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NEWS & ANALYSIS

Barings taps Eudicone to fuel real estate platform growth

The Charlotte-based manager has expanded his focus from US to global client portfolio management.

Barings is making moves to further evolve its real estate investment management business, this week naming Gregory Eudicone – its former head of client portfolio management for US real estate – to a new role as head of global real estate client portfolio management, PERE Credit has exclusively learned.

With Eudicone's geographic focus expanding from the US to the global market, the firm is looking to tap into more opportunities stateside and abroad – including Europe, APAC and Australia.

“The focus for Barings is growth,” Eudicone said, adding that the firm plans to bulk its investment, distribution and origination capabilities across debt and equity lines, including in US, Europe and other global markets.

Eudicone told PERE Credit the firm is further integrating how Barings faces off with global investors not only in real estate debt or equity, but across the manager's credit assets and strategies. “We are increasingly seeing cross-investment, cross-platform, cross-geography discussions and we want to make sure we are facing off to our investors in a consultative manner,” he said.

His appointment to the newly created role arrives ahead of his ninth year of tenure at Barings. Prior to heading up global real estate client portfolio management, Eudicone oversaw a US-focused iteration of the team from



February 2020 onward. He has worked in the real estate industry for 17 years, including prior roles at Mitsubishi Corporation Asset Management, Forum Partners and Fitch Ratings.

More on the plate

“We strive to provide diversified investment solutions to our partners across the spectrum of asset classes, risk types and investment vehicles, including strategic partnerships,” Eudicone said.

The firm also has perpetual capital on hand atop its fund offerings when lining up investor capital with relevant opportunities – including multi-strategy accounts for exposure to corporate and

real asset credit among other siloes.

At present, Eudicone said the firm is seeing an emerging opportunity in real estate equity markets such as the US and Europe, where the firm has been active in the value-add equity space as it has generally regained momentum. In Australia, the firm has been active in the industrial sector and has been selectively buying Class A office assets. Elevated interest rates in the US market – even with a rate cut in the books and more potentially to come – have also kept real estate credit highly relevant for the global asset manager.

As Barings is evolving its real estate credit business with a global focus in mind, Eudicone said the firm is finding the asset class sits in a credit bucket separate from real estate equity investments which take shape up more as property ownership plays.

“In an interesting way, I have found European, Asia-Pacific and Middle Eastern investors were early to split real estate debt and equity, whereas some US investors might still keep real estate debt within their real estate equity allocation. But I think more and more real estate credit will be in a credit bucket,” Eudicone said. In 2023, as an example, he noted the firm raised approximately \$1.75 billion in commitments for various real estate credit strategies across vehicles and about 60 percent of those commitments were from an investors' credit bucket.

Growth beyond business lines

With Eudicone's appointment, Barings is also looking to bolster its teams globally to match its growth ambitions. He said the firm is seeking to build out more presence in Asia, especially following the acquisition of Altis Property Partners in 2022, which has now rebranded to Barings Australia.

"We have always had a presence from the institutional investor side, but now we are getting deeper into local property markets and layering in real estate credit within Australia as well," he noted.

Barings will also look to add individuals in either Hong Kong or Singapore to enhance how it works with institutional partners in both geographies. Eudicone said he is spending increasing time overseas in the Middle East, Asia-Pacific and Australia where the manager needs

to be able to show up for the sovereign wealth funds and superannuation plans.

"You are not going to show up with a commingled fund off the shelf," he said. "You need to be able to have those deeper level 'fund of one' venture, separately managed account conversations."

For Barings, those conversations lead to more potential real estate credit allocation opportunities where the firm can match its credit origination capabilities to investor appetite through separate accounts, joint ventures, commingled funds and direct co-investments.

On a broader credit basis, the manager is also able to look across the spectrum of credit opportunities for a more blended allocation approach, Eudicone explained.

"We are having these robust conversations across private and public

credit – real assets and capital solutions – and then we want to fine tune that discussion a little bit further around: 'What is your risk appetite?', 'How do we solve for what you might be lacking?', or 'Have you thought about layering in infrastructure debt or alongside real estate debt or private credit?'"

Barings is splitting those investor conversations to filter between pension fund clientele and insurance company clientele. The firm recently solidified this by splitting its US sales force between the two investor categories. "Insurance clients have different needs in terms of accounting treatment for their private investments," Eudicone said. "We want to meet them there in a unique way, because we know what it takes to run money for an insurer."