

Full Speed Ahead: It's Been a Fast-Paced Year for Nonbanks

2024 was the year private credit both expanded and evolved in commercial real estate.

BY [BRIAN PASCUS](#) APRIL 29, 2025 10:22 AM



ILLUSTRATION BY MARTINA PELLECHIA

While the rise of alternative lenders and debt funds has created buzz around a relatively new side of finance, the industry of private credit really came into its own over the last 12 months.

And its activities can be seen all over the Power Finance list.

As billions of dollars of commercial real estate assets struggled to be refinanced at maturity, and dozens of construction projects cried out for bridge and senior financing to either get off the ground or sprint across the finish line, private credit emerged in 2024 as a flexible, and dependable, source of capital.

“It’s been an incredible positive for the industry, and the amount of liquidity that’s come in, on the credit side, is staggering, and it’s clearly coming from the debt funds,” [said Tom Traynor](#), vice chairman and co-head of large loans at [CBRE \(CBRE\)](#).

The numbers don’t lie. Between 2013 and 2023, U.S. private credit — corporate and real estate loans originated by private, nonbank lenders — grew from \$141 billion to \$853 billion, according to the financial data provider Preqin. The number now stands at \$1.7 trillion, and BlackRock predicts that the global private credit market will double over the next five years and reach \$3.5 trillion by 2030.

Private credit used to be limited to a few, select opportunity funds financing mezzanine pieces, but today this industry finances the full spectrum of commercial real estate assets and deals in highly complex loan packages.

Moreover, alternative lenders believe they can offer their borrowers services that banks either can’t do or won’t provide, particularly

speed of execution and the ability to take over stalled projects and foreclosures due to their vertically integrated structure.

“There’s a whole slew of borrowers for whom bank financing just doesn’t make sense. There’s not enough proceeds, and they can’t go high enough in leverage,” [explained](#). Marcello Cricco-Lizza, principal of global commercial real estate at Balbec Capital. “Whereas, we can add higher leverage on our loans, and have the sophistication to take over those properties and work them out that banks don’t have.”

And, while commercial banks still dominate the global credit space, many traditional lenders have decided it’s wiser to join up with the debt funds rather than to simply fight them for clients. This has created an entire industry of “lender financing,” where banks lend to debt funds to get their hands on the biggest CRE deals out there.

Through warehouse-type facilities and repurchase structures (repos) — which include note-on-note finances, joint venture uni-trench loans, and single-asset repos — the banks have been able to originate safer CRE loans that receive better capital treatment and that place balance sheet risk in the hands of safer sponsors.

Scott Rechler, chairman of RXR, [argued](#) that banks like to be lenders to nonbanks due to the favorable credit treatment and the better collateral, as well as the fact that whole loans provided to the funds are often broken up to disentangle risk — which is also easier for borrowers to live with.

“What we’re finding is an interesting simpatico, where everyone is finding their home and it works for all pieces,” said Rechler.