Green Street

Commercial Mortgage Alert

THE WEEKLY UPDATE ON REAL ESTATE FINANCE & SECURITIZATION

JULY 23, 2021

Builder Seeks $300 Million for Dallas Project

Developer **HALL Group** has floated a request for $300 million of debt to finance the next phase of construction at a sprawling office complex it owns north of Dallas.

The firm plans to add nearly 1 million sf of office, hotel and residential space at HALL Park, a 162-acre campus in Frisco, Texas, that already has 2.5 million sf of offices. The project would include an additional office building totaling 410,000 sf, a 154-room hotel plus 60 extended-stay suites and a 214-unit luxury apartment tower.

CBRE is soliciting quotes from lenders on behalf of HALL Group, a Dallas firm led by billionaire **Craig Hall.** The cost of the new construction has been pegged at around $500 million.

HALL Park, just north of the junction of the Dallas North Tollway and Sam Rayburn Tollway, currently encompasses at least 15 office buildings interspersed with ponds, walking trails and outdoor sculpture. The campus counts more than 200

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Moody's Updating CMBS Rating Methodology

Moody's is changing parts of its methodology for rating commercial MBS offerings after years of criticism that its standards were too stringent.

The rating agency is adjusting capitalization rates to give more recognition to the long-term, low-interest-rate environment, and it will be less punitive on certain types of legal risk. The overhaul is expected to reduce required subordination levels down the stack in conduit offerings and lead to upgrades on numerous single-borrower and conduit deals.

Issuers stopped using Moody's ratings on all but the top tranches of conduit deals about five years ago, when the agency last made changes to its methodology. In recent years, it also has been losing share in the triple-A piece of the conduit market to **S&P,** which issuers typically will retain to rate deals several tranches deeper (see Rankings on Pages 11-18).

Many large investors require issuers to include Moody's or S&P alongside **Fitch**

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Loan Eyed for New York Office, Retail Portfolio

Aurora Capital Associates is taking quotes for a $200 million mortgage that would be backed by a group of office and retail properties in Manhattan's tony Meatpacking District.

New York-based Aurora is in the market for the financing via advisor **Newmark.** The shop's preference is for debt that would run five years and allow flexibility for individual properties to potentially be released from the collateral pool over time.

The proposed collateral is a package of four buildings along Gansevoort Street totaling nearly 130,000 sf. A significant component is leased to higher-end retail tenants, and most of the buildings have been developed or heavily renovated over the last few years.

The contiguous structures stretch from 46 to 74 Gansevoort Street, between Washington and Greenwich Streets. Aurora has owned most of them for several years, and either purchased them or kicked off the redevelopment in partnership

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THE GRAPEVINE

Credit Suisse director **Chuck Lee** will join Ambler, Pa.-based **Berkadia** in September to build a unit that will originate and securitize private-label mortgages on commercial properties. At Credit Suisse, he heads commercial real estate securitization and warehouse finance, overseeing the structuring and execution of agency and non-agency commercial MBS deals. Lee departed the bank, where he started in 2014, early this month. Lee previously had two stints at **J.P. Morgan** totaling almost 14 years — with a stop in between at **Deutsche Bank** from 2007 to 2010. He

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Unizo Out For Debt on DC Offices

An investor is looking to line up $211 million of debt on two office properties a few blocks from one another in Washington.

Japanese firm **Unizo Holdings** is in the market for separate mortgages on its buildings at 820 and 1100 First Street NE. **Eastdil Secured** is advising the company on the financing deals. The preference is for two uncrossed loans each running five to seven years. Unizo is considering fixed- and floating-rate proposals.

The larger deal would be a roughly $115.4 million debt package collateralized by the bigger building, the 349,000-sf 1100 First Street. The proceeds request for the loan on 820 First Street, a 306,000-sf property two blocks south, is $95.6 million.

Unizo bought the properties in separate transactions that closed within days of each other in August 2016. It paid a joint venture involving **Rockefeller Group,** a New York subsidiary of Tokyo-based **Mitsubishi Estate,** $217.5 million for 1100 First Street. It acquired the other building from a partnership among **Harbor Group International** of Norfolk, Va., and New York investors **Capstone Equities** and **Image Capital** for $140.5 million.

The 12-story property at 1100 First Street was completed in 2009 by **Tishman Speyer** of New York and is about 92% leased. It's designated LEED gold and has an angled facade designed to maximize daylight. The 11-story 820 First Street, two decades older and roughly 86% occupied, is just north of Union Station, the city's main rail hub. The property houses the main Washington offices of **CNN.** Government agencies represent a significant portion of the tenant base.

In 2019, Unizo listed five of its Washington office properties. Among them was 820 First Street, which **Penzance Cos.** of Washington agreed to buy. The pricing on the prospective deal wasn't reported, but Unizo had been asking about $140 million, roughly what it paid for the building three years earlier. Ultimately, the deal was one of many that dissolved amid the early effects of the pandemic.

Last year, **Lone Star Funds** agreed to participate in a buyout of Unizo that gave Lone Star a stake in the company while allowing Unizo employees to own a majority share. **Reuters** reported that the $2 billion deal contained an option allowing the employee-owned entity to buy out Lone Star in six months. The employee group evidently exercised that option last fall, selling off assets to engineer the buyout. **Bloomberg** reported in February that investors in Unizo's corporate bonds were pushing the firm to file for bankruptcy, but it isn't clear where that process stands. ❖

Strong CMBS Demand Driving Deals

Spreads on commercial MBS held steady this week as issuers pressed out deals despite jitters in the broader market linked to a spike in global coronavirus cases.

One conduit deal priced, and issuers prepared to trot out another next week. Several of the half-dozen single-borrower deals in the market priced, while one commercial real estate CLO priced and another was on its way to getting done.

Ten-year Treasury yields dropped to 118 bp on Monday as stock prices plunged, threatening to widen spreads at the top of the stack early in the week. But as Treasurys reversed course, spreads moved back in.

"The market is definitely stable," said one CMBS buyer. "When the equity markets puke like they did Monday, it takes a day or two for this market to react. Since Tuesday and Wednesday were up days for equities, what happened Monday was long forgotten."

LMF Commercial, Wells Fargo, Credit Suisse, UBS, Benefit Street Partners and **Ladder Capital** priced a $748.6 million conduit offering on July 16 (WFCM 2021-C60). The long-term, super-senior bonds priced at 72 bp over swaps, 2 bp higher than they were offered, while the triple-B-plus tranche priced at 220 bp after tightening 5 bp.

Bank of America, Morgan Stanley and **NCB,** meanwhile, were getting ready to print the latest deal from their all-bank shelf (BANK 2021-BNK35), weighing in at a whopping $1.4 billion.

In the single-borrower market, **J.P. Morgan** and **Deutsche Bank** were on their way to pricing a $650 million offering backed by a loan they made July 15 to **CIM Group** to refinance a portfolio of mostly retail properties (CRPT 2021-RETL). The collateral, comprising 111 retail assets, one office building and one industrial property in 27 states, held up well during the pandemic, according to the offering documents.

The top tranche, rated triple-A by **S&P** and **DBRS Morningstar,** was expected to price at 140 bp over one-month Libor, where it was offered in whispers, while the BBB(low) tranche was expected to widen 30 bp and price around 375 bp.

Separately, CIM priced a $774 million net-lease deal, upsized from $565 million (CIMNL 2021-1). Credit Suisse structured the offering, with Deutsche and Morgan Stanley assisting with bookrunning. The seven-year top tranche, rated triple-A by S&P, went out at 110 bp over swaps, 25 bp tighter than where it was offered.

Credit Suisse also was in the market with a $172.6 million deal backed by a five-year, fixed-rate loan to **RFR Holding** to refinance a mixed-use property at 980 Madison Avenue in Manhattan occupied by art galleries and retail and office tenants (CSMC 2021-980M).

The top tranche, rated triple-A by **Fitch,** was being offered at 95 bp over swaps, while the triple-B-minus tranche was offered in the area of 300 bp.

Citigroup, Goldman Sachs and J.P. Morgan priced a $468 million offering Monday backed by a floating-rate loan running five years, including extensions, to a joint venture of **GIC, Centerbridge Partners** and **Merit Hill Capital** on a portfolio of 57 mostly self-storage properties in 13 states (MHP 2021-STOR).

The top tranche, rated triple-A by S&P and **KBRA,** priced at 70 bp over one-month Libor after tightening 5 bp from whisper talk. Tightening of 5 bp to 10 bp also occurred down the stack, with the KBRA-rated triple-B-minus tranche going out the door at 175 bp.

On July 16, Goldman, Deutsche and **Bank of Montreal** priced a $316 million offering backed primarily by junior portions

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Debt Sought for Newark Development

A New Jersey investment shop is looking for some $90 million of financing for the first phase of a three-tower apartment project in Newark that would erect the tallest residential buildings in New Jersey's largest city.

Acier Holdings of Lakewood wants to line up the debt for the 46-story tower that would be the initial component of a residential skyscraper complex branded as the Halo. The development has been in the works for a few years, and Acier is meeting with lenders, via **Newmark,** seeking financing for the first piece.

The proceeds from the loan would be used to construct a 297-unit tower at 289 Washington Street. Acier bought the parcel, most of which has been used as a parking lot, around four years ago. Two years later, the firm put the property on the block after securing approvals for at least part of what was then described as a 594-apartment, two-tower multi-family complex. Part of the pitch was that the site is within a federal opportunity zone, a designation that allows project backers to qualify for capital-gains tax breaks.

Acier ultimately chose not to move forward with a sale and began modifying its plans for the property. In March, it received further approvals from the City of Newark to expand the project to a three-tower residential complex consisting of 950 units. The teaser for the financing assignment characterizes the first-phase structure as poised to become the tallest apartment building in the city. News outlets have noted that the designs for the complex show that all three of the planned towers would be taller than any other structure in Newark.

The developer has emphasized the location of the project, as Manhattan is 13 miles to the east. The site is near a light-rail line that connects with Newark's Penn Station transit hub about a half-mile east, offering service to New York's Penn Station.

Several colleges are a few blocks to the north and west, including the **New Jersey Institute of Technology, Rutgers University's** Newark campus and **Essex County College.**

Units are to have upscale touches such as granite counters and stainless-steel appliances. Amenities would include a rooftop pool, a fitness center and shared workspaces. The building also would offer views of New York and the surrounding area. Some 10% of the studio and one- and two-bedroom apartments would be classified as affordable.

Designs have shown the towers would rise from a podium base that would include a multi-level parking structure, with several outdoor terraces at various levels. ❖

CBRE

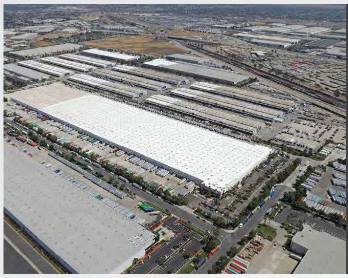
Capital Markets

+ Property Sales
+ Debt & Structured Finance
+ Real Estate Investment Banking

$67B+ FINANCING

FROM 1,300+ TRANSACTIONS

Source: CBRE Capital Markets; 2020-Q2 2021



Project Falcon

9 U.S. Markets | Industrial
CMBS
Refinance
$1,630,000,000
June 2021

One Park Avenue

New York, NY | Office
CMBS
Refinance
$525,000,000
February 2021

REIT Credit Facility

11 U.S. Markets | Multifamily
Agency Credit Facility
Refinance
$495,000,000
January 2021

Denver-Boulder Industrial Portfolio

Denver/Boulder, CO | Industrial
Bank
Acquisition
$263,210,000
April 2021

One Freedom Plaza

Washington, DC | Office
LifeCo
Refinance
$230,000,000
June 2021

Gables Portfolio

5 U.S. Markets | Multifamily
LifeCo
Refinance
$216,000,000
March 2020

cbre.us/capitalmarkets

Apartment Project Financed in Queens

A partnership led by **Hakimian Organization** has lined up $156 million of floating-rate debt from **Pacific Western Bank** and **Canyon Partners Real Estate** to finance the construction of a 12-story apartment building in Queens.

