

A-Z of Advisors

Evercore

KEY PEOPLE: Swag Ganguly, head of European debt advisory (pictured); Peter Fearnley, managing director

LOCATIONS: UK, Spain and Germany

VOLUME OF DEBT ARRANGED: €25bn since inception across all asset classes



Investment banking firm Evercore is more of a strategist than a straightforward debt broker. “We take a holistic approach,” says debt specialist Swag Ganguly. “We’re here to look at how a client will ultimately make money, therefore we think about the right structure for them using our breadth of product knowledge.”

The group looks at real estate debt in the context of all markets, with the ability to raise money for operating property through leveraged finance, high-yield debt, or asset-backed financing, for example.

“As a team, we have loan market and capital market specialists, derivatives and credit rating specialists,” says Ganguly.

It advises a range of clients, from the likes of Peel Group to small developers looking for mezzanine development finance. For a student housing company, it has just raised 30-year debt through the private placement market and earlier in the year advised Voyage Care on its £300 million bond refinancing. The third of three deals it completed in the first half of this year was the financing of Welcome Break – an operator of motorway services areas backed by property assets – with a £400 million loan in the senior second lien market.

Ganguly emphasises Evercore’s diversity of lender relationships, having done transactions with more than 200 different lenders since inception three years ago. “We are a team that’s focused on infrastructure as well as real estate; a lot of investors invest across both asset classes and we understand the crossover between the two,” he says.

First Growth Real Estate Finance

KEY PEOPLE: Francesca Galante (pictured) and Cyril de Romance, co-founders

LOCATIONS: All of Continental Europe

VOLUME OF DEBT ARRANGED: €1bn in 2016, €5.5bn since 2010 (including restructurings)

First Growth is one of the few independent debt advisory firms operating across continental Europe. “We know and are deeply rooted in our markets,” says co-founder Francesca Galante, pointing to the group’s offices in Paris and London, where it is hiring two senior advisors, as well as Milan.

The boutique investment banking firm structures new debt with a principal mindset for borrowers seeking to raise capital, and restructures debt that hasn’t gone to plan, for both borrowers and lenders.

“We always brainstorm to come up with creative out-of-the-box solutions for our clients as if it was for ourselves,” says Galante. “We add a lot of value where there is a degree of complexity, thanks to our technical acumen.”

Recently, it refinanced prime assets worth €600 million in Paris and Milan for different borrowers. In both cases, it was initially brought on board to assist with refinancing but ended up helping its clients negotiate substantial equity releases with their existing lenders, which had not been possible previously, thanks to interest from third-party lenders. The firm also helped to restructure swaps where necessary.

First Growth has also arranged the €65 million acquisition and development financing of a prime hotel in Rome, structured as a bond issuance. On behalf of a lender client it restructured a €45 million syndicated loan backed by assets located in Naples.

In addition, First Growth continues with its mandate to wind down the former Eurohypo’s remaining Italian real estate loan book, now owned by Commerzbank.



Flatow Advisory Partners

KEY PEOPLE: Curth-C Flatow, founder and managing partner (pictured); Jörg Scheidler, managing director

LOCATION: Berlin-based, mainly covers Germany

VOLUME OF DEBT ARRANGED: €1bn-plus in 2016, €12bn-plus since inception

As one of Germany’s leading real estate debt specialists, Flatow Advisory Partners (FAP) has arranged €12 billion of finance since inception in 2005 – an impressive total that founder Curth-C Flatow attributes to building a network of more than 300 senior lenders and 130 mezzanine lenders.

“In terms of debt advisers, the network is definitely our USP. I’m not aware of anyone else with that broad range of capital providers,” he says.

FAP’s focus is Germany – with some work in the Netherlands and Austria – and the firm’s approach to business is, says Flatow, based on “a structured market screening and analysis process assessing the



deal, creating a tailor-made capital structure”.

Much of FAP’s growth has come from providing an outsourced debt service for institutions such as Corestate Capital, for which it recently arranged a €25 million mezzanine facility for a €150m acquisition of 13 retail properties totalling 68,000 square metres of lettable space.

The next stage of growth will come from a mezzanine debt fund for German investments and developments, which FAP will launch at ExpoReal this year with the aim of raising capital from domestic institutions that are too small to deploy capital directly.

“There is no fund in the market that really matches the risk and return requirements of a pretty difficult German financing market in terms of yield,” adds Flatow. “The deals you could do as a debt fund mezzanine lender in London, Ireland or Spain, these are yields you cannot achieve in Germany because it’s such a liquid market.”