www.CMAlert.com

Commercial Mortgage ALERT

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

MAY 13, 2016

Wells Eyes First Risk-Retention Deal for July

Wells Fargo is on track to float the first commercial MBS deal designed to comply with upcoming risk-retention rules.

The conduit offering is expected to hit the market in July — more than five months before the regulations take effect. Wells is acting well in advance of the deadline in order to get feedback from regulators about whether its approach passes muster.

"They want to do this in July instead of December because they don't want to have to re-jigger their whole platform at the last minute," said one industry pro. "If something is fundamentally wrong with the approach, they want to have enough time to hone an alternative."

CMBS issuers are grappling with how to implement the rules, aimed at forcing lenders to maintain credit quality. CMBS issuers can retain a "vertical strip" encompassing 5% of the face amount of each class, a "horizontal" 5% strip at the bottom

See WELLS on Page 7

Light CMBS Issuance Seen Through Summer

Commercial MBS issuance will remain at depressed levels for the next few months, because securitization shops have little collateral on hand after sharply scaling back originations in February and March, according to a review by **Commercial Mortgage Alert.**

But in a positive development for the sector, CMBS lenders are slowly starting to re-fill their loan pipelines, which should boost issuance later in the year.

Only $3.4 billion of U.S. transactions are tentatively in the queue for June, down from $10.4 billion a year earlier. July is also shaping up to be exceptionally slow, with only $3.5 billion of tentative volume, down from $8.7 billion last July (see "CMBS Deals in the Works," on Page 15).

Issuance dropped through the floor in April, when only $2.7 billion of deals priced, down from $9.3 billion last year. Activity has picked up a bit this month, with $6.2 billion of priced and pending transactions, down from $7.7 billion last May.

But in a week or so, another lull will hit, with limited activity expected for about

See CMBS on Page 15

Wells, JP Morgan Backing Blackstone Deal

Wells Fargo and **J.P. Morgan** are putting together a syndicate for a $918 million debt package that will finance **Blackstone's** pending acquisition of a shopping-center portfolio.

Blackstone has agreed to buy the 49 U.S. shopping centers from **RioCan REIT** of Toronto for about $1.9 billion.

The floating-rate debt package led by Wells and J.P. Morgan will be backed by 27 of the properties, encompassing 5.5 million square feet. Those shopping centers are valued at some $1.2 billion. Fourteen are in Texas, seven are in Pennsylvania, and the others are in New Hampshire, New Jersey and New York.

The debt package will encompass a $740 million senior loan and $178 million of mezzanine debt. It will have a two-year term, with three one-year extension options.

Wells is the administrative agent, and J.P. Morgan is the syndication agent. They are seeking to syndicate the senior portion, pegged to about 225 bp over one-month

See BLACKSTONE on Page 5

THE GRAPEVINE

Veteran originator **Peter Smith** is leaving **Ladder Capital.** He gave his notice this week. The buzz is he'll stay on for a few weeks of transition, but his plans beyond that are unknown. Smith joined Ladder in 2010 as a managing director after two stints at **Credit Suisse** — in the early days of commercial MBS, from 1994 to 2000, and at the peak of the last lending cycle, 2006-2008. He also served as originations chief at **UBS** and was, for a time, a partner at London-based **Aion Partners.**

European CMBS pros **Chris Nias** and **Sinem Erol-Aziz** learned this week that their jobs at **Credit Suisse** are being eliminated, as part of broader cutbacks at the Swiss investment bank. Nias and Erol-Aziz, both directors in London,

See GRAPEVINE on Back Page

Issuers Closing Hope-Note Loophole

Some commercial MBS issuers have started putting language into their conduit offerings to change the way "hope note" workouts are treated when determining a deal's controlling class.

The provision, included in the prospectuses for at least five recent conduit offerings, could make it harder for a B-piece buyer to retain control of a deal's special servicer if large amounts of troubled debt are carved out as zero-coupon B-notes.

While such modifications don't involve a writedown of the loan, the new language would take the reduced value of the underlying property into account when determining the controlling class of a transaction.

CMBS buyers applauded the shift. "I think it's a great idea," said one investor, adding: "It made no sense the way hope notes were handled before."

The provision appeared in the offering documents for two transactions, led by **Citigroup** and **Goldman Sachs,** that priced on Feb. 3 (CGCMT 2016-GC36) and April 13 (CGCMT 2016-GC37). It also showed up in a pair of issues that **J.P. Morgan** and **Deutsche Bank** floated on March 31 (DBJPM 2016-C1) and May 4 (JPMDB 2016-C2). The latest example is in a $755.7 million offering, led by Citi and **Cantor Fitzgerald,** that began marketing this week (CGCMT 2016-C1).

More issuers are expected to follow suit in the months ahead, according to industry attorneys. The dealers involved haven't indicated why they made the change, but one lawyer said it was the result of a long process of negotiations between issuers and senior investors.

In the wake of the crash, special servicers started working out many underwater loans by splitting them into senior notes that continued to pay interest and subordinate notes that didn't require payments. In such a case, the B-note is referred to as a hope note because it will only be paid off if the property reaches certain performance levels or realizes sufficient proceeds from a sale or refinancing. This gives a borrower breathing room by reducing its payments — without resulting in a writedown of the loan's principal amount.

Over the years, bondholders have had mixed reactions to the use of that structure, depending on the specifics of each case and their positions in the capital stack. Senior bondholders often objected to the fact that the full balance of the loan was considered to be in good standing — even though the junior note stopped paying interest to the securitization trust. That meant a special servicer could pursue such a workout without risking a change in control of the deal. The holder of a majority of bonds in the most-junior class of a transaction generally controls the appointment of the special servicer.

Under the new provision, in the case of a hope-note workout, the difference between the current value of the underlying property, plus any reserves, and the whole-loan balance would be classified as a "collateral deficiency amount." For purposes of calculating control, it would be treated like an appraisal reduction. The amount would be subtracted from the face value of the most-junior bonds, potentially pushing control to the next-higher class.

"Until now, the appraisal-reduction amount would disappear once a hope note was created," said **Dan Rubock,** a senior vice president at **Moody's.** He said the new addition to pooling and servicing agreements "corrects a gap in the treatment of those loans." Rubock called attention to the trend, which he called "credit-positive," during a CMBS conference hosted by the rating agency in New York last week. ❖

Big Hudson Yards Loan Sought

A **Related Cos.** partnership is looking for a $1.2 billion fixed-rate loan on a virtually completed office tower in Manhattan's Hudson Yards complex.

The 10-year assignment is likely to go to the securitization market because of its size. **Eastdil Secured** is advising the Related team.

The 1.7 million-square-foot building, at 10 Hudson Yards, is one of the first components of the 28-acre Hudson Yards development, on the far West Side. Construction started in late 2012, and the 52-story building is scheduled to open this year.

The Related partnership has pre-leased 94% of the space. The anchor occupant is leather-goods retailer **Coach.** Other tenants include **L'Oreal, SAP, VanyerMedia** and **Boston Consulting.**

The loan-to-value ratio on a $1.2 billion mortgage would be between 55% and 60%, according to sources familiar with the matter. That values the property at roughly $2.1 billion, or $1,200/sf.