The package includes a $105 million senior loan from PacWest, of Beverly Hills. Los Angeles-based Canyon provided the remaining portion, which was structured as mezzanine debt.

Meridian Capital brokered the financing, which closed on June 25. It has a five-year term, including extension options. Hakimian, a New York developer, and its unidentified partners used some of the proceeds to retire an undisclosed amount of debt on the property.

Construction started this month at 72-01 Queens Boulevard, in the Woodside neighborhood. Expected to be completed in 2024, the project will include 364 units, ranging from studios to three bedrooms. All units will have washer/dryers as well as tenant-controlled heating and air-conditioning units.

Some 110 units will be designated as affordable housing under New York City's 421-A program, which offers property-tax breaks to multi-family developers under certain conditions.

With 300 feet of frontage along Queens Boulevard, the property also will offer 22,000 sf of ground-floor retail space and parking for 195 cars. Its indoor and outdoor amenities, totaling 20,000 sf, will include a fitness center, a lounge, a dog park and a rooftop terrace.

The Hakimian partnership paid $33 million to buy the parcels that now make up the property from **Piermont Properties** of Westbury, N.Y., in 2018. Several low-rise commercial buildings have since been demolished to make way for the development project. It's roughly midway between 45th Avenue and 74th Street and about a half-mile from the Jackson Heights subway station at 74th Street and Roosevelt Avenue. ❖

UCC Public Sale Notice

Please take notice that Jones Lang LaSalle, on behalf of 850 Mezzanine B, LLC, a Delaware limited liability company (the "Secured Party") offers for sale at public auction on September 14, 2021 at 2:00 p.m. (prevailing Eastern Time) on **the front steps of the New York County Supreme Court Building, located at 60 Centre Street, New York, NY 10007**, and also being broadcast for remote participation via a virtual videoconference, in connection with a Uniform Commercial Code sale, 100% of the limited liability company interests in 850 Third Avenue Mezz I, LLC, a Delaware limited liability company (the "Pledged Entity"), and all other collateral pledged by 850 Third Avenue Mezz II, LLC, a Delaware limited liability company (the "Debtor") under that certain Amended and Restated Junior Mezzanine Pledge and Security Agreement, dated as of January 8, 2019 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement") made by the Debtor in favor of the Secured Party, (collectively, the "Collateral"). The Collateral is owned by the Debtor, having its principal place of business at c/o The Chetrit Organization LLC, 1384 Broadway, 7th Floor, New York, New York 10018. The Debtor directly owns the Pledged Entity, which in turn owns 850 Third Avenue Owner, LLC, a Delaware limited liability company ("Owner"), which directly owns certain real property located at 850 Third Avenue, New York, New York 10022 (the "Premises").

The Secured Party, as lender, made a loan (the "Junior Mezzanine Loan") to the Debtor pursuant to that certain Junior Mezzanine Loan Agreement, dated as of June 15, 2018 (as the same has been amended, restated, supplemented or otherwise modified from time to time, the "Junior Mezzanine Loan Agreement"). In connection with the Mezzanine Loan, the Debtor has granted to the Secured Party a first priority lien on the Collateral pursuant to the Security Agreement. The Secured Party is offering the Collateral for sale in connection with the foreclosure on the pledge of such Collateral. The Pledged Entity is a borrower under a loan (the "Senior Mezzanine Loan") in the original aggregate principal amount of $75,000,000, which is secured by, among other things, 100% of the limited liability company interests in Owner. The Premises are subject to a mortgage loan (the "Senior Loan") to Owner securing indebtedness in the original aggregate principal amount of $242,000,000.

The sale of the Collateral will be subject to all applicable third-party consents and regulatory approvals, if any. Without limitation to the foregoing, please take notice that there are specific requirements for any potential successful bidder in connection with obtaining information and bidding on the Collateral, including, but not limited to, (1) complying with the restrictions applicable to the sale of the Collateral under the Intercreditor Agreement dated as of June 15, 2018 by and among the Secured Party, the holder of the Senior Loan and the holder of the Senior Mezzanine Loan, including that such bidder is a "Qualified Transferee" (as defined in the Intercreditor Agreement) and has obtained the consent of the holder of the Senior Mezzanine Loan and the holder of the Senior Mezzanine Loan, or will repay the Senior Loan and Senior Mezzanine Loan prior to the sale of the Collateral; and (2) delivering such documents and pay such amounts as required by the Intercreditor Agreement and the applicable governing documents relating to the Collateral.

The Collateral are being offered as a single lot, "as-is, where-is", with no express or implied warranties, representations, statements or conditions of any kind made by the Secured Party or any person acting for or on behalf of the Secured Party, without any recourse whatsoever to the Secured Party or any other person acting for or on behalf of the Secured Party and each bidder must make its own inquiry regarding the Collateral. The winning bidder shall be responsible for the payment of all transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Collateral.

The Secured Party reserves the right to (i) credit bid; (ii) set a minimum reserve price; (iii) reject all bids (including without limitation any bid that it deems to have been made by a bidder that is unable to satisfy the requirements imposed by the Secured Party upon prospective bidders in connection with the sale or to whom in the Secured Party's sole judgment a sale may not lawfully be made) and terminate or adjourn the sale to another time, without further publication or notice; (iv) accept a lower bid if the bid is on terms Secured Party determines is more favorable to Secured Party or is from a bidder that, in Secured Party's determination, offers a more certain likelihood of execution; (v) sell the Collateral at a subsequent public or private sale; and (vi) impose any other commercially reasonable conditions upon the sale of the Collateral as the Secured Party may deem proper.

Each prospective bidder (other than the Secured Party or its affiliate) will be required to represent in writing to the Secured Party that such bidder (i) is acquiring the Collateral for investment purposes, solely for the purchaser's own account and not with a view to distribution or resale of the Collateral; (ii) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of investment and has sufficient financial means to afford the risk of investment in the Collateral; (iii) will not resell or otherwise hypothecate the Collateral without a valid registration under applicable federal or state laws, including, without limitation, the Securities Act of 1933, as amended (the "Securities Act"), or an available exemption therefrom; provided that the Secured Party reserves the right to verify that each certificate for the limited liability company interests to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act and to impose such other limitations or conditions in connection with the sale of the Collateral as the Secured Party deems necessary or advisable in order to comply with the Securities Act or any other applicable law; (iv) will purchase the Collateral in compliance with all applicable federal and state laws; (v) is or will be, at the time of closing of the sale, a Qualified Transferee (as defined in the Intercreditor Agreement); and (vi) will be able to satisfy and will satisfy all of the other requirements of the Intercreditor Agreement. **Meeting any requirements of the foregoing shall be at the sole responsibility, risk, cost, and expense of a prospective bidder**.

All bids (other than credit bids of Secured Party) must be for cash with no financing conditions and the successful bidder must deliver immediately available good funds (1) for the Required Deposit (as defined in the Terms of Sale) on the date of the Sale, and (2) for the balance of the purchase price for the Collateral on the closing date prescribed by the Terms of Sale.

Further information concerning the Collateral, the requirements for obtaining information and bidding on the interests and the Terms of Sale can be found at (http://www.850ThirdAveUCCSale.com/), or by contacting Brett Rosenberg by telephone at (212) 812-5926 or by email at brett.rosenberg@am.jll.com.

Tricon Deal to Bump Bond Issuance

Single-family rental owner and operator **Tricon Residential** is planning an ambitious securitization program that could result in billions of dollars of bonds backed by rental-home cashflows.

The Toronto company has $5 billion to spend on some 18,000 U.S. rental homes in the next three years, following the July 19 creation of a joint venture with three institutional investors. The strategy would expand significantly its existing inventory of more than 25,000 homes.

Texas Teachers, Pacific Life and an unnamed group that previously has teamed up with Tricon contributed equity to the new vehicle, called JV-2. Those investments will fuel a sharp rise in the routine issuer's securitization output if current market conditions persist.

Tricon has priced eight deals totaling $3.2 billion to date, according to sister publication **Asset-Backed Alert's** ABS Database. Its most recent offering was a $440.5 million transaction that priced last October, with **Bank of America, Citigroup, Deutsche Bank** and **Morgan Stanley** running the books.

Now, Tricon has hit pause on securitizations as it finishes purchasing the homes for the next transaction from its JV-1 program. Those receivables will back an offering at the high end of the issuer's current "sweet spot" of $300 million to $500 million that's set to hit the market in the fourth quarter.

But moving forward, Tricon envisions even stronger investor appetite, leading to a more robust securitization pipeline. As JV-2 gets underway, Tricon likely will issue bonds backed by rental income as often as quarterly, and in larger deals, perhaps exceeding $600 million. It also expects to grow its investor base.

Pegging Tricon as typically distributing its deals among about 30 investors, one source said to expect that number to grow. "And you're going to see demand for bigger deals and more of them," the source added.

In September 2020, **Blackstone,** a pioneer in securitizing income from rental homes in its own right, injected $240 million into the company in exchange for a minority stake. Tricon's inventory is set to reach roughly 50,000 homes when the new joint venture and two smaller ones formed earlier this year are fully vested — giving it a portfolio that rivals that of publicly traded REIT **American Homes 4 Rent** — according to a July 19 report from **Green Street,** the parent of **Commercial Mortgage Alert.**

Since completing its first securitization in 2015, Tricon has largely relied on BofA, Deutsche and Morgan Stanley as underwriters, later adding Citi as a bookrunner on some deals.

More private capital is chasing single-family rental homes as well, often through joint ventures like JV-2 led by seasoned, publicly traded players. Homebuilder **Lennar** teamed up with **Allianz Real Estate of America** and **Centerbridge Partners** in March to acquire $4 billion of new homes. In June, **Invesco Real Estate** partnered with **Mynd Management,** forming a venture that will spend up to $5 billion on about 20,000 homes. ❖

Fortress Offers Loan, REO Portfolio

Fortress Investment is marketing a $117 million portfolio largely consisting of performing loans.

The package includes seven senior loans totaling $68.4 million, six senior preferred-equity positions ($15.5 million), six junior preferred-equity positions ($10.3 million), two mezzanine loans ($9.6 million) and a $13.2 million "real estate-owned" property. **Newmark** is shopping the portfolio on behalf of the New York investment manager.

Initial bids are due Aug. 26, with a final bid date of Sept. 15. Fortress will consider offers for the entire portfolio or any combination of loans and REO.

The portfolio has a total unpaid balance of $85 million, and 82% of the loans are performing. The weighted average coupon is 7%, excluding the REO asset and one senior preferred-equity position with no coupon and no monetization date.

The collateral includes 16 office, multi-family, retail, mixed-use and medical-office properties in California, Texas, North Carolina, Oregon, Wisconsin and Connecticut.

The REO property is a 101,000-sf office building in Farmington, Conn. The building is 100% occupied and triple-net leased to health insurer **ConnectiCare** through March 2028.

Fortress is also shopping a $100 million performing loan on a portfolio of retail, office and gallery space in Miami's Design District. The mortgage is part of a $500 million debt package **Bank of America** originated in March 2020 for an investor group including **Brookfield.** Newmark also has that assignment. ❖

RELA Taps Agricole Exec as Chair

The **Real Estate Lenders Association** has selected its next leadership team, which includes the first woman to serve as chairperson of its board of directors.

The New York-based organization has chosen **Karen Ramos** for the top spot. She's a managing director and head of real estate loan syndications at **Credit Agricole.** Before moving to the Montrouge, France, bank almost five years ago, she held similar positions at **Capital One** and **ING Real Estate Finance.**

The new vice chairperson is **Benjamin Stacks,** head of **BankUnited's** commercial real estate finance division. Ramos previously was vice chairperson, and Stacks had held a seat on the board.

"I'm honored and thrilled to be the first woman and first Asian chair of the RELA national board," Ramos said. One of the good things that came out of Covid was that RELA has become truly national, through the virtual platform. Our goal is to further expand and elevate our programming and networking events nationally."

