

DRC beats target with £487m fundraise

Published: **15 May 2014**

By: **Oliver Smiddy**

The London-headquartered firm, founded by a trio of former Duet Private Equity professionals, raised significantly more than its £300m maiden vehicle.

Real estate debt specialist DRC Capital has closed its second European fund on more than £487 million (€596 million; \$818 million), significantly beyond its target.

DRC comfortably surpassed its £400 million goal for the fund, called European Real Estate Debt Fund II (ERED II).

The firm launched the fundraising for ERED II in the second quarter of 2012, held a first close in the fourth quarter of that year, and a second close in Q2 last year.

It raised capital from a diverse range of investors in Europe and North America, including a number of new LPs. Evercore acted as placement agent for the fundraising.

The fund will continue to pursue the strategy of DRC's maiden vehicle, ERED I, which raised £300 million in 2011. It will acquire existing debt and originate new loans secured against all types of commercial real estate in Europe.

Recent investments include those in offices, hotels and retail outlets in Western and Northern Europe, the firm said. To date, the firm has advised on the provision and arrangement of more than £650 million of financings and made 22 investments.

DRC managing partner Dale Lattanzio said in the statement: "We are very pleased with the broad market reception for ERED II. It is an exciting time in the evolution of the commercial real estate debt investment sector in Europe and we are focused on capturing the investment opportunity on behalf our investors."

Lattanzio was formerly managing director of Duet Private Equity until he founded DRC in 2012 alongside

Duet colleagues Rob Clayton and Cyrus Korat.

ERED I is fully invested, having made 15 investments. The DRC team also provided advisory services to Duet Real Estate Finance, an LSE-listed investment company which is invested in ERED I.