The Related team would use some of the proceeds to retire a $475 million construction loan from **Starwood Property.** Starwood retained the junior portion and placed the senior debt with the **United Brotherhood of Carpenters** and **Oxford Properties,** the real estate arm of **Ontario Municipal Employees.**

The Related partnership, which also includes Oxford, **J.P. Morgan Asset Management** and **Kuwait Investment Authority,** is in the process of being recapitalized. In 2013, Coach bought a 738,000-sf block of space for $530 million, or $718/sf, according to city records. Now, **Allianz** has struck a deal to buy Coach's condo, which would be re-integrated into the building, and a portion of the remaining ownership. That would give Allianz a 48% stake in the property. Coach, in turn, would lease the 738,000 sf. Eastdil is brokering the sale.

The property is at 501 West 34th Street, at the corner of 10th Avenue. The Hudson Yards development stretches from the West Side Highway to 10th Avenue, between West 30th and West 34th Streets. ❖

Wells Spread Matches 'All Bank' Deal

A conduit deal led by **Wells Fargo** this week matched the tight benchmark spread that an "all-bank" transaction achieved last week.

The long-term, super-senior class of the $702.8 million Wells offering (WFCM 2016-C34) went out the door on Tuesday at 117 bp over swaps. That was in line with the comparable class of the previous transaction, floated by the team of **J.P. Morgan** and **Deutsche Bank** (JPMDB 2016-C2).

The results of the WFCM deal — which has collateral from Wells, **Natixis, Rialto Capital, Silverpeak Real Estate Finance** and **Basis Investment** — provided additional evidence that CMBS prices have firmed up dramatically following a rout in February and March, when the benchmark spread blew out to a peak of 173 bp.

Meanwhile, the benchmark tranches of two conduit offerings that dealers unveiled this week will likely be shopped at spreads in the same vicinity as the JPMDB deal. According to early "whisper" talk, the asking spreads will be 115 bp for a $750.6 million offering by **Goldman Sachs** (GSMS 2016-GS2) and 120 bp for a $755.7 million offering by **Citigroup, CCRE, Starwood Mortgage** and **Freedom Commercial Real Estate** (CGCMT 2016-C1).

Whispers were still unavailable yesterday for a third conduit offering in the market — a $767.5 million transaction backed by loans from **Credit Suisse, Benefit Street Partners, BNY Mellon, MC-Five Mile** and **Bancorp Bank** (CSAIL 2016-C6).

While the values of super-senior bonds have stabilized lately, the prices of subordinate investment-grade paper seem poised to continue fluctuating amid uneven demand. The triple-B-minus bonds in the WFCM transaction went for 720 bp, well above initial price guidance of 635-bp area. Yet the whisper talk was 625 bp on the equivalent tranche of the GSMS offering, matching the spread achieved in the JPMDB deal. Spreads on such paper have ranged from 600 bp to 700 bp for the last month (see Initial Pricings on Pages 16-18).

Elsewhere in the new-issue market this week, Wells was marketing a $259.7 million securitization backed by 79 seasoned loans to multiple borrowers on 89 properties in 19 states. Those fixed-rate mortgages were originated by various units of New York-based **Assurant** from 2003 to 2015. They have terms of 10-25 years, and a weighted average remaining term of 8.4 years.

Among the triple-A classes, the price guidance was 50-55 bp for bonds with a weighted average life of 2.5 years, 90-bp area for 6.6-year paper and 130-bp area for 8.5-year notes. The double-A-minus tranche of 10.5-year bonds was being shopped at 225-bp area. ❖

Refi Sought on Washington Complex

Douglas Development is talking to lenders about a $180 million mortgage on a Washington office/retail property.

The loan would be backed by the 498,000-square-foot Woodies Building complex, at 1025 F Street NW in the East End submarket. Washington-based Douglas is looking at a variety of options, including a five-year floater and 10-year mortgage with a fixed rate. **Eastdil Secured** is shopping the assignment to a range of lenders.

Most of the proceeds would be used to retire the $162.3 million outstanding balance of a loan that **CWCapital** originated in 2007 and securitized in a $2.4 billion commercial MBS deal (CWCI 2007-C2). The debt pays a 5.9% coupon and is slated to mature next March. It can be prepaid without penalty beginning in December and can be defeased earlier.

The property encompasses two buildings with about 405,000 sf of offices and 93,000 sf of retail space. The bulk of the space is in a former Woodward & Lothrop department store that dates to 1887. It was expanded several times, and by 1926 occupied most of the block bounded by 10th, 11th, F and G Streets. The other building is a small townhouse, at 1001 F Street NW, that houses a Madame Tussaud's wax museum.

The complex is virtually fully leased, and the occupancy rate hasn't dipped below 91% in the past decade. The existing loan was transferred to special servicing several years ago for a modification to resolve technical issues unrelated to debt-service coverage or payments.

The largest tenants include the **FBI** (145,000 sf until 2025), **National Endowment for Democracy** (66,000 sf until 2021) and **Forever 21** (65,000 sf until 2020). The building is roughly midway between the White House and the Verizon Center sports and entertainment complex.

Woodward & Lothrop shuttered its store in 1995, and in 1996 the building was purchased out of bankruptcy by the Washington Opera. The opera, however, was unable to redevelop the property. Douglas Development acquired it in 1999 and spent about $100 million repositioning it as an office building with street-level retail space. ❖

TD, Santander Ink Queens Rental Loan

TD Bank and **Santander Bank** have originated a $130 million loan on a recently completed apartment property in the Long Island City section of Queens, N.Y.

The 284-unit Halo LIC was developed by **Rabsky Group,** a New York investment shop headed by **Simon Dushinsky.** The banks split the five-year floater evenly, with TD serving as administrative agent. Most of the loan was funded at closing a couple of weeks ago, with the rest to be released as certain financial benchmarks are met.

The property is at 44-41 Purves Street, just off Jackson Avenue, the main corridor through the neighborhood. It's within a few blocks of stations on two subway lines.

The site had been slated for development for some time, and the previous owner, New York-based **Criterion Group,** put forward a plan for a two-building complex. Instead, Criterion sold the site to Rabsky in 2013 for just over $32 million. Shortly afterward, Rabsky started construction of a single, 26-story structure.

The work wrapped up in the past few months, and leasing kicked off around the end of March. Rents for the studio, one- and two-bedroom apartments range from $1,850 to as much as $15,000 for a few penthouses on the top two floors, according to **The Real Deal.** Amenities include a gym, a yoga studio, a library, a pet spa and a lounge.

Long Island City has seen some of the most concentrated development in New York over the past few years, with dozens of large apartment projects underway or recently completed. ❖

Blackstone ... From Page 1

Libor. It's unknown if they have already placed the mezzanine component.

With the sale, RioCan is cashing out of all of its U.S. holdings. The shopping centers — most anchored by supermarkets — have increased in value by about C$930 million ($725 million) since being acquired between 2009 and 2015, the REIT said, adding that the sale would result in a 16% internal rate of return.

At the same time, RioCan is unwinding a partnership with **Kimco Realty** of Hyde Park, N.Y. RioCan is buying out Kimco's share in 22 Canadian retail properties that they own jointly for $715 million, plus the assumption of debt. Some of the proceeds from the U.S. sale will be plowed into the Canadian acquisition.

Blackstone, acting via its $15.9 billion Blackstone Real Estate Partners 8 fund, struck its purchase agreement in December. At the time, RioCan said it expected the deal to close by April 30. Two weeks ago, the REIT said the transaction was expected to be completed by the end of August. ❖

Mesa West Exec Joins CREFC Leaders

The board of governors of the **CRE Finance Council** has chosen **Mesa West Capital** co-founder **Mark Zytko** to serve a one-year term as its chairman, starting in mid-2017.