The group's leadership slots changed over at the beginning of the month. Ramos succeeded **Michael Rogers,** a vice president with **TD Bank** whose prior experience includes time at **MUFG Union Bank.**

Terms for the board's leadership positions run three years.

RELA is a nonprofit group founded 30 years ago that sponsors networking events and education sessions focused on issues in the commercial-property finance market.

It has eight regional chapters organized under a national umbrella entity. The New York branch was the first, formed in 1991. Three outposts were established in the past few years: Philadelphia, San Francisco and South Florida. The others are in Boston, Chicago, New Jersey and Washington D.C.

RELA's roster historically has tended to skew toward those in the balance-sheet space, just as the **CRE Finance Council's** core membership in the past tended to be more involved in commercial MBS lending and related areas. CREFC is more focused on lobbying efforts and regulatory issues. ❖

Dallas ... From Page 1

office tenants with a total of about 10,000 employees.

HALL Group began developing the complex in the 1980s. Two years ago, the City of Frisco approved a zoning change allowing the firm to over time build up to 2,000 residential units. Last month, the city approved a separate $114 million project that would include construction of a performing arts center with multiple venues totaling at least 1,500 seats. The **Dallas Morning News** reported that the financing for that piece would entail the use of $99 million of public funds.

HALL Park is 25 miles north of downtown Dallas, near a number of upscale residential communities and retail corridors in Frisco. ❖

White Oak Casts Broader Lending Net

White Oak Global has expanded its lending operation to include originations of bridge and construction loans on various types of commercial properties across the U.S.

The San Francisco investment-advisory shop intends to pursue value-added and opportunistic-debt plays via its new White Oak Real Estate Capital unit, led by former **Melody Capital** managing director **Eric Tanjeloff.** After coming aboard June 1 as a managing principal in New York, Tanjeloff said he already has a few construction loans in the works.

"We're taking a tactical approach out of the gate," Tanjeloff said. Still, "we already have a robust pipeline. … We expect to be closing several deals within the next 30 to 90 days."

White Oak initially plans to originate about $500 million of debt on development projects and transitional properties via the new initiative, although it has no firm deadline for reaching that target. If all goes well, its book of loans is expected to keep growing substantially after that, Tanjeloff said.

Additional seasoned debt pros will be hired to support the effort, possibly before yearend, he added. In the meantime, Tanjeloff is drawing on staffers from other White Oak units for help with loan underwriting, due diligence and back-office duties.

Founded in 2007, the company specializes in providing small- and middle-market businesses with various types of financing, including Property Assessed Clean Energy loans on commercial properties. Its healthcare-finance division, launched in 2016, includes real estate loans among its offerings.

The new real estate capital unit typically will originate loans of $25 million to $150 million, with a sweet spot between $40 million and $50 million. Most will have floating rates and one- to five-year terms. Average loan-to-value or loan-to-cost ratios will be around 75%.

Tanjeloff was head of real estate investments at Melody, a New York investment manager that hired him in 2014 to build and run its commercial real estate debt business. He previously was a senior managing director at **CBRE Capital Advisors,** which he co-led upon his arrival in 2009. Prior to that, Tanjeloff spent almost 12 years at **J.P. Morgan** on the real estate and lodging investment-banking team. ❖

Debt Eyed for Queens Retail Property

A **Macerich** joint venture is in the market for a $70 million mortgage on the Shops at Atlas Park retail center in Queens, N.Y.

The Santa Monica, Calif., mall REIT and its partner are seeking a floating-rate debt package running five years. They're pitching the financing assignment to lenders via **Eastdil Secured.**

The collateral is a 374,000-sf mostly open-air shopping center at 8000 Cooper Avenue in the borough's Glendale neighborhood. Macerich teamed up with **Walton Street Capital** of Chicago to buy the property in February 2011 for $53.8 million. Walton Street appears to still be an owner on a 50-50 basis.

The complex was developed by **ATCO Properties & Management.** The New York firm, run by the **Hemmerdinger** family, had owned the site for the better part of a century, operating it as an industrial park for most of that time. ATCO converted a large chunk of the tract to the retail center in a project completed in 2006. Three years later, pummeled by the effects of the global financial crisis, ATCO handed control of the property to lenders, setting up the eventual sale to the Macerich team.

Over the next few years, Macerich revised the tenant roster to include fewer upscale retailers, brought entertainment options to a central open-space area and added more parking. Among the larger current retail tenants are **Forever 21, TJ Maxx** and the **Regal Atlas Park** movie theater. In addition to retail space, Shops at Atlas Park has a roughly 50,000-sf office component. The property is around 90% leased.

The Macerich venture would use the lion's share of the proceeds from the new loan to retire debt that city records indicate was provided by **MUFG Union Bank.** In 2019, the duo upsized that loan to a maximum $80 million from $57.8 million and extended its maturity to October of this year. It's priced at 200 bp over one-month Libor. ❖

Retail ... From Page 1

with local investor **William Gottlieb Real Estate.** It's unclear whether the latter firm still owns a piece of the equity.

The tallest is the eight-story building at 60-74 Gansevoort, completed within the past year or so. The property, diagonally across from the Whitney Museum of American Art, was approved in 2016, but ran into delays as legal disputes about its height within the generally lower-rise neighborhood were resolved. **Match Group,** which runs several dating websites, last summer leased 45,000 sf of office space there.

The other buildings to the east along Gansevoort are occupied by a mix of office and retail tenants. Among them are upscale clothing retailers **Hermes** and **Belstaff.** Hermes leases around 10,000 sf in a three-level store at 46 Gansevoort, at the intersection with Greenwich Street. The aggregate weighted average remaining lease term is more than 12 years, and about a quarter of the space is unoccupied.

The surrounding neighborhood has been a chic nightlife hub for many years. In the last decade or more, upscale retail tenants and shops have opened there in larger numbers.

The site is one block from West Street and the Hudson River. ❖

RANKINGS

Fitch Tops Rating-Agency Tables; Moody's Beats S&P

Fitch once again placed first in the U.S. rankings of commercial MBS ratings agencies, working on all conduit offerings and grabbing enough single-borrower market share at 52% to also lead that category.

Moody's continued to lose share in the conduit market but increased its presence in the booming single-borrower category to place third. The agency edged out **S&P** to take fourth in the overall league table, according to **Commercial Mortgage Alert's** CMBS Database. Moody's market share dipped 60 bp year over year to 35.9%, while S&P, in last place, saw its share drop 180 bp to 34.8%.

KBRA remained in second place overall, with a strong showing in the conduit category but losing ground in the single-borrower space. **DBRS Morningstar** was third, with a typically weak showing in the conduit market — just ahead of Moody's with four deals — but coming in second in the single-borrower space.

In the white-hot commercial real estate CLO market, Moody's again took the top spot by appearing on the top tranche of all 24 deals totaling $20.3 billion. DBRS grabbed 13 deals totaling $10.8 billion in a tightening battle to rate the entire stack with KBRA, which picked up 10 assignments. Fitch rated one CLO in the half.

The race for CMBS assignments was tighter than the line-up by deal balance would imply, as several outsized single-borrower offerings skewed the numbers. For example, removing the first half's largest deal — a $4.65 billion offering backed by a loan to **Blackstone** and **Starwood Capital** (ESA 2021-ESH) rated by Moody's, Fitch and KBRA — would have bumped DBRS up a notch to first in that category.

Unusual issuance patterns resulting from the pandemic also continued to influence the rankings. Single-borrower deals (43) and CLOs (24) far outpaced conduits (16), giving a boost in the overall numbers to Moody's and DBRS. Just seven deals separated the pack in the overall CMBS ranking.

In the agency market, Fitch maintained its dominance, appearing on all 10 rated offerings from **Freddie Mac** for

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Rating Agencies for CMBS and CRE CLOs Issued in the First Half

U.S. CMBS	1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1 Fitch	$31,114.1	27	68.1	$23,368.6	26	81.5	33.1
2 KBRA	23,052.9	20	50.4	14,383.3	15	50.2	60.3
3 DBRS Morningstar	18,350.4	25	40.1	11,286.3	17	39.4	62.6
4 Moody's	16,409.0	21	35.9	10,475.7	19	36.5	56.6
5 S&P	15,926.5	23	34.8	10,491.7	12	36.6	51.8
TOTAL	**45,721.5**	**59**	**100.0**	**28,677.2**	**42**	**100.0**	**59.4**

Conduit	1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1 Fitch	$15,184.3	16	100.0	$15,313.2	16	100.0	-0.8
2 KBRA	12,243.7	13	80.6	8,947.3	10	58.4	36.8
3 S&P	11,409.2	11	75.1	9,738.3	9	63.6	17.2
4 DBRS Morningstar	4,305.1	4	28.4	6,365.9	6	41.6	-32.4
5 Moody's	2,559.8	3	16.9	4,847.7	6	31.7	-47.2
TOTAL	**15,184.3**	**16**	**100.0**	**15,313.2**	**16**	**100.0**	**-0.8**

Single-Borrower	1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1 Fitch	$15,929.8	11	52.2	$5,816.0	7	57.0	173.9
2 DBRS Morningstar	14,045.4	21	46.0	2,688.4	7	26.4	422.4
3 Moody's	13,849.2	18	45.4	3,396.1	9	33.3	307.8
4 KBRA	10,809.2	7	35.4	4,505.0	3	44.2	139.9
5 S&P	4,517.3	12	14.8	500.9	2	4.9	801.9
TOTAL	**30,537.3**	**43**	**100.0**	**10,201.0**	**20**	**100.0**	**199.4**

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RANKINGS

Rating Agencies for CMBS and CRE CLOs Issued in the First Half (From Page 11)

Non-U.S. CMBS		1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	KBRA	$1,797.2	5	66.2	$937.1	2	55.2	91.8
2	S&P	1,603.4	4	59.1	360.1	1	21.2	345.3
3	Moody's	1,600.4	4	58.9	216.6	1	12.8	638.9
4	DBRS Morningstar	1,129.6	3	41.6	977.2	3	57.6	15.6
5	Fitch	463.5	1	17.1	1,121.0	2	66.0	-58.7
	TOTAL	**2,715.2**	**7**	**100.0**	**1,697.7**	**4**	**100.0**	**59.9**

CRE CLOs		1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	Moody's	$20,304.9	24	100.0	$5,624.2	8	100.0	261.0
2	DBRS Morningstar	10,804.6	13	53.2	5,016.8	7	89.2	115.4
3	KBRA	9,010.3	10	44.4	607.4	1	10.8	1,383.3
4	Fitch	1,190.0	1	5.9	0.0	0	0.0	
	TOTAL	**20,304.9**	**24**	**100.0**	**5,624.2**	**8**	**100.0**	**261.0**

Agency CMBS (Rated)		1H-21 Issuance ($Mil.)	No. of Deals	Market Share (%)	1H-20 Issuance ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	Fitch	$12,275.4	10	100.0	$11,141.0	9	100.0	10.2
2	DBRS Morningstar	8,953.5	7	72.9	4,725.0	4	42.4	89.5
3	KBRA	3,321.9	3	27.1	6,416.0	5	57.6	-48.2
	TOTAL	**12,275.4**	**10**	**100.0**	**11,141.0**	**9**	**100.0**	**10.2**

Rating ... From Page 11

$12.3 billion. DBRS moved up a notch to second, appearing on seven of the deals totaling $8.95 billion, while KBRA fell to third with just three mandates.

The overseas market continued to lag, with just seven deals totaling $2.7 billion. KBRA grabbed the top spot with $1.8 billion, followed by S&P ($1.603 billion) and Moody's ($1.600 billion).

Erin Stafford, who leads CMBS ratings for DBRS, noted that the agency's lackluster showing in the conduit space remains due to the lack of property-type diversity in the deals and the agency's more conservative outlook for office buildings.

"It does seem that conduit volume is picking up a little and that issuers are more receptive to other property types," she said. "I think we will see more hotel lending."

Mary Jane Potthoff, who leads CMBS business development for DBRS, noted that the agency appeared on 48 of the 100 deals counted by CMA in all categories, another indication it has completed its transition to a single agency and is where it wants to be.

