www.CMAlert.com

Commercial Mortgage ALERT

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

JUNE 8, 2018

Roster of Mezz Lenders Soars as Sector Booms

Nontraditional lenders continued to flood into the mezzanine-loan market over the past year, attracted by relatively high returns.

"There's a lot of new capital in the commercial real estate debt space in general, but especially for the mezz space," said one veteran investment manager. "The longer we get into the cycle, the more capital that migrates in."

Several factors are contributing to the boom. The flexible terms being offered by nontraditional lenders are adding to loan demand. In some cases, investment managers have switched their focus to high-yield debt investments because of shrinking returns on property plays. And mezzanine lenders are increasingly arranging debt packages themselves in order to lock in the subordinate portion, while selling off the senior components.

Commercial Mortgage Alert's seventh annual survey of mezzanine lenders has identified 120 firms that actively invest in high-yield debt on commercial properties, up from 90 a year ago (see list on Pages 15-38).

The survey isn't comprehensive, because some companies declined to participate

See MEZZ on Page 38

WeWork's Lord & Taylor Deal Advancing

Details are emerging about how a **WeWork** partnership plans to finance its pending acquisition of the flagship Lord & Taylor department store on Fifth Avenue in Midtown Manhattan.

WeWork and private equity shop **Rhone Capital** struck a deal last fall to buy the 658,000-square-foot building from **Hudson's Bay Co.** of Toronto for $850 million. **The Wall Street Journal** reported last month that the partnership intended to line up $767 million of debt to finance the acquisition and renovation of the 11-story property, between West 38th and West 39th Streets.

Now comes word that the duo has formally circulated a $738 million floating-rate financing proposal via **Eastdil Secured.** According to lenders, the request includes $517 million of upfront financing, an unspecified portion of which would be structured as mezzanine debt. There would also be a commitment to later provide

See WEWORK on Page 42

Ivanhoe Seeking Big Loan on SF Apartments

A partnership between **Ivanhoe Cambridge** and **Veritas Investments** wants to line up a $600 million mortgage on a San Francisco multi-family portfolio.

The loan would be backed by 66 properties with a combined 1,512 units scattered across the city. The preference is for floating-rate debt with a term of 5-7 years. **Eastdil Secured** is showing the assignment to a variety of lenders.

Some $450 million of the loan would be funded initially. The remaining $150 million would be provided as the partnership achieves certain benchmarks in its strategy for improving the performance of the properties.

The properties are mostly smaller buildings, with an average of 23 units. In-place rents average roughly 50% below market rates, so the Ivanhoe team will look to boost revenue by raising rents as leases roll over. The properties include 54,000 square feet of mostly street-level retail space, with similarly below-market

See IVANHOE on Page 14

THE GRAPEVINE

Greystone has hired **George Kenny** as a managing director, filling a newly created position in New York. He started a few weeks ago, helping originate debt for institutional clients. He reports to **Chip Hudson,** head of production for conventional and affordable agency loans. Kenny moved over from **Starwood Property,** where he was head of business development for the REIT's investment and servicing unit. Before that he was head of mortgage and securitized product sales for the Americas at **UBS,** and spent a combined 17 years at **Bank of America** and **Merrill Lynch.**

Lending veteran **Josh Westerberg** has opened a San Francisco office for **Mesa West.** The Los Angeles firm, acquired by **Morgan Stanley** three months ago, has been increasing its activity in Northern California. Westerberg, a director, was previously a partner and head of

See GRAPEVINE on Back Page

Barclays Syndicating Big Office Loan

Barclays is in talks with other lenders to sell pieces of an $850 million debt package it originated on a **Blackstone** office portfolio.

The floating-rate mortgage is backed by 25 properties that Blackstone acquired from **GE Capital** in 2015. It has a two-year term plus three one-year extension options.

Barclays wrote the loan several weeks ago. It structured $100 million of the total as mezzanine debt and placed it with an unidentified insurer. The bank is said to be planning to retain about $150 million of the senior debt and sell off the remainder, roughly $600 million. The participant group has yet to be finalized, but the word is **BlackRock, SunTrust** and **Union Bank** are among the lenders taking a look at the deal.