Zytko is next in line after **Deutsche Bank** managing director **Matt Borstein,** who starts his one-year term as chairman next month. Zytko, Borstein and outgoing chairman **Greg Michaud,** head of real estate finance at **Voya Investment,** will then lead the trade group's 11-member executive committee for the next 12 months.

The board of governors, at an April meeting, also named eight other industry volunteers to one-year terms on the executive committee. They include **Dechert** partner **Rick Jones,** who will replace **UBS** managing director **David Nass** as vice chairman.

Three will stay on in their current roles. Managing director **Nik Chillar** of **Western Alliance Bancorp** continues chairing the membership committee. Executive director **Brian Olasov,** of law firm **Carlton Fields,** leads the policy committee. And **Dan Bober,** an executive in the commercial-mortgage servicing area at **Wells Fargo,** will serve a sixth consecutive year as treasurer.

Jack Cohen, partner at **Shirlaws Group** and a former executive committee chairman, will take over from Zytko as secretary. The three "at large" spots will be filled by **Timothy Gallagher** of **Macquarie, Samir Lakhani** of **BlackRock** and **Paul Vanderslice** of **Citigroup.** Gallagher and Vanderslice also are former chairmen.

The executives will assume their posts during the organization's annual midyear conference, to be held June 13-15 at the Marriott Marquis hotel in Manhattan. Registrations for that gathering are on track to match last year's tally of 1,249, which was just one person short of the record turnout seen in 2007.

Meanwhile, the group announced this week that the New York office of **Ferguson Partners,** an executive recruiting firm based in Chicago, will manage the search for an executive director to fill the top post on the trade group's paid staff. The firm will work closely with a transition committee, led by Gallagher, that recently rehired former CREFC lobbyist **Michael Flood** as deputy executive director. Flood rejoined the trade group on Monday in its Washington headquarters.

The decision to bring back Flood and launch a search for an executive director followed the trade group's March 28 dismissal of its previous top two staffers: chief executive and president **Stephen Renna** and executive vice president **Stacy Stathopoulos.** ❖

Wells

... From Page 1

of the capital stack, or an "L-shape" strip that combines the first two options. CMBS issuers can also pass off the retention responsibility to B-piece buyers, which must use the horizontal option. Under all the choices, the bonds must be retained for five years.

Lenders, eager to minimize the potential costs associated with the regulations, are considering a variety of implementation strategies. But some of the scenarios aren't explicitly covered by the rules, leaving uncertainty about whether they would be permissible.

Wells, a CMBS market leader, is expected to be the first to road-test an approach. The bank is working on a conduit transaction that would employ the vertical option. It's unknown whether other lenders will be involved.

The key question is how much capital Wells would have to hold in reserve against the retained vertical strip.

Banks initially balked at the notion of using the vertical option, saying it would be uneconomical under separate regulations that require them to hold capital in reserve against retained bonds. The higher the perceived risk, the higher the reserve requirement. The set-asides are especially onerous — dollar for dollar — for virtually all bonds below the super-senior classes.

Banks at first concluded that the opportunity cost of parking capital in low-yielding reserves for years would make the vertical option unfeasible. For example, in a $1 billion deal, the CMBS sponsor has to retain $50 million of bonds. If the bonds are treated as a "securitization exposure," the set-aside would be astronomical — roughly $15 million, or 30% of the retained balance. That's based on a roughly 1.6% charge for the retained super-senior bonds and a dollar-for-dollar charge for everything else.

However, Wells is exploring whether the retained debt can instead qualify for treatment as a commercial real estate loan, rather than real estate bonds. That could carry a lower risk weighting and result in a roughly $4 million reserve requirement on a $1 billion transaction — still hefty, but more feasible.

Under its tentative approach, Wells evidently wouldn't technically retain a piece of each class. Rather, it would direct the cashflows from 5% of every loan into a separate, unrated instrument in the hope of qualifying it for treatment as a loan.

Bank issuers are looking at the vertical strip as a stop-gap solution to ensure they can continue floating bonds while allowing more time for B-piece buyers to raise long-term capital and for regulators to clarify rules surrounding the option of

See WELLS on Page 8

JP Morgan Finances SF Office Buyer

J.P. Morgan wrote a $98 million fixed-rate loan last week for the buyer of a San Francisco office tower.

A partnership that includes **Sidra Capital** of Saudi Arabia purchased the 304,000-square-foot building, at 180 Montgomery Street, from **CBRE Global Investors** of Los Angeles. CBRE's brokerage arm advised on the sale and the loan.

The loan-to-value ratio was described as about 55%. That would indicate the Sidra partnership paid roughly $180 million for the building. The mortgage is interest-only for a portion of its 10-year term.

The occupancy rate is 97%. **Bank of the West** has a lease on about half the space until 2023. There are 31 other tenants, with a weighted average remaining lease term of just over three years. Their rents are about 30% below the average market asking rate, so the Sidra partnership should be able to raise rates as leases roll over.

The 25-story building was developed in 1979 and renovated in 2008, when the lobby was upgraded. CBRE Global purchased it in 2013 for $126 million and spent $8 million on upgrades to the elevators, common areas and restrooms. The investment manager also reconfigured some floor plans to carve out creative office space, and added the types of amenities desired by technology firms, which largely drive the city's leasing market.

The property is on the western edge of the Financial District, two blocks north of Market Street. ❖

Wells ... From Page 7

passing off the risk-retention option to a B-piece buyer.

Other major issuers are also expected to conduct test runs before the risk-retention guidelines take effect Dec. 24. "Don't minimize the process of figuring out what it's going to take to get a deal to fly with the regulators," said one market veteran. "It's complicated. There are all kinds of mistakes you can make, and they could be costly mistakes."

Even if regulators don't directly react, such transactions set a precedent, said one source. "It's hard to see the agencies coming down super hard on a bank next year, when the bank went through the trouble of showing them the structure in 2016," he said. ❖

Jamestown Lines Up Office Floater

J.P. Morgan has provided a $45.1 million floating-rate mortgage on a California office complex recently acquired by **Jamestown Properties.**

The Atlanta investment manager paid **Blackstone's** Equity Office unit $82 million in January for the 199,000-square-foot property in Larkspur, about 15 miles north of San Francisco. It's unclear whether Jamestown paid cash or drew on a line of credit to acquire the complex, Larkspur Landing Office Park.

The J.P. Morgan loan, which has a five-year term, closed two weeks ago. **JLL** brokered the sale and arranged the debt for Jamestown. Based on the purchase price, the loan-to-value ratio is 55%.

The property comprises three buildings on about 9.5 acres. It was developed in the late 1970s. Chicago REIT **Equity Office Properties** assumed control of the complex in 2001 through its $7.2 billion acquisition of **Spieker Properties** of Menlo Park, Calif. Blackstone absorbed Equity Office in 2007.

The office park is just off U.S. Route 101, the main highway connecting San Francisco to points north, near the intersection with Interstate 580, which connects to the East Bay area. It's across the street from an open-air retail center, Marin Country Mart, which in turn abuts a Golden Gate Ferry terminal with service to San Francisco. A rail station planned nearby will be the southern terminal of the Sonoma-Marin Area Rail Transit line. ❖

MetLife Lends on SF Medical Offices

MetLife has written a $90 million fixed-rate mortgage on an unusual medical-office building in downtown San Francisco.