That compares favorably with Moody's (49), Fitch (39), KBRA (38) and S&P (27).

Eric Thompson, head of KBRA's structured-product ratings, echoed the sentiments of several of his rivals in acknowledging his agency's second-place overall showing.

"While we are pleased to see the league tables, we have never rated to market share, but focus on producing consistent, well-informed credit opinions accompanied by timely in-depth analysis," he said. ❖

RANKINGS

KeyBank Leads Master Servicers in H1

KeyBank jumped back to the top of the master-servicer league tables as issuance patterns in commercial MBS moved closer to normalcy in the first half.

The bank's master-servicing business grew 114.4% year over year to $18.98 billion, good for a 41.5% market share, as overall CMBS issuance volume rose 59.4%, according to **Commercial Mortgage Alert's** CMBS Database. **Midland Loan Services,** which placed first last year, was second, up 17.8% from a year ago to $14.72 billion and a 32.2% market share.

Wells Fargo, the perennial leader before losing to Key in 2019, was third. Its business grew 63.8% to $11.74 billion, representing a market share of 25.7%. **NCB** snagged a 0.6% slice of the market, working on parts of four deals totaling $283.2 million.

KeyBank's success stemmed from outsized growth in the single-borrower space, where it won 51% of the business. The asset class represented 67% of U.S. CMBS issuance in the first half. **PNC's** Midland unit grabbed the most conduit business.

"In the first half of the year, there was a lot of positive momentum in CMBS, [commercial real estate] CLOs and **Freddie [Mac]** securitizations, all of them up substantially," said **Bryan Nitcher,** head of loan servicing and asset management at Key. "We did not change our business strategy, but clearly we benefited from the growth in the [single-borrower] market."

Midland topped the table for Freddie CMBS, with $13.62 billion. KeyBank ($10.38 billion) edged out Wells ($10.08 billion) for second.

Among servicers of CRE CLOs, **SitusAMC** and Wells each worked on about $5.1 billion of deals, though Situs narrowly took first with a mere $3.6 million lead. Key ($3.73 billion) and **Arbor Realty** ($1.6 billion) followed.

Until late last year, Wells had been sitting out of the floating-rate single-borrower market for more than a year due to concerns about the upcoming transition away from Libor. Now that

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Master Servicers for CMBS and CRE CLOs Issued in the First Half

US CMBS

		Conduit/ Pooled ($Mil.)	Single Borrower ($Mil.)	1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	KeyBank	$3,283.6	$15,696.2	**$18,979.8**	34	41.5	$8,852.0	27	30.9	114.4
2	Midland Loan Services	7,078.6	7,636.7	**14,715.3**	25	32.2	12,493.5	28	43.6	17.8
3	Wells Fargo	4,538.9	7,204.4	**11,743.3**	20	25.7	7,169.8	20	25.0	63.8
4	NCB	283.2	0.0	**283.2**	4	0.6	162.0	2	0.6	74.8
	TOTAL	**15,184.3**	**30,537.3**	**45,721.5**	**59**	**100.0**	**28,677.2**	**42**	**100.0**	**59.4**

Freddie Mac CMBS

		1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	Midland Loan Services	$13,616.3	14	35.8	$4,187.2	4	19.2	225.2
2	KeyBank	10,384.3	10	27.3	9,099.9	8	41.8	14.1
3	Wells Fargo	10,079.7	10	26.5	4,876.4	5	22.4	106.7
4	Freddie Mac	3,955.8	9	10.4	3,620.9	9	16.6	9.2
	TOTAL	**38,036.1**	**41**	**100.0**	**21,784.4**	**26**	**100.0**	**74.6**

CRE CLOs

		1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	SitusAMC	$5,097.6	6	25.1	$0.0	0	0.0	
2	Wells Fargo	5,094.0	6	25.1	1,576.3	3	28.0	223.2
3	KeyBank	3,734.6	4	18.4	1,225.3	2	21.8	204.8
4	Arbor Realty	1,600.0	2	7.9	800.0	1	14.2	100.0
5	Midland Loan Services	1,000.0	1	4.9	1,500.0	1	26.7	-33.3
5	Lument	1,000.0	1	4.9	0.0	0	0.0	
7	Trimont Real Estate	927.9	1	4.6	0.0	0	0.0	
8	Greystone	802.6	1	4.0	522.6	1	9.3	53.6
9	Berkadia	558.2	1	2.7	0.0	0	0.0	
10	NorthMarq Capital	490.0	1	2.4	0.0	0	0.0	
	TOTAL	**20,304.9**	**24**	**100.0**	**5,624.2**	**8**	**100.0**	**261.0**

RANKINGS

Rialto Retakes Lead in B-Piece Derby

Rialto Capital has re-emerged as the clear leader among conduit B-piece buyers so far this year, while its usual rival for that distinction, **KKR,** fell to fourth place in the first-half ranking of those investors.

SitusAMC, meanwhile, vaulted to the top of the list of special servicers on private-label commercial MBS deals issued in the U.S. during the January-June period. Its closest rivals for such mandates lagged far behind, with **Midland Loan Services** in second place and **CWCapital Asset Management** in third.

The shifts in the B-piece-buyer ranking came amid still-constrained issuance of U.S. conduit deals as the pandemic wanes. Compared with a year ago, the latest first-half volume of those non-agency, multi-borrower offerings was virtually flat at $14.97 billion, not including rake bonds, according to **Commercial Mortgage Alert's** CMBS Database.

Prime Finance was the second-most-active purchaser of fresh conduit B-pieces in the sector at midyear, after moving up three places in the full-year 2020 ranking of such buyers. **Eightfold Real Estate Capital** held on to the No. 3 spot as of June 30 and **KKR**

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Buyers of Conduit B-Pieces in the First Half

Figures represent total sizes of deals, which are shown by risk-retention structure. Excludes rake bonds.

		Tradable	Nontradable									
		Vertical ($Mil.)	Horizontal ($Mil.)	L-shape ($Mil.)	Total ($Mil.)	1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	Rialto Capital	$3,119.1	$0.0	$846.8	$846.8	**$3,965.9**	4	26.5	$1,770.7	2	11.7	124.0
2	Prime Finance	2,436.1	0.0	0.0	0.0	**2,436.1**	2	16.3	1,389.7	2	9.2	75.3
3	Eightfold Real Estate	2,192.7	0.0	0.0	0.0	**2,192.7**	2	14.6	1,220.1	1	8.1	79.7
4	KKR	0.0	793.8	1,093.9	1,887.7	**1,887.7**	2	12.6	3,907.2	4	25.8	-51.7
5	Argentic	0.0	0.0	1,591.4	1,591.4	**1,591.4**	2	10.6	830.5	1	5.5	91.6
6	Ellington Management	983.3	0.0	0.0	0.0	**983.3**	1	6.6	2,533.4	2	16.7	-61.2
7	LNR Partners	0.0	0.0	817.1	817.1	**817.1**	1	5.5	300.0	1	2.0	172.3
8	3650 REIT	0.0	0.0	650.1	650.1	**650.1**	1	4.3	828.9	1	5.5	-21.6
9	Arbor Realty	0.0	449.9	0.0	449.9	**449.9**	1	3.0	727.2	1	4.8	-38.1
	Seer Capital	0.0	0.0	0.0	0.0	**0.0**	0	0.0	900.1	1	5.9	-100.0
	LoanCore Capital	0.0	0.0	0.0	0.0	**0.0**	0	0.0	727.4	1	4.8	-100.0
	TOTAL	**8,731.2**	**1,243.7**	**4,999.2**	**6,242.9**	**14,974.2**	**16**	**100.0**	**15,135.0**	**16**	**100.0**	**-1.1**

Special Servicers for US CMBS Issued in the First Half

		Conduit/ Pooled ($Mil.)	Single Borrower ($Mil.)	1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	SitusAMC	$1,548.0	$16,155.0	**$17,703.0**	27	38.7	$2,873.6	19	10.0	516.1
2	Midland Loan Services	2,085.1	4,158.5	**6,243.6**	16	13.7	7,290.8	22	25.4	-14.4
3	CWCapital Asset Management	1,312.4	4,595.6	**5,908.0**	10	12.9	2,761.8	13	9.6	113.9
4	KeyBank	1,558.3	3,690.3	**5,248.6**	16	11.5	9,262.0	25	32.3	-43.3
5	Rialto Capital	3,254.2	222.9	**3,477.1**	9	7.6	1,467.9	7	5.1	136.9
6	Greystone	2,427.4	0.0	**2,427.4**	9	5.3	0.0	0	0.0	
7	Argentic	1,459.2	155.0	**1,614.2**	5	3.5	0.0	0	0.0	
8	3650 REIT	416.0	470.0	**886.0**	2	1.9	647.1	2	2.3	36.9
9	LNR Partners	805.5	0.0	**805.5**	2	1.8	2,219.1	14	7.7	-63.7
10	Trimont Real Estate	0.0	691.0	**691.0**	1	1.5	400.0	1	1.4	72.8
11	Wells Fargo	0.0	399.0	**399.0**	1	0.9	532.9	5	1.9	-25.1
12	NCB	283.2	0.0	**283.2**	4	0.6	162.0	2	0.6	74.8
13	Pacific Life	35.0	0.0	**35.0**	1	0.1	300.0	2	1.0	-88.3
	OTHERS	0.0	0.0	**0.0**	0	0.0	760.1	6	2.7	-100.0
	TOTAL	**15,184.3**	**30,537.3**	**45,721.5**	**59**	**100.0**	**28,677.2**	**42**	**100.0**	**59.4**

RANKINGS

Scorecard for B-Piece Yields in the First Half

For deals using horizontal or L-shape risk-retention structure

Conduit: Horizontal

	Amount ($Mil.)	Pricing Date	B-Piece Buyer	Face Amount Acquired ($Mil.)	Subordination (%)	Purchase Price ($Mil.)	Price as % of Face Amount	Price as % of Deal Proceeds	Yield (%)
BBCMS 2021-C9	$793.8	2/17	KKR	$92.1	11.60	$42.2	45.9	5.01	14.18
AMMST 2021-MF2	449.9	6/10	Arbor Realty Trust	38.2	8.50	23.4	61.2	5.01	10.00

Conduit: L-Shape

	Amount ($Mil.)	Pricing Date	B-Piece Buyer	Face Amount Acquired ($Mil.)	Subordination (%)	Purchase Price ($Mil.)	Price as % of Face Amount	Price as % of Deal Proceeds	Yield (%)
CSAIL 2021-C20	$650.1	3/23	3650 REIT	$49.3	7.75	$19.5	39.7	2.90	16.35
WFCM 2021-C59	826.1	4/22	Argentic	41.5	5.25	7.1	17.1	0.81	32.84
MSC 2021-L5	817.1	4/29	Starwood/LNR	29.3	3.75	6.4	21.7	0.74	26.80
BMARK 2021-B27	1093.9	6/18	KKR	59.3	5.63	15.3	25.9	1.34	22.68
BBCMS 2021-C10	846.8	6/25	Rialto Capital	39.6	4.88	8.5	21.4	0.94	26.66
MSC 2021-L6	765.3	6/30	Argentic	30.3	4.13	7.7	25.6	0.96	22.83

Single-Borrower: Horizontal, Fixed Rate

	Amount ($Mil.)	Pricing Date	B-Piece Buyer	Face Amount Acquired ($Mil.)	Top Rating on Acquired Class	Purchase Price ($Mil.)	Price as % of Face Amount	Price as % of Deal Proceeds	Yield (%)
JPMCC 2021-2NU	$297.6	1/13	Canada Pension Plan	$17.8	Double-B-plus	$15.3	86.0	5.05	4.50
JPMCC 2021-410T	485.0	2/25	Prima Capital	28.0	Triple-B	25.2	90.1	5.04	4.32
BGME 2021-VR	260.0	4/8	Prima Capital	16.0	Triple-B-minus	12.8	79.8	5.06	6.00
DOLP 2021-NYC	1100.0	4/13	Prima Capital	71.6	Single-B-minus	55.0	76.8	5.00	7.00
SLG 2021-OVA	3000.0	6/15	Square Mile Capital	187.0	Single-B-minus	150.1	80.3	5.00	5.45

