ability to pursue strategic investments across the risk spectrum in 2020.

“Our 2019 acquisitions activity around the world is demonstrative of our ability to identify assets that offer attractive income streams and sources of growth on behalf of our institutional and high-net-worth investors,” said Adler. “At the same time, we’ve capitalized on stabilized assets and ensured downside protection in our portfolios through strategic dispositions globally.”

**Real Estate Debt Transaction Highlights**

PGIM’s real estate debt transactions activity in 2019 was led by $10.5 billion in core lending, driven by multifamily and industrial properties. Across core, core plus and agency lending, multifamily production also surged to a record $11 billion across both conventional and affordable properties, with a record $6.3 billion coming from agency financing. Financing highlights include:

• **Core:** Global industrial production grew to over $3 billion, with regional transactions including: a $450 million financing for a 140-building industrial portfolio spanning the U.S. Sunbelt region, a $129 million acquisition financing for a seven-property industrial portfolio in the United Kingdom, as well as a $25.7 million acquisition financing for a logistics property in Tokyo.

• **Core Plus:** Increased production over $200 million from 2018 to $1.2 billion across 20 transactions, including a $123 million loan to recapitalize a seven-building business park portfolio in Milwaukee, a $78 million refinancing for an eight-property self-storage facility portfolio across Chicago, New Jersey and Philadelphia, as well as a $75 million refinancing for a multifamily property in Houston.

• **Agency:** Ranked as a top 6 Fannie Mae lender and originated over $2.1 billion with Freddie Mac, including a $425 million, eight-property multifamily portfolio loan in Maryland.

• **Agricultural:** Over $1 billion in production across agriculture, timberland and agribusiness groups.

“Our real estate finance business is in growth mode, achieving the highest level of loan production volume in its history in 2019,” said Adler. “Moving into 2020, there’s plenty of capital and opportunity in the marketplace and we expect our momentum to continue. We’re targeting continued growth for our agency lending business, industrial lending, international lending, and core-plus lending.”

PGIM has as much as $20 billion available for real estate financing in 2020.
About PGIM and Prudential Financial, Inc. (PFI)*

PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world¹ with more than $1.3 trillion in assets under management as of Dec. 31, 2019. With offices in 16 countries, PGIM’s businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

PFI’s additional businesses offer a variety of products and services, including life insurance, annuities and retirement-related services. For more information about PFI, please visit news.prudential.com.

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¹Pensions & Investments’ Top Money Managers list, May 27, 2019; based on PFI total worldwide institutional assets under management as of Dec. 31, 2018. Assets under management (AUM) are based on company estimates and are subject to change.

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