The 10-year loan, which closed in the past couple of weeks, is backed by the 264,000-square-foot building at 450 Sutter Street. The Art Deco tower, constructed in 1929, is listed on the **National Register of Historic Places.**

The borrower, **Harsch Investment** of Portland, Ore., has owned the 27-story property since its founder, the late **Harold Schnitzer,** purchased it in 1963. From 2007 to 2010, Harsch conducted wide-ranging renovations that included restoring the terra cotta facade and replacing and upgrading mechanical systems.

The building is between Powell and Stockton Streets, a block north of Union Square. It's 95% occupied, mainly by physicians and other healthcare professionals.

According to the property's website, the building was developed by dentist **Francis Edward Morgan** specifically to house dental and medical offices. It was designed by prominent architect **Timothy Pflueger,** with details evoking ancient Mayan culture, including a "tree of life" motif in its elaborate entryway. ❖

RATED SERVICERS

Approved Primary, Master and Special Servicers

The listing below shows commercial mortgage servicers rated by **S&P, Fitch, DBRS, Morningstar** and **Kroll.**

Primary servicers, also called sub-servicers or loan servicers, handle individual mortgages that collateralize commercial MBS. Master servicers oversee primary servicers. Special servicers are responsible for securitized mortgages that become distressed and any resulting foreclosed properties.

S&P rates servicers as: "Strong," "Above Average," "Average," "Below Average" or "Weak." Servicers can request that their ratings be undisclosed. The agency also rates servicers with specialties in small-balance loans or construction loans.

Fitch rates primary (CPS), master (CMS) and special (CSS) servicers from "1" (the highest rating) to "4." It also has ratings for primary servicers of small-balance commercial loans (SBPS), as well as special servicers of commercial large loans (CLLSS) and small-balance commercial loans (SBSS).

DBRS rates servicers as "Superior," "Good," "Adequate" or "Weak."

Morningstar assigns primary, master and special servicers with operational risk assessments from a high of "CS1" to a low of "CS4." Servicers of small-balance commercial mortgages are rated "SBC1" to "SBC4."

Kroll awards the designation of "Pass" to qualified primary, master and special servicers.

	Contact	Primary Servicer	Master Servicer	Special Servicer
A10 Capital	Mark Klipsch 208-577-5037	DBRS: Good		DBRS: Adequate
Aegon USA Realty Advisors	David Feltman 319-355-2304	S&P: Strong		S&P: Strong Fitch: CSS2 Morningstar: CS2 Kroll: Pass
Arbor Commercial Mortgage	John Natalone 516-506-4200	S&P: Above Avg. Fitch: CPS2		S&P: Above Avg. Fitch: CLLSS3+
Ares Commercial Real Estate (ACRE Capital)	John Lloyd 469-440-5600	S&P: Above Avg.		S&P: Above Avg.
Bayview Loan Servicing	Jason Whipple 954-590-7676	S&P: Strong (small loans) Fitch: SBPS2+		S&P: Average S&P: Strong (small loans) Fitch: CSS3 Fitch: SBSS2+
Bellwether Enterprise	Deborah Rogan 216-820-4542	Fitch: CPS2-		
Berkadia Commercial Mortgage	Mark McCool 215-328-1258	S&P: Strong Fitch: CPS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CMS2 Morningstar: CS1 Kroll: Pass	S&P: Above Avg. Morningstar: CS2
Berkeley Point Capital	Ira Strassberg 301-347-4835	S&P: Above Avg. Fitch: CPS2 Kroll: Pass		S&P: Average Fitch: CSS3+ Kroll: Pass (agency)
BNY Mellon	Michael Randall 972-401-8512	S&P: Above Avg. Fitch: CPS2 Morningstar: CS3	S&P: Average Fitch: CMS3+	S&P: Average Fitch: CLLSS3
Brookfield Real Estate Financial	Theresa Hoyt 212-417-7286			S&P: Average Fitch: CLLSS2-
C-III Asset Management	Lindsey Wright 972-868-5329	S&P: Above Avg. Fitch: CPS2 Morningstar: CS2		S&P: Strong Fitch: CSS1- Morningstar: CS1 Kroll: Pass
Capital Crossing Servicing	Jim Kyrios 617-880-1000	S&P: Average (small loans)		S&P: Above Avg. (small loans)

See SERVICERS on Page 11

RATED SERVICERS

... From Page 10

	Contact	Primary Servicer	Master Servicer	Special Servicer
CBRE Loan Services	Joseph Beggins 713-458-7200	S&P: Strong Fitch: CPS2-		
Cohen Financial	Tim Mazzetti 312-602-6144	S&P: Above Avg. Morningstar: CS2 Kroll: Pass		S&P: Above Avg. Morningstar: CS2 Kroll: Pass
Colony AMC OPCO	Tyler Ferrer 310-552-7144			S&P: Average
ColumbiaNational Real Estate	Steve Rogers 202-872-0743	Fitch: CPS2		
CT Investment	Tom Ruffing 212-655-0216			S&P: Undisclosed Fitch: CLLSS2
CWCapital	Brian Hanson 202-715-9510			S&P: Strong Fitch: CSS2+ Kroll: Pass
Fannie Mae	Amr Fawzi 202-752-6046		S&P: Above Avg. Morningstar: CS1	S&P: Above Avg. Fitch: CSS2
Freddie Mac	Michael Lipson 703-714-2710		S&P: Above Avg. Fitch: CMS2	Fitch: CSS2 Morningstar: CS2
Grandbridge Real Estate	Joe Lovell 704-379-6998	S&P: Strong		
Green Loan Services	Andrew Falk 212-216-1656			S&P: Average Fitch: CLLSS2-
Greystone Servicing	Mark Jarrell 301-775-4961	S&P: Strong		
HFF	David Croskery 713-852-3588	Fitch: CPS2		Fitch: CLLSS3
HSBC	John Kuberra 212-525-6273	S&P: Undisclosed		
Hudson Americas	Robert Corcoran 214-754-8400			S&P: Undisclosed Fitch: CSS2
iStar Asset Services	Barbara Rubin 860-815-5900	Morningstar: CS1		Morningstar: CS2
KeyCorp	Marty O'Connor 913-317-4373	S&P: Strong Fitch: CPS2 Morningstar: CS1 Morningstar: SBC1 Morningstar: CC2 Kroll: Pass	S&P: Strong Fitch: CMS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CSS1- Morningstar: CS1 Morningstar: SBC1 (small loans) Morningstar: CC1 (constr.) Kroll: Pass
LNR Partners	Adam Behlman 305-695-5080			S&P: Strong Fitch: CSS1- Kroll: Pass
Midland Loan Services	Stacey Berger 301-986-5818	S&P: Strong Fitch: CPS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CMS1 Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CSS1 Morningstar: CS1 Kroll: Pass
NCB	Kathleen Luzik 703-302-8851	S&P: Above Avg. Fitch: CPS1- Kroll: Pass	S&P: Average Fitch: CMS2- Kroll: Pass	S&P: Average Fitch: CSS2- Kroll: Pass