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RANKINGS

Scorecard for B-Piece Yields in the First Half (From Page 15)

For deals using horizontal or L-shape risk-retention structure

Single-Borrower: Horizontal, Floating Rate

	Amount ($Mil.)	Pricing Date	B-Piece Buyer	Face Amount Acquired ($Mil.)	Top Rating on Acquired Class	Purchase Price ($Mil.)	Price as % of Face Amount	Price as % of Deal Proceeds	Yield (%)
KIND 2021-KDIP	$695.0	1/12	Oxford Properties	$35.0	Unrated	$35.0	100.0	5.03	L+550
GCT 2021-GCT	350.0	1/29	Prima Capital	17.5	Single-B	17.5	100.0	5.00	L+650
WFCM 2021-SAVE	416.8	1/29	Prima Capital	21.1	Double-B-minus	21.1	100.0	5.01	L+800
BX 2021-IRON	232.0	2/4	KKR	11.6	Single-B-minus	11.6	100.0	5.01	L+500
ONE 2021-PARK	525.0	2/10	Blackstone	26.3	Double-B-plus	26.3	100.0	5.00	L+400
BPR 2021-KEN	210.0	2/18	Prima Capital	10.7	Triple-B	10.7	100.0	5.02	L+870
JPMCC 2021-1440	399.0	2/26	Oaktree Capital	20.0	Unrated	20.0	100.0	5.03	L+1200
COMM 2021-LBA	425.0	3/3	Blackstone	21.5	Unrated	21.3	99.3	5.01	L+425
ALEN 2021-ACEN	470.0	3/11	3650 REIT	23.5	Unrated	23.5	100.0	5.00	L+1021
LIFE 2021-BMR	2010.0	3/18	Canada Pension Plan	100.5	Unrated	100.5	100.0	5.00	L+455
BSST 2021-1818	222.9	3/19	Rialto Capital	11.2	Unrated	11.2	100.0	5.02	L+1294
CRSNT 2021-MOON	465.0	3/31	KKR	23.3	Unrated	23.3	100.0	5.00	L+550
JPMCC 2021-MHC	488.6	4/1	Blackstone	24.8	Unrated	24.8	100.0	n/a	L+849
VASA 2021-VASA	505.6	4/1	Rockwood Capital	25.3	Unrated	25.3	100.0	5.00	L+700
MHC 2021-MHC	2205.0	4/6	Blackstone	110.3	Unrated	110.0	99.8	5.00	L+536
DROP 2021-FILE	600.0	4/21	Blackstone	30.2	Double-B	30.2	100.0	5.03	L+475
RLGH 2021-TROT	299.3	4/28	KKR	15.0	Unrated	15.0	99.8	5.01	L+545
WFCM 2021-FCMT	455.0	4/28	Prima Capital	22.8	Unrated	22.8	100.0	5.00	L+1075
SFO 2021-555	1200.0	4/30	Prima Capital	60.0	Double-B-minus	60.0	100.0	5.00	L+520
BX 2021-VINO	845.0	5/3	Prima Capital	42.3	Unrated	42.2	99.8	5.01	L+575
MHC 2021-MHC2	352.0	5/14	Blackstone	17.7	Unrated	17.7	100.0	5.03	L+535
BPR 2021-WILL	155.0	5/19	Elliott Investment	7.8	Double-B-minus	7.8	100.0	5.00	L+1400
TPGI 2021-DGWD	500.0	5/27	KKR	25.1	Unrated	25.1	100.0	5.01	L+565
BFLD 2021-FPM	290.0	6/8	Prima Capital	14.5	Single-B	14.5	100.0	5.00	L+1143
BX 2021-SOAR	1630.0	6/11	BlackRock	81.6	Unrated	81.6	100.0	5.00	L+550
BCP 2021-330N	370.0	6/16	Rockwood Capital	18.5	Unrated	18.5	99.9	5.00	L+725
BBCMS 2021-AGW	350.0	6/18	Oaktree Capital	17.6	Unrated	17.6	100.0	5.01	L+920
CSWF 2021-SOP2	335.0	6/23	BlackRock	16.8	Unrated	16.8	100.0	5.03	L+829
ESA 2021-ESH	4650.0	6/24	KSL Capital	233.3	Single-B	233.3	100.0	5.01	L+750

RANKINGS

Buyers of Freddie Mac B-Pieces in the First Half

Figures represent total sizes of deals, which are shown by certificate rate type

		Fixed Rate ($Mil.)	Floating Rate ($Mil.)	1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	Morgan Properties	$3,811.7	$1,042.4	**$4,854.1**	4	12.8	$1,465.7	1	6.7	231.2
2	Kayne Anderson Real Estate	1,201.6	3,053.0	**4,254.6**	4	11.2	961.8	1	4.4	342.4
3	Bridge Investment	715.7	3,198.3	**3,914.0**	4	10.3	4,907.9	5	22.5	-20.3
4	Harbor Group International	652.6	3,021.6	**3,674.2**	4	9.7	1,973.1	4	9.1	86.2
5	Torchlight Investors	1,552.8	1,015.0	**2,567.7**	2	6.8	0.0	0	0.0	
6	Blackstone	1,559.3	970.8	**2,530.1**	2	6.7	0.0	0	0.0	
7	McDowell Properties	453.3	1,973.6	**2,426.9**	3	6.4	0.0	0	0.0	
8	Berkshire Group	1,142.7	1,010.2	**2,152.8**	2	5.7	3,473.7	3	15.9	-38.0
9	Greystar Real Estate	0.0	2,105.3	**2,105.3**	2	5.5	1,212.2	1	5.6	73.7
10	Related Cos.	1,704.2	0.0	**1,704.2**	2	4.5	0.0	0	0.0	
11	Waterton	1,697.2	0.0	**1,697.2**	2	4.5	789.1	1	3.6	115.1
12	Priderock Capital	0.0	1,099.6	**1,099.6**	1	2.9	850.4	1	3.9	29.3
13	NexPoint Advisors	0.0	1,014.0	**1,014.0**	1	2.7	1,093.3	1	5.0	-7.3
14	Axonic Capital	816.0	0.0	**816.0**	2	2.1	799.4	2	3.7	2.1
15	Oaktree Capital	803.9	0.0	**803.9**	1	2.1	1,151.1	1	5.3	-30.2
16	Angelo, Gordon & Co.	453.3	0.0	**453.3**	1	1.2	0.0	0	0.0	
17	Hildene Capital	450.1	0.0	**450.1**	1	1.2	0.0	0	0.0	
18	Tilden Park Capital	428.6	0.0	**428.6**	1	1.1	412.7	1	1.9	3.9
19	Sabal Capital	426.8	0.0	**426.8**	1	1.1	825.8	2	3.8	-48.3
20	Tolis Advisors	400.5	0.0	**400.5**	1	1.1	422.2	1	1.9	-5.1
21	Merchants Bank	0.0	262.1	**262.1**	1	0.7	0.0	0	0.0	
	RREEF America	0.0	0.0	**0.0**	0	0.0	1,446.1	1	6.6	-100.0
	TOTAL	**18,270.3**	**19,765.9**	**38,036.1**	**41**	**100.0**	**21,784.4**	**26**	**100.0**	**74.6**

Special Servicers for Freddie Mac CMBS Issued in the First Half

		1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	'20-'21 % Chg.
1	CWCapital Asset Management	$22,199.6	22	58.4	$7,087.2	8	32.5	213.2
2	KeyBank	9,589.6	12	25.2	10,699.5	14	49.1	-10.4
3	Wells Fargo	5,196.4	5	13.7	3,833.9	4	17.6	35.5
4	Greystone	413.4	1	1.1	0.0	0	0.0	
5	Midland Loan Services	336.7	1	0.9	0.0	0	0.0	
6	SitusAMC	262.1	1	0.7	0.0	0	0.0	
7	Sabal Capital	38.4	1	0.1	163.8	2	0.8	-76.5
	TOTAL	**38,036.1**	**41**	**100.0**	**21,784.4**	**26**	**100.0**	**74.6**

RANKINGS

Special Servicers for CRE CLOs Issued in the First Half

		1H-21 Total ($Mil.)	No. of Deals	Market Share (%)	1H-20 Total ($Mil.)	No. of Deals	Market Share (%)	’20-’21 % Chg.
1	SitusAMC	$4,397.6	5	21.7	$0.0	0	0.0	
2	CBRE Loan Services	2,490.0	2	12.3	820.0	1	14.6	203.7
3	KeyBank	1,802.8	3	8.9	405.3	1	7.2	344.8
4	Trimont Real Estate	1,751.6	2	8.6	0.0	0	0.0	
5	Ares Commercial Real Estate	1,612.2	2	7.9	0.0	0	0.0	
6	Arbor Multifamily	1,600.0	2	7.9	800.0	1	14.2	100.0
7	LNR Partners	1,275.0	1	6.3	0.0	0	0.0	
8	Lument	1,000.0	1	4.9	0.0	0	0.0	
8	CT Investment (Blackstone)	1,000.0	1	4.9	1,500.0	1	26.7	-33.3
10	Acres Capital	802.6	1	4.0	0.0	0	0.0	
11	Rialto Capital	783.0	1	3.9	0.0	0	0.0	
12	Benefit Street Partners	700.0	1	3.4	0.0	0	0.0	
13	Wells Fargo	600.0	1	3.0	550.0	1	9.8	9.1
14	LaSalle Debt Investors	490.0	1	2.4	0.0	0	0.0	
	OTHERS	0.0	0	0.0	1,548.9	3	27.5	-100.0
	TOTAL	**20,304.9**	**24**	**100.0**	**5,624.2**	**8**	**100.0**	**261.0**

Rialto ... From Page 14

dropped from first at yearend.

KKR also won the annual rankings of conduit B-piece buyers in 2018. The New York investment manager had finished second in 2019 and 2017 to Rialto, a Miami fund shop that led the field in five of the six years before 2017.

Rialto acquired the most-junior bonds from $3.97 billion, or 26.5%, of the first-half conduit issues, a sharp jump from its comparable market share of 19.9% for all of last year.

Prime, of New York, took down $2.44 billion (16.3%) of corresponding bonds by midyear, while Eightfold, of Miami Beach, circled $2.19 billion (14.6%) and KKR bought $1.89 billion (12.6%). **Argentic,** also of New York, rounded out the top five with $1.59 billion (10.6%) of equivalent acquisitions.

In the agency CMBS market, **Morgan Properties** switched places with **Bridge Investment** to become the top buyer of B-pieces from structured CMBS deals floated by **Freddie Mac** during the first six months of this year. After dominating the field for three years in a row, Bridge entered the second half in third place.

Freddie's first-half volume of multi-family loan securitizations with attached B-pieces jumped by 74.6% from a year earlier, to $38.04 billion. Morgan bought the unguaranteed, most-junior classes from $4.85 billion of those transactions. That was enough to give the King of Prussia, Pa., firm a 12.8% market share at midyear, up from 9.8% in the comparable league table for all of 2020.

Kayne Anderson Real Estate, of Los Angeles, moved up from fifth place at yearend to second at the end June, with $4.25 billion (11.2%) of Freddie B-piece purchases. Next came Bridge, of Salt Lake City, with $3.91 billion (10.3%). **Harbor Group International,** of Norfolk, Va., still ranked fourth, with $3.67 billion (9.7%), and fifth place went to **Torchlight Investors.** After buying its first Freddie B-piece in more than two years last September, New York-based Torchlight picked up two more, totaling $2.57 billion (6.8%), in March.

In the non-agency CMBS sector, only 41.7% of first-half conduit issuance ($6.24 billion) involved nontradable B-pieces. That was down from 51.4% in full-year 2020, accelerating a shift that began in the second half of 2019.

