

COMMERCIAL OBSERVER

JUNE 2, 2026

REAL ESTATE

Bryan McDonnell, PGIM's Head of Real Estate Credit Strategies Notches Big Numbers

His team last year originated \$17.6 billion across 476 loans—
but you won't hear him bragging

BY ZOE ROSENBERG

Bryan McDonnell wants you to stop thinking about PGIM as a life insurance company in the financing space, please. It is, in fact, one of the largest real estate asset managers in the world, thank you.

This is, after all, his legacy at PGIM we're talking about.

McDonnell, a charismatic 47-year-old who has been compared to Apple TV's Ted Lasso in his demeanor, spoke to Commercial Observer in late May from his office in Arlington, Va. He leads the firm's real estate credit strategies, which includes a broad range of investment capabilities, from senior lending to growing its structured finance capability, as well as the firm's agency lending business.

McDonnell oversees PGIM's global real estate debt origination team, with the firm originating \$17.6 billion globally last year across 476 loans. As one of the world's largest non-bank lenders, PGIM had \$217 billion in assets under management (AUM) globally as of late March, including 6,100 properties owned and financed and \$135 billion in debt AUM. It is, by any measure, a sprawling portfolio, and one that has required a shift in tax-



ILLUSTRATION: COMMERCIAL OBSERVER

Bryan McDonnell

onomy over McDonnell's tenure in his current role.

"PGIM came out of a life insurance company," McDonnell said. "We are not that any longer."

It has been McDonnell's core mission in his role, which he's held for six years, to transition PGIM from merely receiving and investing capital from PGIM's parent company,

Prudential Financial, in addition to the agencies, to raising and attracting outside capital while offering a solutions-oriented mindset for its investors. Over the past decade, PGIM has raised \$21.6 billion in third-party investor capital across its real estate debt strategies globally. What PGIM is now, McDonnell said, is one of the most holistic non-bank lenders in the market.

"That's been our challenge over the last five to seven years — diversifying away from an insurance-led manager, where we lend on behalf of our parent, to someone who raises third-party capital and institutional funds," he said.

Chris Wallace, managing partner of M3 Investment Group, said he's observed PGIM's transformation over their firms' nearly 25-year relationship, and he gives particular credit to McDonnell for helping to maintain PGIM's culture even as it has broadened its horizons.

"He came in and made it more of an investment management business ... but he did it in a way where he didn't lose the cultural soul of PGIM," Wallace said. "They've always been super focused on being straightforward and what they can and can't do. They're

very partner- and relationship-oriented, and not all investment managers in the credit space and real estate are like that.”

It all amounts to a company that can “solution a little bit more creatively” than bank lenders for their clients, McDonnell said. PGIM offers its investors products such as bond-like fixed-income alternatives and higher-yielding credit solutions. For the latter, McDonnell said, they see capital flowing primarily from domestic sources as well as those from Canada, South Korea and Japan, “but we’re starting to see more and more geographies turn to credit as a compelling opportunity in this market.”

As higher interest rates, lower property valuations and global uncertainty reshape real estate, institutional investors from around the world are increasingly turning to private real estate credit because it offers stronger yields, steadier income and more downside protection than owning properties outright.

“So my travel schedule is getting less fun,” McDonnell quipped, with upcoming stops in New York City and Japan.

The ‘two-year’ rotation turned two decades

In his 20 years with PGIM, McDonnell has moved around departments, and around the globe.

Before landing in Arlington, he worked in the company’s offices in London, Chicago, Boston, Atlanta and New York, navigating the Global Financial Crisis as well as building out the firm’s European senior debt business and helping PGIM become one of the most comprehensive non-bank lenders in Europe.

Before landing in Europe, McDonnell held various management and investment roles with PGIM throughout the U.S. Immediately prior to assuming his current role, McDonnell headed up portfolio management and investor strategy for the U.S.

debt business.

McDonnell grew his career out of a small-town upbringing in Littleton, Mass., a town of about 10,000 that as a younger man he was desperate to leave behind. That ambition led him to Northwestern University, where he earned his bachelor’s degree in civil engineering. He followed it up with an MBA in finance and real estate from Northwestern’s Kellogg School of Management after he realized he was drawn to the transactional market in his engineering consulting work.

“At the time, MBAs were the entry point for a lot of the jobs you wanted, so I needed to go there to kind of prove that I was as capable,” he said. He joined PGIM after business school “in what I thought would be a two-year rotation,” he joked, and has been with the company since.

Off the clock, McDonnell stays busy with his three teenage daughters, whether it’s hiking, coaching soccer or skiing. He doesn’t want work to come home with him.

“My general goal is to be as far away from a phone as possible on the weekends and vacations,” he said. “If I can be out of cellphone range, that’s even better.”

