# Financing mechanisms

QUESTION: An overview of the funding mechanisms available to the REIT for the development.

# Trends

* **What funding mechanisms are available**
* **Trends in the most recent decade – post GFC**

**Leveraged financing with private, secured or unsecured loans**

* **Prevalence with REITS**
* **Gearing, link to credit ratings, rationale of leveraging**
* **Bank funding capped at 60% LVR**

**Joint ventures**

* **Look at REIT joint ventures in Australia**

**Mezzanine Financing**

* Is this a feasible financing option
* Potential downsides of Mezzanine financing

Public debt offerings:

* <https://www.reit.com/news/blog/market-commentary/climbing-treasury-yields-pressured-reits-and-broad-markets-august> similar yields to treasury bonds

Private debt:

**Comparable healthcare REITs – financing strategies applied**

**Conclusions**

* **Ultimately, choice of financing investment strategy will vary based on the REIT’s considerations credit rating, risk factors,**
* **Mezzanine debt**
* **REIT market underdeveloped in Australia, opt**