Those nontradable pieces stem from federal risk-retention rules that hit the CMBS market in 2017. When issuers meet the 5% retention requirement by holding on to that percentage of each class in a vertical strip, the buyer of the B-piece can trade those bonds at any time. The other two structuring options require B-piece buyers to retain all or part of their purchases, effectively for the life of the deal. Those options peg the 5% retention requirement to horizontal strips at the bottom of the capital stack, or L-shape strips divided between vertical and horizontal portions.

Issuers can retain only so much risk on their books. But they typically try to minimize sales of nontradable paper to third parties because it commands a higher yield, and that's been easier to accomplish because of the depressed volume of conduit offerings lately.

When CMBS issuers did choose to offset risk in the first half, they continued to favor the L-shape option over the horizontal strategy. That's partly because horizontal strips sometimes include bonds near the bottom of the investment-grade capital stack, which tend to fetch higher prices if sold in the open market.

Rialto was the only buyer that acquired both nontradable and tradable B-pieces from conduit deals that priced in the first half. Prime, Eightfold and **Ellington Management,** of Old Greenwich, Conn., bought only tradable notes, while KKR's purchases consisted of nontradable B-pieces from two deals. Each of the remaining firms in the ranking retained the nontradable B-pieces from one or two deals in which it was also a major loan contributor.

SitusAMC led the field of special servicers by nabbing that assignment on $17.7 billion, or 38.7%, of first-half CMBS issuance, up from 21.6% in 2020. The New York firm was followed by Pittsburgh-based **PNC's** Midland unit, which garnered $6.24 billion of equivalent mandates and a 13.7% market share, down from 22.7% at yearend.

Washington-based CWCapital was close behind at midyear, after lining up the special-servicing contracts on $5.91 billion of transactions (12.9%, up from 6% last year). It was followed by **KeyBank,** of Cleveland, which captured $5.25 billion of similar contracts (11.5%, down from 26.4%), and Rialto, with $3.48 billion (7.6%, down from 9.8%).

The special-servicer ranking complements the B-piece league table because the right to appoint special servicers goes to B-piece buyers, which must absorb the first losses from any collateral loans. Most B-piece buyers appoint third-party special servicers. But Rialto, **LNR Partners,** of Miami Beach, and Miami-based **3650 REIT** favor their own servicing affiliates.

On a Freddie deal, the B-piece buyer has the right to appoint the special servicer, but it can't be an affiliate. CWCapital was by far the top special servicer on Freddie's issues in 2020 and even more so during the first half of this year, when it won such contracts on $22.2 billion (58.4%) of transactions. Key held on to second place, with $9.59 billion (25.2%) of corresponding mandates as of June 30, and Wells Fargo remained in third with $5.2 billion (13.7%).

SitusAMC has dominated the field of special servicers assigned to commercial real estate CLOs this year, with contracts tied to $4.4 billion (21.7%) of first-half deals in the sector. **CBRE Loan Services,** of Dallas, trailed far behind in second place, with a $2.49 billion (12.3%) tally. Key landed in third with $1.8 billion (8.9%), followed by **Trimont Real Estate,** of Atlanta, with $1.75 billion (8.6%) and **Ares Commercial Real Estate,** of Chicago, with $1.61 billion (7.9%). ❖

Methodology ... From Page 1

on CMBS offerings, but since issuers view both as too conservative on triple-B-minus bonds, they typically hire **KBRA** or **DBRS Morningstar** to rate subordinate tranches.

Moody's said the change has been years in the making and is based on extensive data analysis. It adamantly denies the move is intended to boost its market share, arguing that the changes won't lower the subordination it requires to the levels of other agencies.

"There are a litany of reasons why the gap exists beyond just us not fully taking into account a low-interest-rate environment," said Moody's senior credit officer **Kevin Fagan**. "Even if we assign more benefit [to that] than before, many other credit considerations are likely to lead to continued differences of opinion."

Moody's often has acknowledged its more conservative approach, arguing that the market is wrong and that subordination levels should be higher down the stack, given the elongated credit cycle. In a January 2019 report, for example, analysts noted that they would require about 13% subordination to award a rating of Baa3, well above the actual average of 8.8% other agencies require at triple-B-minus.

As support for their tougher standards, they pointed to a lack of diversity of collateral in conduit offerings and the practice of "barbelling," where issuers increase the number of low-quality mortgages in collateral pools by also including high-quality mortgages to maintain the aggregate leverage ratio.

The agency is discussing the changes with issuers and investors, and market players can submit comments through noon on Aug. 9, sometime after which the new methodology will go into effect. Moody's expects a one- to four-notch upgrade for tranches of single-borrower deals below triple-A in most deals not backed by hotels or retail properties. In conduit offerings, one- or two-notch upgrades are expected for about 10% of 3,300 tranches it has rated Baa1 through B3.

Investors and some rivals, who can be critical of efforts to grade bonds more leniently, said the move is long overdue. Issuers have said no one could make money at the subordination levels Moody's requires.

The proposed changes "give them a little more credibility in the market," one dealer said. "Right now, we are dealing with an agency whose ratings on the triple-B-minus class … imply stress worse than the Great Recession, worse than the pandemic, for no historical reason and no observable reason."

He said that Moody's, knowing it will win deal assignments thanks to investor demand, raised subordination levels to avoid any headache with regulators or prosecutors. In 2017, Moody's agreed to pay $864 million to settle with the **Justice Department** and 21 states for its role in the collapse of the residential subprime-mortgage market.

One CMBS investor noted that spread levels on conduit deals for years have shown that Moody's is out of step. "The market has clearly gotten there ahead of the rating agency," he said. "Look at where stuff is trading. The market has long been factoring in the lower costs."

An executive at a rival agency also said the changes make sense.

"They were basically the only game in town for a long time," he said. "But they have been losing out as S&P got back in. They have been getting heat for so long. When are you going to be wrong when your levels are at 15%? You're not."

While the market may welcome the change, regulators and progressive politicians in Washington, who once again are dusting off old strategies for combating the practice of ratings shopping, may be more skeptical. Just this week, a bill was aired before a **House Financial Services** subcommittee that would resurrect a version of the so-called Franken amendment from the Dodd-Frank Act and require rotating deals among agencies. ❖

Master ... From Page 13

it's returned, its share of the single-borrower market ticked higher, but it still is struggling to compete with Key in the sector, as well as with Midland on conduit deals.

"Master servicing is a core, strategic business for Wells Fargo," said **Alan Kronovet,** who leads the business for the bank. "We have a disciplined approach to pricing, and it appears our competitors are valuing servicing more aggressively. We believe, in the long run, our disciplined approach is the appropriate strategy and will lead to more transactions for us. However, the market will determine that."

Master servicers survived a brutal year last year, winning high marks from the industry as they rowed against a tide of desperate borrowers seeking relief. That has passed, and all three reported few new requests for relief and few requests from borrowers whose original forbearance has expired.

With the country reopening, hotels bouncing back and even malls seeing much-improved foot traffic, business is getting back to normal.

"The market has settled down," Kronovet said. "You see new issuance has picked up from over a year ago. There are still questions out there, but for now, we are through the worst of it."

That said, all of the servicers are cautious about potential short-term impacts of the coronavirus variants and on guard for longer-term impacts on office properties.

"We're still pretending like we're able to move forward aggressively, that everything is fine, but the reality is that there are still a lot of unknowns related to the virus," said **David Harrison,** senior vice president and chief operating officer for Midland. "However, from our vantage point, and what we've seen over the last year, we recognize that all we can do is focus on managing our portfolio and advising our clients to the best of our abilities."

Nitcher said Key has worked through all but a dozen of the 500 requests it received.

"Over the last few months, delinquencies have fallen to around 3%, and they have stayed there," he said. "There is a slight uptick in some asset classes, but not sizable percentages. The wave appears to have subsided, and now continuing attention remains on deals needing sustained oversight." ❖

Demand ... From Page 2

of a seven-year, fixed-rate loan to **Stellar Management** on New York office complex One SoHo Square (SOHO 2021-SOHO). Only the top tranche, rated A(low) by DBRS, was offered publicly, and it priced at 180 bp over swaps, 30 bp wider than it was offered in whisper talk.

In the CLO market, **Bridge Investment** priced its third deal since the onset of the pandemic and its second in two months. **Barclays** structured the $576.4 million static offering and placed the bonds with a bookrunning assist from J.P. Morgan and **Amherst Pierpont** (BDS 2021-FL8).

The top tranche, rated triple-A by **Moody's** and DBRS, priced at 92 bp over one-month Libor, tightening from guidance of 95 bp and whispers of 95-100 bp. Every tranche of the deal did the same, with the triple-B-minus piece coming in 45 bp from whispers to price at 225 bp.

Bondholders also were snapping up securities from **KKR,** which was in the market with its first broadly offered deal since 2018. The $1.3 billion managed offering was structured by Wells, with a bookrunning assist from KKR, Morgan Stanley, Goldman and **MUFG** (KREF 2021-FL2).

The top tranche, rated triple-A by Moody's and DBRS, was offered in whispers at 107 bp over one-month Libor. The triple-B-minus tranche was brought out in the area of 300 bp. The deal is expected to price today and be heavily oversubscribed.

In the single-family rental market, **CoreVest American Finance** priced its second and largest deal of the year. Morgan Stanley and Wells ran the books on the $305.8 million offering (CAFL 2021-2).

Pretium Partners also was in the market, via its **Progress Residential** platform, with its seventh deal of the year (PROG 2021-SFR7). ❖

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INITIAL PRICINGS

Wells Fargo Commercial Mortgage Trust, 2021-C60

Pricing date:	July 16
Closing date:	July 29
Amount:	$748.6 million
Seller/borrowers:	LMF Commercial, Wells Fargo, Credit Suisse, UBS, Benefit Street Partners, Ladder Capital
Lad managers:	Wells Fargo, Credit Suisse, UBS
Co-managers:	Academy Securities, Drexel Hamilton, Siebert Williams Shank
Master servicers:	Wells Fargo, Midland Loan Services
Special servicers:	Midland Loan Services, SitusAMC, Argentic, Pacific Life
Operating advisor:	Pentalpha
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	SEC-registered