The giant pool

PGIM’s evolution from an insurance company lender into a comprehensive non-bank lender mirrors the transformation of the real estate finance world itself. Gone are the days when the array of lenders stayed in their own streams. Today, McDonnell describes it as a more fluid ecosystem where capital flows between banks, non-bank lenders, private credit and debt funds, the agencies like Fannie Mae and Freddie Mac, and beyond, depending on risk appetite and opportunity.

“It’s like looking at a pool of water,” he said. “You could take a bucket of water out of the pool, and you don’t see a gap. Someone will fill in that

gap. Everyone just moves around.”

As banks pulled back from making commercial real estate loans in recent years in light of rising interest rates and concerns over the office market, non-bank lenders stepped in to fill the void. But last year banks returned in a big way, lending more aggressively, especially to top-tier borrowers, but also financing non-bank lenders like PGIM, increasing competition for deals easily won by non-bank lenders in the years prior.

But McDonnell is unbothered: He doesn’t see it as competition, he sees it as opportunity.

That opportunity, McDonnell said, is heavily shaped right now by a wave of refinancings. Borrowers who purchased properties in 2021 at peak valuations and laid out three-year bridge financing strategies are now emerging on the other side of that timeline without having reached stabilization. They’re not ready to sell and not ready for permanent financing, but their original bridge loan has expired.

“We have joked it’s a bridge to a bridge,” McDonnell said. “We’re still seeing that play out in a long way.”

There have been no dramatic changes in lending opportunities this year, McDonnell said, but he noted that financial structuring itself has taken center stage. Over the last roughly three years, the “ubiquity of back leverage has been something hard to ignore,” he noted, with lenders also getting more creative with how loans are structured, whether through senior or mezzanine loans, or syndicated loans that are elevated into different risk tranches.

A ‘baseline’ of uncertainty

There’s now a “baseline” level of uncertainty embedded into business due to the, it seems, constant geopolitical and economic uncertainty, McDonnell said.

It presents a challenge for PGIM because it means that it’s harder for new investors today to choose a new

manager, as this is a trust business, McDonnell said. PGIM has renewals in the bag, but it's harder to win new business with the underlying current of uncertainty.

"As one of the firms who, we think, is going to be a winner and a consolidator of capital, we would love to pick off new investors," he said. "That is just harder to do today, because everyone's a little bit more cautious now."

On the other side of the coin, "for the last 20 years investors have been rewarded for ignoring every geopolitical event. If you just put your head in the sand and ignored it and had a long enough horizon, probably all fine," he added. However, there's always the concern that this time will be different.

It has led to a focus in the private credit landscape, and, for PGIM, a focus on simple transactions with one lender, one borrower and strong underwriting. McDonnell said they'd rather focus on smaller transactions than larger transactions and tranching them up. There's no appetite for large-scale securitized or syndicated products with a complicated capital structure.

"I don't think you're getting paid

for that risk today," he said.

PGIM's agency business is still thriving in this environment. "Agency is still a hot hand right now. They are very aggressive, they're driving the markets in a big way," McDonnell said. "It's one of our busiest teams."

The PGIM agency lending business grew in 2025 with \$6.5 billion in originations compared to \$4.2 billion the previous year.

Last year the firm's agency lending business originated \$6.5 billion across Fannie Mae, Freddie Mac and Federal Housing Administration loans, including the creation or preservation of more than 33,000 affordable or mission-driven housing units.

PGIM flexed its agency lending platform last August with a sprawling \$619 million refinancing for HHHunt Corporation covering 15 apartment properties in the Southeast totaling 427 units. The financing came as a \$412.8 million Freddie Mac-backed package made up of five loans, followed by another five-loan, \$206.16 million deal backed by Fannie Mae. And, in March 2025, PGIM closed a \$345 million refinance for five recently built multifamily properties developed by Mill Creek Residential Trust in New Jersey, South Florida,

Georgia and Washington state.

A Ted Lasso type

Both Clint Frease, vice president of debt and structured finance at Newmark, and Wallace, of M3 Investment Group, said it's the way McDonnell treats his people that has helped PGIM grow and thrive.

"One of the good things about Bryan is he empowers his people and always has," Frease said, explaining how McDonnell was able to help facilitate a quick pivot for Frease and his clients from agency financing to a balance sheet deal for a recent multifamily loan. "He didn't come over the top and demand anything from his people, as far as I can tell."

But, in a few days, the deal was approved.

McDonnell himself moves through the world with a similar kind of quiet confidence, Frease noted.

"He does not pound his chest. He doesn't make it a point to go out on a PR cycle," Frease said, noting that this very profile probably made McDonnell a bit uncomfortable. "He seems fulfilled by pushing the ball forward, by lifting up other people, and by, you know, kind of doing what he's done at PGIM for the last 20 years."