

Cheyne Capital Real Estate Completes Four Senior Loans

- *Alternative asset manager sees increasing pipeline of opportunities for senior loans at defensive loan-to-values due to withdrawal of other lenders*
- *This accompanies strong institutional appetite for exposure to European real estate debt with attractive risk-reward profile*
- *Recent loans span residential, co-living, office and student accommodation assets in the UK and Western Europe*

London, 14 October 2020: Alternative asset manager Cheyne Capital (“Cheyne”) has today announced that its Real Estate group has completed four senior loan transactions representing £232 million of loans on residential, co-living, Grade A office and student accommodation assets in the UK, France and Spain for the latest vintages of its real estate lending programme. Further senior loan investments in the pipeline for Q4 2020 alone exceed £800 million in value and predominantly span the group’s key jurisdictions of the UK, France and Germany.

These transactions continue Cheyne’s programme of lending, mainly via senior loans, on value-add, transitional and development assets, in line with the firm’s preference for lending on assets whose value should increase over the life of the loan. The further withdrawal of other lenders, and the lack of governmental support for European commercial real estate lending in the current crisis, provide Cheyne with a large pipeline of opportunities for both senior loans at defensive loan-to-values (LTVs) and also recapitalisation finance for borrowers in need of capital to address pressures from incumbent lenders.

Cheyne’s Real Estate lending programme (CRECH) launched in 2011 to help fill the gap in financing left by the withdrawal of traditional providers, mainly due to regulatory constraints. Over this period, the Cheyne Real Estate team has committed £4.6 billion (\$6 billion) of capital across 98 private credit investments in 8 countries.

Stuart Fiertz, Co-Founder & President of Cheyne Capital said, “At Cheyne, we have always sought to uncover attractive investment opportunities presented by dislocations and to identify the best ways of delivering their value to investors. As increasing numbers of investors seek access to uncrowded, specialist private credit exposure, European real estate debt today offers a defensive asset class, outsized risk return profile and a longevity of investment thesis. While the unprecedented depth of fiscal and monetary stimulus measures introduced in response to the COVID-19 crisis has closed the dislocations elsewhere in credit and equity markets, we continue to see persistent, and scalable, opportunities in this sector.”

Ravi Stickney, Managing Partner and CIO of Cheyne Real Estate commented, “COVID-19 has accelerated a multitude of irreversible trends in the way we live and work and there will be a long-term shift in the way real estate assets are used and valued. The nimble sponsors we work with are quickly adapting their strategies with transaction demand increasing significantly in the last few months. Whilst the investment case for real estate in the post 2020 world is strong, unfortunately COVID-19 has significantly impaired the availability of sophisticated, innovative capital to fund these much-needed investments. With the support of our investors, Cheyne Real Estate is well placed to provide that capital for the long term, as it has done since the inception of this business over 11 years ago.”

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About Cheyne Capital

Founded in 2000, Cheyne Capital is a London-based alternative investment fund manager. Cheyne is known for its innovative approach and has been early and successful at delivering value to investors from important dislocations in the market place. With an investment philosophy grounded in rigorous fundamental analysis, the firm's areas of expertise are Real Estate Debt, Impact Real Estate, Investment-Grade Credit, Strategic Value Credit and Equity-Linked investing.

In real estate specifically, Cheyne has provided financing solutions since 2009 and now manages £3 billion (\$3.9 billion) of assets across direct real estate lending and securitised real estate debt in Europe, as well as equity investments in UK affordable housing and German multi-family assets. Within real estate credit, Cheyne seeks to provide specialised non-bank loans to borrowers in select European markets, with a flexible approach that enables it to invest into all parts of the capital structure. The group has a strong track record in origination, structuring, execution, realisations and workouts, having committed £4.6 billion (\$6 billion) of capital across 98 private credit deals since the inception of CRECH, the firm's direct real estate lending programme in 2011.