See SERVICERS on Page 12

RATED SERVICERS

... From Page 11

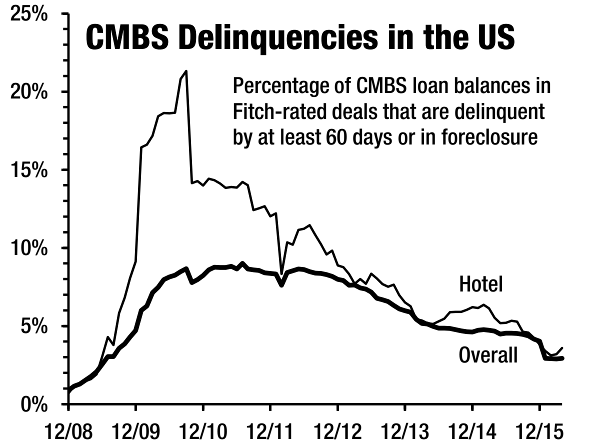
	Contact	Primary Servicer	Master Servicer	Special Servicer
Newmark Realty Capital	Michael Heagerty 415-956-9854	S&P: Undisclosed		
NorthMarq Capital	Michael Myers 612-356-0100	S&P: Above Avg.	S&P: Average	
NorthStar Asset Mgmt. (NS Servicing)	Robert Riggs 972-865-0424			S&P: Average Fitch: CSS3+
Ocwen Loan Servicing	William Stolberg 561-682-8275	S&P: Below Avg. (small loans) Fitch: SBPS2- Morningstar: SBC2		S&P: Below Avg. S&P: Below Avg. (small loans) Fitch: SBSS2- Morningstar: SBC2 (small loans)
ORIX Real Estate Americas	Mark Pakes 214-237-2050			S&P: Above Avg. Fitch: CSS2
Pacific Life	Lisa Fields 949-219-3856	S&P: Strong Fitch: CPS1	S&P: Average	S&P: Average Fitch: CLLSS2+ Kroll: Pass
Principal Global Investors	Steve Johnson 515-246-7095	S&P: Strong		S&P: Above Avg.
Protective Life	Charles Windham 205-268-3590	Fitch: CPS3+	Fitch: CMS3	Fitch: CLLSS3+
Prudential Asset Resources	Timothy Steward 214-721-6001	S&P: Strong Fitch: CPS1 Morningstar: CS1	S&P: Average Fitch: CMS2+ Morningstar: CS2	S&P: Above Avg. Fitch: CLLSS2
Quantum Servicing	Robert Maglio 813-472-6515	S&P: Average (small loans)		S&P: Average (small loans)
RAIT Financial	Jennifer Seltzer 215-243-9121	S&P: Average Morningstar: CS3		S&P: Average Morningstar: CS3
RED Mortgage Capital (ORIX)	Richard Andrews 614-857-1400	Fitch: CPS2-		
Rialto Capital	Adam Singer 305-485-2708			S&P: Above Avg. Fitch: CSS2 Morningstar: CS2 Kroll: Pass
Sabal Financial	Vartan Derbedrossian 949-517-0801	Morningstar: CS3 Morningstar: CC2		Morningstar: CS2 Morningstar: CC3 (constr.)
Situs	George Wisniewski 415-374-2832	S&P: Above Avg. Fitch: CPS2- Morningstar: CS2		S&P: Above Avg. Fitch: CSS2 Morningstar: CS1 Kroll: Pass
Strategic Asset Services	Michael Carp 203-569-4000	S&P: Above Avg.		S&P: Above Avg. Fitch: CSS2- Kroll: Pass
Talmage	Edward Shugrue 212-381-4146			S&P: Undisclosed Fitch: CLLSS3+ Kroll: Pass (large loans)

See SERVICERS on Page 13

RATED SERVICERS

... From Page 12

	Contact	Primary Servicer	Master Servicer	Special Servicer
Torchlight Loan Services	Steve Schwartz 212-883-2738			S&P: Above Avg. Fitch: CSS2- Morningstar: CS1 Kroll: Pass
TriMont Real Estate	Gregory Winchester 404-420-5620	S&P: Above Avg. S&P: Strong (constr. loans) Fitch: CPS2+ Kroll: Pass		S&P: Strong Fitch: CSS2 Kroll: Pass
Valstone Asset Management	Mac Dobson 248-646-9200			S&P: Below Avg.
Voya Investment	Christian Baggett 770-690-4695	Fitch: CPS2-		Fitch: CLLSS3+
Walker & Dunlop	Jim Schroeder 781-707-9403	Fitch: CPS2		
Wells Fargo	Daniel Bober 248-723-3110	S&P: Strong Fitch: CPS1- Morningstar: CS1 Kroll: Pass	S&P: Strong Fitch: CMS1- Morningstar: CS1 Kroll: Pass	S&P: Above Avg. Fitch: CSS2 Morningstar: CS2 Kroll: Pass



	April (%)	Month Earlier (%)	Year Earlier (%)
Retail	4.42	4.45	5.46
Office	4.16	4.08	5.00
Hotel	3.59	3.20	5.53
Industrial	3.34	3.49	5.29
Mixed-use	3.25	3.25	2.59
Multi-family	0.90	0.92	5.19
Other	0.72	0.78	073
OVERALL	**2.92**	**2.90**	**4.67**

Source: Fitch

CMBS Delinquencies Creep Back Up

The past-due rate for securitized commercial mortgages has increased for the first time in almost a year — albeit slightly — and **Fitch** expects more volatility in the months ahead.

Delinquencies among commercial MBS loans in Fitch-rated deals rose by 2 bp to 2.92% at the end of April. The monthly rate had been declining steadily since last June, when it stood at 4.54%.

"We still expect the delinquency rate to be below 3% at yearend," said Fitch managing director **Mary MacNeill.** But she added, "it will likely exceed 3% during the year as recent larger transfers to special servicing become delinquent." MacNeill noted that resolutions of troubled loans and new issuance also will contribute to fluctuations in the past-due rate.

Some $494 million of CMBS debt was added to Fitch's late-payment list last month, while $353 million of loans were removed after being sold, modified or otherwise resolved. The resulting uptick in the delinquency rate was constrained by a $934 million increase in the aggregate outstanding balance of mortgages in Fitch-rated CMBS deals. That figure, currently $378 billion, serves as the denominator in the percentage calculation.

The largest piece of debt that moved into the delinquent column last month was a $116.6 million portion of a $259 million fixed-rate mortgage on nine buildings at Fair Lakes Office Park in Fairfax, Va. The entire loan, which matures Aug. 1, was transferred last June to special servicer **C-III Asset Management** due to major occupancy issues. The borrower recently agreed to turn over the deed in lieu of foreclosure, following the denial of its loan-modification proposal, according to Fitch.

Shorenstein Properties of San Francisco lined up the 10-year debt package in 2006 to finance its acquisition of the 1.3-million-square-foot office portfolio. **Goldman Sachs** originated the $116.6 million piece and securitized it via a $4.2 billion pooled offering rated by Fitch (GSMS 2006-GG8). **Deutsche Bank** took down the other $142.5 million of pari-passu debt, which went into the collateral pool for a $3.6 billion transaction (CD 2006-CD3) that wasn't graded by Fitch.

The Fair Lakes delinquency caused the rate for office mortgages to rise by 8 bp to 4.16% last month. There was a much larger increase in the hotel sector — 39 bp, to 3.59% — as $136 million of loans became newly delinquent and only a $3.5 million mortgage was resolved. Meanwhile, delinquencies held steady at 3.25% among mortgages on mixed-used properties, decreased by 15 bp in the industrial sector and dipped slightly for retail and multi-family loans.