Property types: Retail (28.5%), multi-family (23%), industrial (15.5%), office (13.8%), self-storage (7.8%), mixed use (4%), hotel (3.9%), manufactured housing (1.2%) and other (2.2%).
Concentrations: New York (20.8%) and California (18.1%).
Loan contributors: LMF Commercial (30.2%), Wells Fargo (24.2%), Credit Suisse (13.7%), UBS (11.9%), Benefit Street Partners (10.1%) and Ladder Capital (9.8%).
Largest loans: A $65 million portion of a $75 million loan to Velocity Ventures on two industrial properties, totaling 1.13 million sf, at 2750 Morris Road and 1180 Church Road in Lansdale, Pa.; a $50 million senior portion of a $1.25 billion loan to Brookfield and Swig Co. on the 1.6 million-sf Grace Building in Manhattan; a $48 million loan to Ann Kroenke and Audrey Walton on the 114,000-sf Malibu Colony Plaza retail center in Malibu, Calif.; a $37 million loan to Mason Properties on eight apartment complexes, totaling 626 units, in DeKalb, Ill.; a $27.2 million loan to Kingsbarn Realty Capital on the 157,000-sf Gramercy Plaza office building in Torrance, Calif.; a $26.6 million loan to Nexus Development on the 131,000-sf Bell Towne Centre retail complex in Phoenix; and a $24.4 million portion of a $39.4 million loan to New Mountain Capital on 14 California industrial-flex properties, totaling 232,000 sf and fully leased to subsidiaries of Rollins Inc.
B-piece buyer: KKR.
Risk-retention sponsor: Wells Fargo.
Notes: Wells Fargo, LMF Commercial, Credit Suisse, UBS, Benefit Street Partners and Ladder Capital teamed up to securitize 61 commercial mortgages they originated or purchased on 107 properties across 25 states. In compliance with U.S. risk-retention rules, KKR is acquiring Classes E-RR to M-RR at a price that yields a projected 15.06% and equals at least 5% of the total deal proceeds.
Deal: WFCM 2021-C60. **CMA code:** 20210206.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (Fitch)	Rating (DBRS)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A-1	17.659	Aaa	AAA	AAA	30.00	0.733	99.999	0.724	8/15/54	2.62	S+28	Fixed
A-2	45.569	Aaa	AAA	AAA	30.00	2.042	102.998	1.399	8/15/54	4.92	S+55	Fixed
A-SB	24.458	Aaa	AAA	AAA	30.00	2.130	102.995	1.683	8/15/54	7.23	S+58	Fixed
A-3	121.000	Aaa	AAA	AAA	30.00	2.061	100.998	1.940	8/15/54	9.14	S+70	Fixed
A-4	315.357	Aaa	AAA	AAA	30.00	2.342	102.999	2.005	8/15/54	9.85	S+72	Fixed
A-S	58.019	Aa1	AAA	AAA	22.25	2.547	102.991	2.211	8/15/54	9.96	S+92	Fixed
B	34.624	NR	AA-	AAA	17.63	2.730	103.000	2.391	8/15/54	9.96	S+110	Fixed
C	29.010	NR	A-	AA (L)	13.75	2.738	100.000	2.741	8/15/54	9.96	S+145	Fixed
D	11.192	NR	BBB+	A (H)	12.26	2.500	91.774	3.491	8/15/54	9.96	S+220	Fixed
E-RR	14.074	NR	BBB	A (L)	10.38				8/15/54	9.96		Fixed
F-RR	17.780	NR	BBB-	BBB (H)	8.00				8/15/54	9.96		Fixed
G-RR	9.358	NR	BB+	BBB	6.75				8/15/54	9.96		Fixed
H-RR	9.358	NR	BB-	BB (H)	5.50				8/15/54	9.96		Fixed
J-RR	7.486	NR	B-	BB (H)	4.50				8/15/54	9.96		Fixed
K-RR	8.422	NR	NR	BB (L)	3.38				8/15/54	9.96		Fixed
L-RR	11.230	NR	NR	B (L)	1.88				8/15/54	9.96		Fixed
M-RR	14.037	NR	NR	NR	0.00				8/15/54	9.96		Fixed
X-A(IO)	524.043*	Aaa	AAA	AAA		1.685	12.017	2.493	8/15/54		T+140	Fixed
X-B(IO)	121.653*	NR	A-	AA		1.227	10.119	2.286	8/15/54		T+110	Fixed
X-D(IO)	11.192*	NR	BBB+	AA (L)					8/15/54			Fixed

*Notional amount

INITIAL PRICINGS

MHP Commercial Mortgage Trust, 2021-STOR

Pricing date:	July 19
Closing date:	Aug. 5
Amount:	$468.0 million
Seller/borrowers:	GIC, Centerbridge Partners, Merit Hill Capital
Lead managers:	Citigroup, J.P. Morgan, Goldman Sachs
Master servicer:	Midland Loan Services
Special servicer:	CWCapital Asset Management
Operating advisor:	Park Bridge Financial
Trustee:	Wilmington Trust
Certificate admin.:	Citigroup
Offering type:	Rule 144A

Property type: Self-storage (100%).
Concentrations: New Jersey (20.1%), Virginia (13%), Maine (12.9%) and South Carolina (12.2%).
Loan contributors: Citigroup (50%), J.P. Morgan (25%) and Goldman Sachs (25%).
Risk-retention sponsor: Citigroup.
Notes: Citigroup, J.P. Morgan and Goldman Sachs securitized a $468 million floating-rate mortgage they originated July 14 for a joint venture among affiliates of GIC, Centerbridge Partners and Merit Hill Capital on a portfolio of 57 primarily self-storage facilities. The mortgage financed the joint venture's $623.1 million acquisition of the properties from Prime Group Holdings. The interest-only loan, pegged to one-month Libor plus 185 bp, has a two-year initial term and three one-year extension options. At origination, the sponsors entered into a new long-term management agreement with Extra Space Storage. The properties total 4 million sf (28,333 units) across 13 states, mostly concentrated on the East Coast. Roughly 3.3 million sf of the portfolio consists of self-storage units, while the remaining space comprises parking and commercial units. Recent appraisals value the properties at $555.6 million, or $623.5 million including a portfolio premium. In compliance with U.S. risk-retention rules, Blackstone Real Estate Income is acquiring Class K-RR at a price that equals at least 5% of the total deal proceeds.
Deal: MHP 2021-STOR. **CMA code:** 20210208.

Class	Amount ($Mil.)	Rating (S&P)	Rating (KBRA)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Int/Ext)	Spread (bp)	Note Type
A	158.390	AAA	AAA	66.15	L+70	100.000	7/15/38	1.94/4.94	L+70	Floating
B	33.710	AA-	AAA	58.95	L+90	100.000	7/15/38	1.94/4.94	L+90	Floating
C	25.270	A-	AA+	53.55	L+105	100.000	7/15/38	1.94/4.94	L+105	Floating
D	31.010	BBB-	A+	46.93	L+135	100.000	7/15/38	1.94/4.94	L+135	Floating
E	62.060	NR	BBB-	33.67	L+175	100.000	7/15/38	1.94/4.94	L+175	Floating
F	40.920	NR	BB-	24.92	L+220	100.000	7/15/38	1.94/4.94	L+220	Floating
G	47.420	NR	B-	14.79	L+275	100.000	7/15/38	1.94/4.94	L+275	Floating
J	45.810	NR	NR	5.00	L+395	100.000	7/15/38	1.94/4.94	L+395	Floating
K-RR	23.410	NR	NR	0.00	L+530	100.000	7/15/38	1.94/4.94	L+530	Floating
X-CP(IO)	71.992*	BBB-	AAA				7/15/34			Floating
X-NCP(IO)	89.990*	BBB-	AAA				7/15/38			Floating

*Notional amount

INITIAL PRICINGS

SOHO Trust, 2021-SOHO

Pricing date:	July 16
Closing date:	July 30
Amount:	$316.0 million
Seller/borrower:	Stellar Management
Lead managers:	Goldman Sachs, Deutsche Bank, BMO Capital
Master servicer:	KeyBank
Special servicer:	Midland Loan Services
Operating advisor:	Pentalpha
Trustee:	U.S. Bank
Certificate admin.:	U.S. Bank
Offering type:	Rule 144A

Property type: Office (100%).
Concentration: New York (100%).
Loan contributors: Goldman Sachs (68.51%), Deutsche Bank (20.44%) and Bank of Montreal (11.05%)
Risk-retention sponsor: Goldman Sachs.
Notes: Goldman Sachs, Deutsche Bank and Bank of Montreal securitized a $316 million portion of a $785 million fixed-rate mortgage they originated on July 9 for Stellar Management on the 787,000-sf One SoHo Square office complex in Manhattan. The mortgage and a $120 million mezzanine loan make up a $905 million, seven-year, interest-only debt package that refinanced the property. One SoHo Square comprises two connected buildings at 161 Sixth Avenue (One SoHo East) and 233 Spring Street (One SoHo West). The property is 92.5% leased and has an appraised value of $1.35 billion. The mortgage, with a 2.72% coupon, consists of $470 million of senior notes and $315 million of junior notes. Goldman, Deutsche and Bank of Montreal contributed $1 million of senior notes and all of the junior notes to this securitization, and they are expected to contribute the remaining $469 million of senior notes to upcoming conduit transactions. The mezzanine loan, with a 5.05% coupon, likely will be placed with a third party. Stellar used the bulk of the proceeds to retire an existing $900 million debt package, which included a $730 million CMBS loan (GSMS 2019-SOHO). In compliance with U.S. risk-retention rules, KKR is acquiring Class HRR at a price that yields a projected 5.55% and equals at least 5% of the total deal proceeds.
Deal: SOHO 2021-SOHO. **CMA code:** 20210207.

Class	Amount ($Mil.)	Rating (DBRS)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	87.131	A (L)	29.16	2.786	99.064	2.890	8/10/38	7.03	S+180	Fixed
B	83.880	BBB (L)	18.47	2.786	96.295	3.340	8/10/38	7.03	S+225	Fixed
C	80.259	BB (L)	8.25	2.786	93.908	3.740	8/10/38	7.03	S+265	Fixed
D	46.800	B	2.28	2.786	90.736	4.290	8/10/38	7.03	S+320	Fixed
HRR	17.930	B	0.00				8/10/38	7.03		Fixed
X-A(IO)	87.131*	A					8/10/38			Fixed

*Notional amount

INITIAL PRICINGS

BDS Ltd., 2021-FL8

Pricing date:	July 22
Closing date:	Aug. 5
Amount:	$576.4 million
Seller/borrower:	Bridge Investment
Lead managers:	Barclays, J.P. Morgan, Amherst Pierpont
Co-managers:	Goldman Sachs, Wells Fargo
Master servicer:	Wells Fargo
Special servicer:	Wells Fargo
Collateral manager:	Bridge Investment
Trustee:	Wilmington Trust
Note administrator:	Wells Fargo
Offering type:	Rule 144A

Property types: Multi-family (86.7%) and office (13.3%).
Concentrations: Texas (37%) and Arizona (21.7%).
Loan originator: Bridge Investment (100%).
Largest loans: A $60 million loan to Hines on the 365-unit Tinsley on the Park apartment complex in Houston; a $42.8 million loan to Slosburg Co. on the 159-unit Laurel Preston Hollow apartment complex in Dallas; a $42.5 million portion of a $53.8 million loan to Meridian Group on the 216,000-sf Eleven One Eleven office building in Reston, Va.; a $34 million loan to Silver Creek Development on the 64,000-sf office complex, fully leased to Snapchat, at 606-654 Venice Boulevard in Venice, Calif.; and a $29.4 million portion of a $33.8 million loan to Tower 16 Capital and Dune Real Estate on the 232-unit Summerhill Place Apartments in Glendale, Ariz.
Notes: Bridge Investment floated a static commercial real estate CLO backed by five whole loans and 18 loan participations on 23 properties in nine states. On a weighted average basis, the collateral pool has a spread of 313 bp over one-month Libor, a seasoning of three months and a remaining term of 33 months (45 months including extension options). Outside the collateral pool, the loan participations have $47.2 million of future-funding commitments. For 24 months after this deal closes, Bridge can use repaid principal to replenish the pool with companion participations and future-funding components, subject to prescribed conditions. To comply with U.S., E.U. and U.K. risk-retention rules, Bridge is retaining the Preferred Shares at a price that equals at least 5% of the total deal proceeds. It also is retaining Classes F and G.
Deal: BDS 2021-FL8.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Years/Ext)	Spread (bp)	Note Type
A	331.450	Aaa	AAA	42.50	L+92	100.000	1/16/36	2.60/3.59	L+92	Floating
B	50.438	NR	AA (L)	33.75	L+135	100.000	1/16/36	2.95/3.95	L+135	Floating
C	37.468	NR	A (L)	27.25	L+155	100.000	1/16/36	2.95/3.95	L+155	Floating
D	41.790	NR	BBB	20.00	L+190	100.000	1/16/36	2.96/4.00	L+190	Floating
E	10.088	NR	BBB (L)	18.25	L+225	100.000	1/16/36	3.04/4.04	L+225	Floating
F	33.865	NR	BB (L)	12.38			1/16/36	3.04/4.10		Floating
G	21.616	NR	B (L)	8.63			1/16/36	3.04/4.44		Floating
Pref.	49.719	NR	NR	0.00			1/16/36			Floating

