

UK's DRC Capital closes £487m debt fund

London based DRC Capital has raised £487m for its second European debt fund, beating its initial target of £400m by tapping institutions across Europe and North America looking for high-yielding deals.

The firm's latest European Real Estate Debt Fund follows a £300m vehicle raised in 2011 which targeted gross IRRs of 15%, and a net cash income of over 7%. DRC's loans and investments include a £80m mezzanine loan to Blackstone to back its acquisition of Mint Hotels, a €27m senior loan to Victory Advisors for a Netherlands portfolio and a €37.5m mezzanine loan to Evans Randall to back refinancing of Königsbau Passagen mall in Stuttgart.

"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," said DRC Managing Partner Dale Lattanzio. Established in 2008, DRC has made 22 investments totalling over £650m, 16 on behalf of its first fund. DRC launched a listed real estate vehicle on the London Stock Exchange in 2011. pie



DRC Capital, which just raised £487m for its second European debt fund, also granted a €37.5m mezzanine loan to Evans Randall to back refinancing of Königsbau Passagen mall (pictured) in Stuttgart.