Fitch's delinquency index currently tracks $11 billion of loans that are at least 60 days behind on payments or in foreclosure or maturity default, up from $10.9 billion a month ago. Another $341 million of CMBS debt was late by 30-59 days at the end of April, down from $472 million a month earlier. ❖

CMBS ... From Page 1

a month. "That's a good time for people to go on vacation," said one lender. "It's just the way the calendar will work. Nobody planned it that way."

Including pending deals, first-half issuance is on track to reach $31 billion, down 43% from $54.5 billion a year earlier.

Lenders dramatically reduced originations in February after absorbing big losses when CMBS spreads suddenly blew out. In recent weeks, the bond market has rallied strongly, giving shops more confidence to resume lending.

"There may not be many loans closing yet, but everybody has [loan applications] out, which lead to term sheets, which lead to closings," said one source. "It's only a matter of time. Everybody had to start all over from scratch."

"April came just in the nick of time," said one veteran lender. "If we'd had two more months like February and March, you would have seen a lot of people start to throw in the towel."

Still, lenders are proceeding cautiously, and few expect the spigots to open wide anytime soon. "We're seeing about 50% of the activity we saw at this time last year," said one nonbank lender. "I expect it to stay at that level for awhile."

Added one longtime conduit lender: "Even if I have a great third quarter and a great fourth quarter, the best I can hope for is to do about 75% of what I budgeted for the year going in."

One pro at a nonbank said many of his colleagues are sounding depressed. "It's partly psychological — everybody had great expectations for 2016," he said. "We all thought it was going to be a big year."

The depressed activity has prompted some banks and other securitization shops to pare staff, and more cuts are expected. "At the banks, you can probably count on seeing another 10% to 20% of staffs getting cut," said one lender. "The goal is to keep skeleton crews in place so people can gear up quickly again if market conditions warrant."

Banks may stand to gain market share if some small nonbanks, which are especially being squeezed, leave the sector as many predict. "The picture doesn't look good for the little guys," said one lender. "There will probably be a shakeout among the nonbanks."

Another obstacle facing the market is the uncertainty surrounding risk-retention regulations that take effect at the end of the year. The rules will require changes in the way that securitizations are structured and distributed, and lenders are expected to proceed cautiously until the ramifications become clear. ❖

CMBS DEALS IN THE WORKS

May

Seller/Borrower	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Credit Suisse, Benefit, BNY, MC-Five Mile, Bancorp (CSAIL 2016-C6)	Credit Suisse	Conduit	Fixed	$767
Citigroup, CCRE, Starwood, Freedom Commercial (CGCMT 2016-C1)	Citigroup, CCRE	Conduit	Fixed	756
Goldman Sachs (GSMS 2016-GS2)	Goldman Sachs	Conduit	Fixed	751
BofA, UBS, Barclays, Morgan Stanley (BACM 2016-UBS10)	Bank of America, UBS	Conduit	Fixed	750
Simon Property (Rockingham Park Mall) (ROCK Trust 2016-MRP)	Barclays, Societe Generale	Single borrower	Fixed	162

June

Seller/Borrower	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Citigroup, Principal, Starwood, Barclays (CGCMT 2016-P4)	Citigroup	Conduit	Fixed	$750
J.P. Morgan, Deutsche, Starwood, Benefit Street (JPMCC 2016-JP2)	J.P. Morgan	Conduit	Fixed	750
Societe Generale, Natixis, CCRE (SGCMS 2016-C5)	Societe Generale, Natixis, CCRE	Conduit	Fixed	750
Westfield, Forest City (San Francisco Centre)	Deutsche Bank	Single borrower	Fixed	560
Simon Property, Invesco (Shops at Crystal)	J.P. Morgan, BofA, Wells	Single borrower	Fixed	550

July

Seller/Borrower	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Deutsche Bank, J.P. Morgan (DBJPM 2016-C3)	Deutsche Bank, J.P. Morgan	Conduit	Fixed	$900
Bank of America, others	Bank of America	Conduit	Fixed	750
Goldman Sachs (GSMS 2016-GS3)	Goldman Sachs	Conduit	Fixed	750
Wells Fargo, others	Wells Fargo	Conduit	Fixed	750
RAIT (RAIT 2016-FL6)	(Undetermined)	Multiple borrower	Floating	300

August

Seller/Borrower	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Credit Suisse, others (CSAIL 2016-C7)	Credit Suisse	Conduit	Fixed	$750

INITIAL PRICINGS

Wells Fargo Commercial Mortgage Trust, 2016-C34

Pricing date:	May 10
Closing date:	May 24
Amount:	$702.8 million
Seller/borrower:	Wells Fargo, Natixis, Rialto Capital, Silverpeak Real Estate Finance, Basis Investment
Lead manager:	Wells Fargo
Co-managers:	Academy Securities, Deutsche Bank, Natixis
Master servicer:	Wells Fargo
Special servicers:	LNR Partners, C-III Asset Management
Operating advisor:	Pentalpha Surveillance
Trustee:	Wilmington Trust
Certificate administrator:	Wells Fargo
Offering type:	SEC-registered

Property types: Retail (38%), hotel (16.1%), office (14%), self-storage (11.3%), mixed-use (8.8%), multi-family (5.1%), industrial (4.1%) and manufactured housing (2.6%).
Concentrations: California (17.4%) and Pennsylvania (11.7%).
Loan contributors: Wells (33.6%), Natixis (29.3%), Rialto (18.2%), Silverpeak (14.7%) and Basis (4.2%).
Largest loans: A $70 million portion of an $81.5 million loan to John Hajjar on 12 medical-office properties and one warehouse, encompassing 352,000 sf, in New Jersey, New York and Florida; a $58.8 million loan to Ronald Cohen on the 180,000-sf Congressional North Shopping Center and the adjacent 52,000-sf medical-office building at 121 Congressional Lane in Rockville, Md.; a $44.8 million loan to Howard Wurzak on the 331-room Homewood Suites by Hilton Philadelphia-City Avenue; a $30 million loan to Thomas Guastello on the 238,000-sf Shelby Town Center retail center in Shelby Township, Mich.; a $30 million portion of a $65 million loan to Stuart Rolfe and Frank Finneran on the 341-room Monterey Marriott in Monterey, Calif.; a $28 million loan to Endurance Real Estate on the 120,000-sf office building at 425 Privet Road and 127,000-sf industrial/flex building at 200 Precision Drive in Horsham, Pa.; a $24.3 million loan to Garold and Carol Brown and April Worden on the 150,000-sf Old Mill Village retail center and the 182,000-sf Enterprise Center industrial park in Oakhurst, Calif.; and a $24 million loan to Edmond Li on the 57-room Nolitan Hotel in Manhattan.
B-piece buyers: Prime Group (majority interest) and LNR Partners (minority interest).
Notes: Wells, Natixis, Rialto, Silverpeak and Basis teamed up to securitize commercial mortgages that they had originated.
Deal: WFCM 2016-C34. **CMA code:** 20160094.