INITIAL PRICINGS

Progress Residential Trust, 2021-SFR7

Pricing date:	July 22
Closing date:	Aug. 5
Amount:	$365.7 million
Seller/borrower:	Progress Residential
Lead managers:	Bank of America, RBC, Wells Fargo
Master servicer:	Midland Loan Services
Special servicer:	Midland Loan Services
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property type: Single-family rentals (100%).
Concentrations: Florida (25.6%), Arizona (21.3%), Georgia (16.8%) and Texas (11.3%).
Notes: Progress Residential, managed by Pretium Partners, securitized a $365.7 million fixed-rate loan on 1,414 income-producing single-family rental homes in nine states. The seven-year loan, which will be funded with the proceeds of the bond sale, is backed by individual mortgages on the homes, along with a pledge of Progress Residential's associated equity ownership. The properties have an aggregate value of $384.9 million, based on broker price opinions, and aggregate underwritten annual net cashflow of $19.6 million. To comply with U.S. risk-retention rules, Progress Residential is retaining Class H at a price that equals at least 5% of the total deal proceeds.
Deal: PROG 2021-SFR7.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	128.950	Aaa	AAA	64.74	1.692	99.997	1.687	8/17/40	7.03	S+65	Fixed
B	40.417	Aa3	AA (H)	53.68	1.942	99.998	1.937	8/17/40	7.03	S+90	Fixed
C	19.246	A3	A (H)	48.42	2.042	99.998	2.037	8/17/40	7.03	S+100	Fixed
D	22.133	Baa3	A (L)	42.37	2.341	99.995	2.337	8/17/40	7.03	S+130	Fixed
E-1	35.605	NR	BBB	32.63	2.591	99.999	2.587	8/17/40	7.03	S+155	Fixed
E-2	16.359	NR	BBB (L)	28.16	2.640	99.994	2.637	8/17/40	7.03	S+160	Fixed
F	56.777	NR	BB (L)	12.63	3.834	99.998	3.837	8/17/40	7.03	S+280	Fixed
G	17.322	NR	B	7.89				8/17/40	7.03		Fixed
H	28.869	NR	NR	0.00				8/17/40	7.03		Fixed

INITIAL PRICINGS

CoreVest American Finance Trust, 2021-2

Pricing date:	July 21
Closing date:	July 29
Amount:	$305.8 million
Seller/borrower:	CoreVest American Finance
Lead managers:	Morgan Stanley, Wells Fargo
Master servicer:	Berkadia
Special servicer:	SitusAMC
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property types: Single-family (83.1%) and multi-family (16.9%).
Concentrations: Texas (17.9%) and Georgia (10.4%).
Notes: CoreVest American Finance, a subsidiary of Redwood Trust, securitized 83 fixed-rate loans totaling $305.8 million that it had originated on 2,394 income-producing single-family and multi-family rental properties in 26 states. The loans have original terms ranging from five to 10 years. On a weighted average basis, the pool has a 4.65% coupon and a remaining term of 87 months. The collateral, totaling 3,827 rental units, has an aggregate value of $456.3 million, based on broker price opinions and appraisals, and an aggregate underwritten annual net cashflow of $25.1 million. To comply with U.S. risk-retention rules, CoreVest is retaining Classes F-H at a price that equals at least 5% of the total deal proceeds.
Deal: CAFL 2021-2

Class	Amount ($Mil.)	Rating (Fitch)	Rating (KBRA)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	199.891	AAA	AAA	34.63	1.408	99.995	1.402	7/15/54	5.17	S+57	Fixed
B	26.372	NR	AA	26.00	2.376	99.993	2.378	7/15/54	9.85	S+110	Fixed
C	16.052	NR	A	20.75	2.478	99.998	2.480	7/15/54	9.89	S+120	Fixed
D	29.048	NR	BBB	11.25	2.831	99.999	2.835	7/15/54	9.96	S+155	Fixed
E	6.497	NR	BBB-	9.13	3.723	99.994	3.735	7/15/54	9.96	S+245	Fixed
F	7.262	NR	BB	6.75				7/15/54	9.96		Fixed
G	6.115	NR	B	4.75				7/15/54	9.96		Fixed
H	14.524	NR	NR	0.00				7/15/54	9.96		Fixed
X-A(IO)	199.891*	AAA	AAA					7/15/54			Fixed
X-B(IO)	77.969*	NR	AAA					7/15/54			Fixed

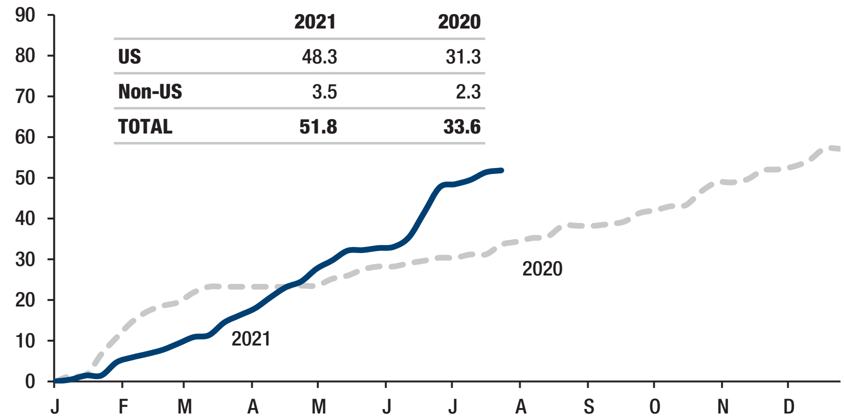
*Notional amount

MARKET MONITOR

WORLDWIDE CMBS

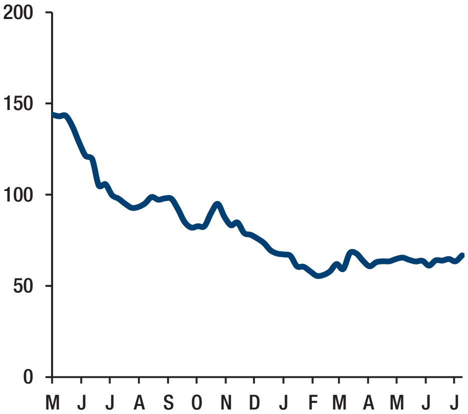
Year-to-date volume ($Bil.)

	2021	2020
US	48.3	31.3
Non-US	3.5	2.3
TOTAL	51.8	33.6



CMBS SPREADS

RECENT-ISSUE SPREAD OVER SWAPS

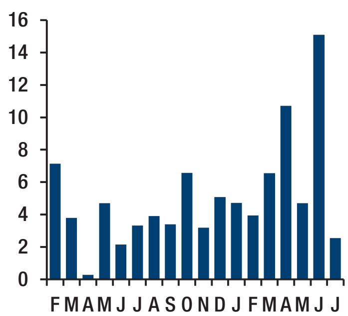


Recent Fixed Rate (Conduit)	Avg. Life	Spread (bps) 7/21	Week Earlier	52-wk Avg.
AAA	5.0	S+44	S+42	59
AAA	10.0	S+67	S+63	74
AA	10.0	S+97	S+94	122
A	10.0	S+130	S+127	186
BBB-	10.0	S+266	S+265	429

Markit CMBX 6	Dollar Price 7/21	Week Earlier	52-wk Avg.
AAA	100.4	100.4	100.4
AS	99.9	99.9	99.5
AA	98.3	98.3	98.8
A	91.4	91.4	90.9
BBB-	73.4	73.6	71.5
BB	55.4	55.4	53.9

Source: Trepp, Markit

US CMBS



CMBS TOTAL RETURNS

As of 7/21	Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv. Grade	5.6	0.7	0.5	291.8
AAA	5.6	0.7	-0.2	269.3
AA	5.5	0.7	1.5	146.2
A	5.1	0.8	6.0	134.9
BBB	5.3	0.9	8.2	163.4

Source: Barclays

LOAN SPREADS

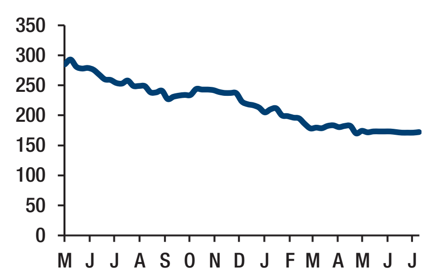
ASKING SPREADS OVER TREASURIES

10-yr loans with 50-59% LTV

	7/16	Month Earlier
Office	172	172
Retail	169	168
Multifamily	145	144
Industrial	145	144

Source: Trepp

ASKING OFFICE SPREADS



AGENCY CMBS SPREADS

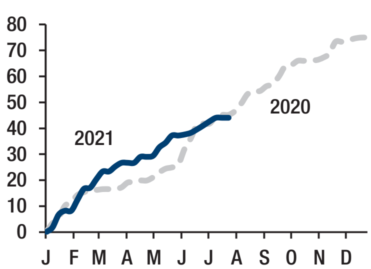
FREDDIE K SERIES	Avg. Life	Spread (bps) 7/22	Week Earlier	52-wk Avg.
A1	5.5	S+14	S+10	19
A2	10.0	S+20	S+16	26
AM	10.0	S+25	S+21	37
B	10.0	S+120	S+118	177
C	10.0	S+145	S+140	211
X1	9.0	T+70	T+70	128
X3	10.0	T+240	T+240	329
K Floater		SOFR+24	SOFR+21	

FANNIE DUS			
10/9.5 TBA (60-day settle)	S+29	S+24	31
Fannie SARM	SOFR+25	SOFR+23	

Source: J.P. Morgan

REIT BOND ISSUANCE

UNSECURED NOTES, MTNs ($Bil.)



MONTHLY ISSUANCE ($Bil.)

THE GRAPEVINE

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also served as **CRE Finance Council** chairman from 2019 to 2020.

Commercial mortgage servicing veteran **Suzanne Weiss** has left **Allstate Investments** to join **Draper & Kramer.** Weiss, who starts July 26 as a senior vice president in the financial-service company's Chicago headquarters, will lead a six-member team that services a $3.5 billion loan portfolio. She'll report to **Jane Kanan,** a senior vice president in the 128-year-old firm's commercial finance group. Weiss had been head of commercial mortgage servicing at Allstate since early 2014. She previously filled other loan-servicing roles at the insurer, after coming aboard as a paralegal from **JMB Realty** of Chicago in 1994.

Adrienne Kautzman joined **CBRE's** Phoenix office this week as a senior vice president on the company's debt and structured-finance team, reporting to executive managing director **Jeff Majewski.** She previously worked at **Berkadia** for five years, leaving as a managing director specializing in mortgage banking for its hotels and hospitality group. Kautzman also had stints at **Western Alliance Bank** and **GE Capital.**

Trez Capital made two hires this month. **Darryl Myrose** joined on July 19 as a managing director, helping lead bridge-loan origination in the West and Southwest. The move reunites him with **Kyle Geoghegan,** who opened a Los Angeles office last month for Vancouver, Canada-based Trez. The two led originations at **Resource America's** Resource Real Estate unit and previously worked together at **Bear Stearns.** In New York, Trez added **Eli Necaj** as vice president for originations and capital markets. He previously had a similar role at **Centennial Bank.** Before that, Necaj worked on securitizations at **Wells Fargo.**

After more than eight years at **Brookfield,** vice president **Amit Rustgi** is headed to a similar role at **Pimco.** Rustgi, who will remain in New York, starts July 26 as a vice president and portfolio manager at the Newport Beach, Calif., fund giant. His responsibilities will include originating investments for the Pimco Commercial Real Estate Debt Fund. Rustgi will report to **Ravi Anand,** head of U.S. private commercial real estate lending. His last day at Brookfield was May 27. Prior to joining there in 2013, Rustgi worked for **Spring11, Moody's** and **Trimont Real Estate.**

Piper Sandler has added a structured-product sales specialist in New York. **Fletch Callahan** arrived as a director last week from **BMO Capital,** which he joined in 2018 via its acquisition of **KGS-Alpha.** He focuses on CMBS and other asset classes. Callahan previously spent time at **Barclays** and **Morgan Stanley.**

Pacific Western Bank has hired **Danielle Priore** as an investment associate in the group that writes bridge and construction loans on all property types nationwide. Priore, who started three weeks ago in New York, helps originate and underwrite such debt in the Eastern U.S. She reports to executive vice president **Patrick Crandall,** the Beverly Hills bank's head of originations in that region. Priore was previously a senior financial analyst at **CBRE.** After joining that firm's Newport Beach, Calif., office in 2017, she moved to New York in late 2018.

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