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# KEYNOTE INTERVIEW

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## Dependability becomes the differentiator



*In a landscape defined by unprecedented geopolitical volatility, dependability has become the ultimate currency in real estate finance, says BGO's Jim Blakemore*

As geopolitical shifts, market volatility and banking retrenchment reshape European real estate finance, dependability has become an increasingly valuable attribute for lenders.

Jim Blakemore, global head of real estate debt at BGO, reflects on navigating a volatile 2025, in which the growing role of alternative lenders, particularly those with cross-cycle experience, has been crucial in supporting borrowers through changing conditions.

Drawing on decades of lending history and a broad European platform, Blakemore discusses BGO's lending activity across sectors and geographies, how it is supporting borrowers through

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evolving business plans, and how it is positioning itself for the opportunities emerging in 2026 and beyond, as real estate markets stabilise and a wider range of asset classes becomes investible again.

### **Q How were lending market conditions in 2025?**

In general, pretty fair. We felt that the market was busy early on, and then it slowed down quite a bit as people got their heads around the tariff issues. After that, we had a very busy fourth

quarter. So, it was busy, then slow, and then very busy – that's how we experienced it.

We had a pretty healthy mix of refinancings and acquisition loans. We completed a number of refinancings where borrowers came forward with different business plans and made new commitments to their projects. As usual, we also completed quite a few acquisition loans.

Regarding lending terms, things bounced around, but I'd say terms are probably a little bit tighter overall. And the more you moved towards cashflowing, less risky parts of the real estate debt spectrum, the more spreads compressed.

**Q BGO was awarded Mid-Market Lender of the Year. What drove your success in that segment of the market last year?**

European real estate credit is getting more popular and is drawing some new entrants. We have one of the larger teams in Europe, with a diverse mix of British, American and a significant number of European professionals, which is probably different from some of our peers and competitors.

We benefit from this team, and if you look at the members of our team, many of them have been active lenders in Europe for 20 or 25 years. Likewise, with BGO, we've been lending in private credit for 13 years now. Borrowers are looking for someone dependable; people they know and people they've borrowed from in the past. We've done a good job maintaining that relationship with those borrowers, and new borrowers see what we do and come to us. It's a virtuous circle, which is nice.

**Q How did the role of alternative lenders in the European mid-market change last year?**

Certainly, in the last 80 years, we've never been in a world of such unprecedented geopolitical change. These factors impact broader society, the relationships between countries, individuals and real estate investors. It takes a lot to be a thoughtful and dependable lender in times like this.

There are times when some of our peers are apprehensive, or if they rely on back leverage, borrowers won't get their deals done because the back leverage providers won't change the terms. We've found that being a lender that has been around through many different crises, with a deep understanding of the broader property and capital markets, has helped us. It's harder to lend with conviction if you don't have that experience and that bigger footprint.

We're seeing that the trend of alternative lenders gaining market

share from banks is continuing. In fact, we saw growth in our European loan book last year. We're excited that we're deploying record amounts of capital in a market that's still subdued.

**Q Which sectors and geographies were most attractive?**

There's this film, *Everything Everywhere All at Once* – sometimes it feels like that a little bit. We're lending across all of Europe. We've done some lending in Germany, and we think that market will become more attractive. Germany is heavily impacted by potential tariffs, energy issues and immigration. This is a chance for foreign equity investors to purchase in Germany. That didn't happen so much in 2025, but we expect that trend to accelerate in 2026 and 2027. So, we're looking forward to supporting these investors. Likewise, we're backing some German-specific sponsors in buying and financing assets.

In terms of asset classes, we did a wide variety: beds, retail, sheds, some data centres, and living. We also did some residential for sale, which we hadn't done in a number of years.

**Q What are the main challenges and opportunities for European real estate markets in 2026?**

We're in a world where volatility has the potential to be extreme. One of the challenges is that you have lenders that haven't been through cycles and haven't really seen what can go wrong. We're mindful that we're lending in a world where anything is conceivable. Change is going to be a constant, and change is accelerating.

On one hand, that's exciting. But in moments of change, some lenders panic and borrowers don't like that. Borrowers expect you to be there on day one, at the closing table and through the life of the loan. Especially in times of change, business plans evolve and borrowers want to work with lenders that can understand the

*“Asset classes that had been no-go zones for quite some time have become investible again”*

proposed change and support them until the loan is repaid. That's a real strength at BGO.

We're entering a market where asset classes that had been no-go zones for quite some time have become investible again. That's exciting. After years of the equity markets focusing quite a bit on residential and logistics, today we're in a market where retail is now more investible and office is no longer a word you can't say. We believe 2026, 2027 and 2028 should offer interesting opportunities for real estate equity investors, and we expect to support them in acquiring, repositioning, and renovating assets. We're bullish on real estate globally, the equity story, and specifically Europe, looks very exciting. ■