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	33.179	Aaa	AAA	AAA	30.00	1.423	100.000	1.407	5/15/49	2.81	S+47	Fixed
A-2	100.629	Aaa	AAA	AAA	30.00	2.603	102.999	1.950	5/15/49	4.93	S+80	Fixed
A-3	115.000	Aaa	AAA	AAA	30.00	2.834	100.996	2.719	5/15/49	9.64	S+115	Fixed
A-3FL	25.000	Aaa	AAA	AAA	30.00	L+104	100.000		5/15/49	9.64	L+104	Floating
A-4	172.158	Aaa	AAA	AAA	30.00	3.096	102.992	2.748	5/15/49	9.78	S+117	Fixed
A-SB	45.985	Aaa	AAA	AAA	30.00	2.911	102.996	2.458	5/15/49	7.32	S+107	Fixed
A-S	35.139	Aa2	AAA	AAA	25.00	3.484	102.992	3.137	5/15/49	9.89	S+155	Fixed
B	36.018	NR	AA-	AA (low)	19.88	4.089	102.994	3.737	5/15/49	9.89	S+215	Fixed
C	36.896	NR	A-	A (low)	14.63	5.197	98.886	5.287	5/15/49	9.89	S+370	Fixed
D	41.289	NR	BBB-	BBB (low)	8.75	5.197	76.434	8.787	5/15/49	9.89	S+720	Fixed
E	20.205	NR	BB-	BB (high)	5.88				5/15/49	9.96		Fixed
F	7.907	NR	B-	BB (low)	4.75				5/15/49	9.98		Fixed
G	12.298	NR	NR	B (low)	3.00				5/15/49	9.98		Fixed
H	21.085	NR	NR	NR	0.00				5/15/49	9.98		Fixed
X-A(IO)	527.090*	NR	AAA	AAA					5/15/49			Fixed
X-B(IO)	36.018*	NR	AA-	AAA					5/15/49			Fixed
X-E(IO)	20.205*	NR	BB-	AAA					5/15/49			Fixed
X-FG(IO)	20.205*	NR	NR	AAA					5/15/49			Fixed
X-H(IO)	21.085*	NR	NR	AAA					5/15/49			Fixed

*Notional amount

INITIAL PRICINGS

Colony American Finance Ltd., 2016-1

Pricing date:	May 11
Closing date:	May 20
Amount:	$255.0 million
Seller/borrower:	Colony American Finance
Lead managers:	Morgan Stanley, Credit Suisse, Deutsche Bank
Co-manager:	Citigroup
Master servicer:	Midland Loan Services
Special servicer:	Situs
Trustee:	Wilmington Trust
Certificate administrator:	Wells Fargo
Offering type:	Rule 144A

Property types: Single-family rentals (100%).
Concentrations: Texas (20.3%) and Florida (11.9%).
Notes: Colony American Finance, an affiliate of Colony Capital, securitized 85 residential-rental loans to multiple borrowers. Colony originated 83 of the loans and acquired the other two. The loans, all with fixed rates, are backed by 3,301 single-family and other residential properties that are rented. The loan sizes range from $447,000 to $24.4 million. The loans had original terms of 5-10 years. The weighted average remaining term is 65 months. The weighted average coupon is 5.67%. The homes have an aggregate value of $389.3 million, based on broker price opinions and appraisals. Colony is retaining Classes E-G and the Income Notes.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (Kroll)	Rating (MStar)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	168.288	Aaa	AAA	AAA	34.00	2.544	99.999	2.533	6/15/48	4.25	S+145	Fixed
B	21.036	NR	AA-	AA	25.75	3.344	100.000	3.338	6/15/48	4.79	S+220	Fixed
C	17.530	NR	A-	A	18.88	4.638	99.999	4.641	6/15/48	4.88	S+350	Fixed
D	19.761	NR	BBB-	BBB+	11.13	5.972	99.997	5.991	6/15/48	7.80	S+485	Fixed
E	5.929	NR	NR	BBB-	8.80				6/15/48	9.07		Fixed
F	11.283	NR	NR	BB	4.38				6/15/48	9.14		Fixed
G	4.143	NR	NR	B	2.75				6/15/48	9.57		Fixed
Income notes	7.012	NR	NR	NR	0.00				6/15/48	9.75		Fixed

INITIAL PRICINGS

Taurus Designated Activity Company, 2016-2 DEU

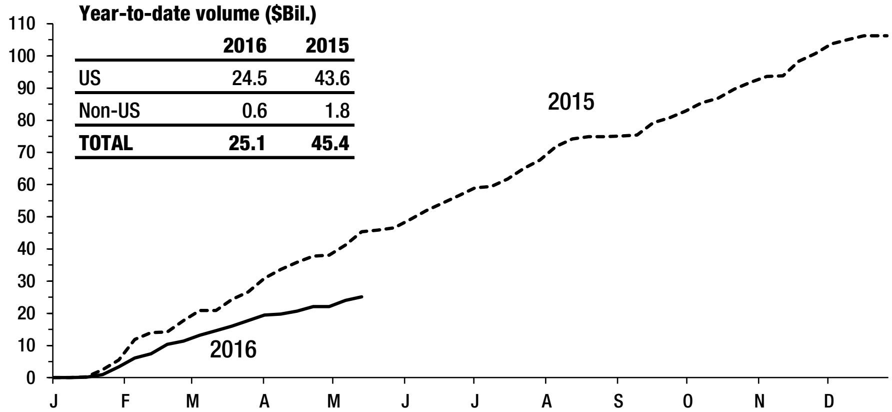
Pricing date:	May 12
Closing date:	May 23
Amount:	€229.9 million ($261.6 million)
Seller/borrower:	Dream Global REIT
Lead manager:	Bank of America
Master servicer:	Situs
Special servicer:	Situs
Trustee:	Wells Fargo
Offering type:	Non-U.S.

Property types: Office (100%).
Concentrations: Germany (100%).
Loan contributors: BofA (100%).
Notes: BofA securitized a €229.9 million senior portion of a €242.1 million floating-rate loan it had originated for Dream Global REIT on 178 office properties in Germany. The interest-only loan, which closed in December 2015, has a five-year term and is pegged to three-month Euribor plus 225 bp. The buildings, totaling 8.3 million sf and appraised at €493.1 million, were part of a 292-property portfolio that Toronto-based Dream Global acquired in 2011 from Lone Star Funds. Under risk-retention rules, BofA retained the remaining 5% of the loan, with a balance of €12.2 million.
Deal: TAURS 2016-2 DEU. **CMA code:** 20160102.

Class	Amount (€Mil.)	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (%)	Dollar Price	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	130.100	148.0	Aaa	AAA	43.42	E+128	100.000	1/3/27	4.60	E+128	Floating
B	47.000	53.5	Aa3	AA	22.98	E+220	100.000	1/3/27	4.60	E+220	Floating
C	27.200	30.9	A3	A (low)	11.15	E+285	100.000	1/3/27	4.60	E+285	Floating
D	25.635	29.2	Baa3	BBB (low)	0.00	E+375	100.000	1/3/27	4.60	E+375	Floating

MARKET MONITOR

WORLDWIDE CMBS

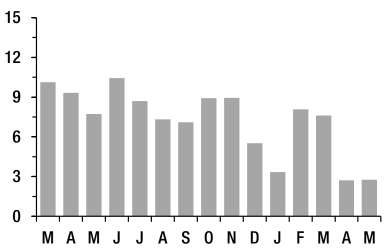


Year-to-date volume ($Bil.)

	2016	2015
US	24.5	43.6
Non-US	0.6	1.8
TOTAL	**25.1**	**45.4**

US CMBS

MONTHLY ISSUANCE ($Bil.)



