

BCO 2012: Barclays - banks can't fill the property funding gap

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Banks alone will not be able to fill the current property funding gap admitted Gregor Bamert, UK head of real estate at Barclays Corporate at the BCO Conference this afternoon.

Property lenders will have to look to opportunity funds and insurance companies, alongside banks to find solutions, he said.

“Additional relationships are needed. The funding gap is larger than any group of banks are able to address in short term.

“That’s why pension funds and opportunistic real estate debt providers coming in.”

However, Bamert said that banks would still play a major part in funding property investment in the future, often alongside new entrants in club deals.

He went on to encourage early engagement by parties involved in distressed situations.

“If one of the three parties [lender, owner and occupier] comes under pressure then we can come in to a negative spiral. If the landlord does not have enough money to maintain a building, tenants leave and value is being destroyed. Action has to be taken quickly,” he said.

Bamert was speaking at a plenary session at the conference in Manchester called “The Only Way Is Ethics, landlords, tenants and bankers”.