CMBS TOTAL RETURNS

CMBS INDEX

As of 5/11	Avg. Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv.-grade	6.0	0.7	4.7	223.9
AAA	6.0	0.8	4.9	208.9
AA	6.0	0.6	4.8	97.3
A	6.1	0.7	3.8	80.2
BBB	6.0	0.7	3.5	87.4

Source: Barclays

LOAN SPREADS

ASKING SPREADS OVER TREASURYS

10-year loans with 50-59% LTV

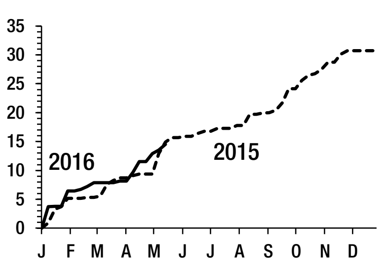
	5/6	Month Earlier
Office	178	178
Retail	165	171
Multi-family	163	169
Industrial	165	171

Source: Trepp

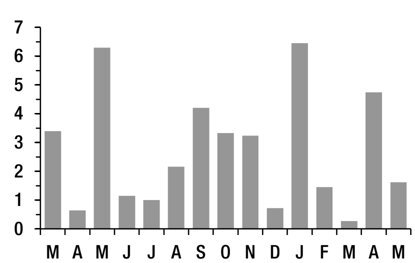
ASKING OFFICE SPREADS

REIT BOND ISSUANCE

UNSECURED NOTES, MTNs ($Bil.)



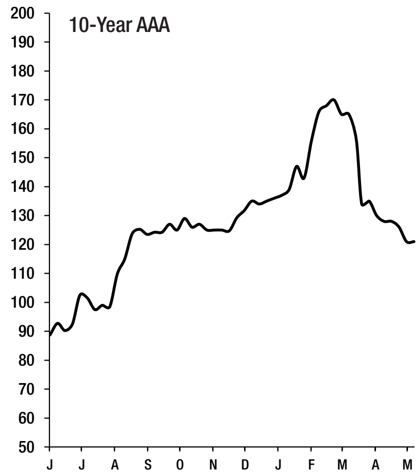
MONTHLY ISSUANCE ($Bil.)



Data points for all charts can be found in The Marketplace section of CMAlert.com

CMBS SPREADS

NEW-ISSUE SPREAD OVER SWAPS



New Issue Fixed Rate (Conduit)	Avg. Life	Spread (bp) 5/11	Week Earlier	52-wk Avg.
AAA	5.0	S+84	S+83	84
	10.0	S+121	S+121	125
AA	10.0	S+196	S+195	210
A	10.0	S+302	S+300	295
BBB-	10.0	S+618	S+615	540

Markit CMBX 6	Dollar Price 5/11	Week Earlier	52-wk Avg.
AAA	98.3	98.3	97.8
AS	97.9	98.0	98.3
AA	96.5	96.5	98.1
A	94.3	94.4	97.1
BBB-	92.9	93.0	96.5
BB	89.0	89.5	94.8

Sources: Trepp, Markit

AGENCY CMBS SPREADS

FREDDIE K SERIES

	Avg. Life	Spread (bp) 5/12	Week Earlier	52-wk Avg.
A1	5.5	S+62	S+65	55
A2	10.0	S+75	S+73	72
B	10.0	S+335	S+350	308
C	10.0	S+535	S+550	435
X1	9.0	T+255	T+255	210
X3	10.0	T+695	T+695	537
Freddie K Floater	7.0	L+62	L+63	

FANNIE DUS

	5/12	Week Earlier	52-wk Avg.
10/9.5 TBA (60-day settle)	S+80	S+77	81
Fannie SARM	L+62	L+63	

Source: J.P. Morgan

THE GRAPEVINE

... From Page 1

were notified they'll be let go if they can't find other positions at the bank within a few months. Nias is a CMBS trader who joined Credit Suisse in 2013, after more than six years at **Barclays.** Erol-Aziz joined the real estate lending team last year. She previously worked at **GE Capital Real Estate** as a consultant and at **Deutsche Bank,** both in London.

CMBS trader **Andy Schofield** left **Pine River Capital** last week. The word is the hedge fund cut his job due to the expected low volume of issuance this year. Schofield moved to the New York office of the Minnetonka, Minn., firm nearly five years ago from **MF Global**, together with **Chris Lau.** Schofield reported to Lau, who remains at Pine River.

After almost two years apiece at **Alston & Bird** and then **Winston & Strawn,** securitization attorney **Michael Shaffer** has joined **Katten Muchin.** He started last Friday as an associate in the CMBS group led by partner **Daniel Huffenus.** Shaffer remains in Charlotte. At Katten Muchin, he's reunited with partner **Joshua Yablonski,** who recently came over from **Cadwalader Wickersham** to focus on advising issuers and underwriters of CMBS offerings. Shaffer often worked with Yablonski on CMBS deals during two stints at Cadwalader's Charlotte office, in 2007-2008 and 2011-2013.

Attorney **Deborah Ginsberg** joined **TPG Real Estate Finance** last week as a managing director and legal chief of staff. She formerly worked as a principal at **Blackstone's** debt-fund platform, and had previous stints at **Capital Trust** and **Sidley Austin.** At TPG, she reports to finance platform chief **Greta Guggenheim.**

Jeffrey Watzke started last week at **KeyBank Real Estate Capital** as a senior vice president and chief underwriter for the CMBS unit. He reports to **Deborah Newman,** chief operating officer of the commercial mortgage group, and CMBS program manager **Joe DeRoy.** Watzke spent the past 15 years at **Fitch,** where he was a senior director on the CMBS team.

Fitch is looking to hire up to five staffers for its U.S. CMBS group, which is led by managing director **Huxley Somerville.** The recruits would work in New York or Chicago, at various levels ranging from analyst to director. One opening is for a seasoned quantitative specialist, who would most likely come in as a director, to manage models and databases for new and outstanding transactions. The rest would help rate new deals. Contact managing director **Stephanie Petosa** at stephanie.petosa@fitchratings.com.

Starwood Property wants to add a few loan underwriters. It's looking for candidates with several years of experience, to work in either New York or San Francisco. The recruits would report to **Mark Cagley,** chief credit officer at the Greenwich, Conn., REIT.

COMMERCIAL MORTGAGE ALERT www.CMAlert.com

Telephone: 201-659-1700 **Fax:** 201-659-4141 **Email:** info@hspnews.com

Donna Knipp	Managing Editor	201-234-3967	dknipp@hspnews.com
Bob Mura	Senior Writer	201-234-3978	bmura@hspnews.com
Chad Weihrauch	Senior Writer	201-234-3988	chad@hspnews.com
Richard Quinn	Senior Writer	201-234-3997	rquinn@hspnews.com
Andrew Albert	Publisher	201-234-3960	andy@hspnews.com
Daniel Cowles	General Manager	201-234-3963	dcowles@hspnews.com
Thomas J. Ferris	Editor	201-234-3972	tferris@hspnews.com
Dan Murphy	Deputy Editor	201-234-3975	dmurphy@hspnews.com
Michelle Lebowitz	Operations Director	201-234-3977	mlebowitz@hspnews.com
Evan Grauer	Database Director	201-234-3987	egrauer@hspnews.com
Jim Alexander	Database Manager	201-234-3993	jalexander@hspnews.com
Mary E. Romano	Advertising Director	201-234-3968	mromano@hspnews.com
Kait Hardiman	Advertising Manager	201-234-3999	kait@hspnews.com
Joy Renee Selnick	Layout Editor	201-234-3962	jselnick@hspnews.com
Barbara Eannace	Marketing Director	201-234-3981	barbara@hspnews.com
JoAnn Tassie	Customer Service	201-659-1700	jtassie@hspnews.com