The mortgage is one of the first large financings arranged by Barclays since it revamped its balance-sheet lending platform nine months ago. It hired former **HSBC** executive **Kristin Khanna** as a director to spearhead syndication efforts, and brought aboard vice president **Shazim Hasan** from **Aozora Bank.** Their group's focus is leading and syndicating floating-rate loans for institutional borrowers on properties in major markets.

When Barclays won the assignment from Blackstone in late February, **Commercial Mortgage Alert** reported that it would likely securitize the debt. At the time, the bank was planning to team up with **J.P. Morgan** to fund the loan and put together a commercial MBS offering. But for reasons that are unclear, the loan was switched to a balance-sheet execution, and J.P. Morgan withdrew. Barclays then decided to take down the entire loan itself and syndicate it.

The collateral originally encompassed 6.8 million square feet of offices, and the loan was expected to total about $1 billion. But at some point in the last couple of months, Blackstone removed two properties, likely because it plans to sell them. Details about the remaining pool were unavailable.

The portfolio represents a fraction of the assets that Blackstone bought from GE in 2015 for $14.2 billion. That deal, part of GE's exit from the commercial real estate sector, involved properties in the U.S. and Europe, plus U.S., Mexican and Australian mortgages.

One component of Blackstone's purchase consisted of 113 properties in Southern California, the Seattle area and Greater Chicago, totaling 11.4 million sf and valued at $4.4 billion. **Morgan Stanley** financed that bundle with $1.4 billion of balance-sheet debt, some of which it syndicated, and $270 million of mezzanine debt. The Barclays loan would refinance 25 of those properties. ❖

Buyer Seeks Loan on LA-Area Offices

Boston Properties is looking for about $350 million of debt to back its acquisition of a Southern California office complex.

The firm has agreed to buy the 1.2 million-square-foot Santa Monica Business Park from **Blackstone** for $616 million. It's now shopping for a mortgage with a term of about seven years. A number of banks, insurers and other lenders are known to be kicking the tires on the deal.

Eastdil Secured is marketing the loan assignment and brokering the sale for Blackstone. The listing drew heated bidding that pushed the pricing above the initial expectations of $600 million, as previously reported by sister publican **Real Estate Alert.**

Boston Properties is acquiring outright ownership of 343,000 sf of space and the leasehold interest in 835,000 sf. It will have an option to buy out the ground lease from **Transpacific Development** of Torrance, Calif., in 2028. The 21-building complex is 94.3% leased.

The Boston REIT has said it may bring a partner in on the purchase. But sources said this week that none had yet been identified, and it's unclear whether Boston Properties is still trying to line up another investor. The acquisition is expected to close within a few months.

Blackstone assumed control of the property in 2007 as part of its $39 billion takeover of **Equity Office Properties** of Chicago. The 47-acre campus is the largest piece of privately owned land in the Westside section of Los Angeles County — an area that also includes Beverly Hills, Culver City and West Hollywood. The property accounts for 15% of the Class-A office market in Santa Monica, where development is restricted by regulation and the limited supply of available land.

Potential bidders for the property were told that a buyer would be positioned to raise rents over the next four years as below-market leases on nearly half the space roll over. More than 60% of the space is occupied by tenants in "creative" industries, such as technology and media. It's in an area called Silicon Beach because of its high concentration of technology firms.

The complex is next to Santa Monica Airport and close to the intersection of Interstates 405 and 10. ❖

Loan Sought for Texas Retail Center

A **J.P. Morgan Asset Management** partnership is seeking an $80 million loan to refinance a shopping center in a tony suburb of Dallas.

The roughly 450,000-square-foot Preston Towne Crossing, in Plano, Texas, is about 90% occupied.

J.P. Morgan and its partner, **Edens** of Columbia, S.C., will consider proposals for a five-year loan with either a fixed or floating rate. **Eastdil Secured** is pitching the assignment to insurers and banks.

Cowboys Fit, a luxury gym associated with the **Dallas Cowboys** football team, leases some 40,000 sf, according to Edens' website. The rent roll also includes REI (27,000 sf), Trader Joe's (15,000 sf), Old Navy (15,000 sf) and ULTA (10,000 sf). The Trader Joe's was reportedly the grocer's first store in the Dallas area.

Some 121,000 people, with an average annual household income of $123,000, live within three miles of the center, at 2400 Preston Road.

Edens, a retail developer and operator, assumed the property in 2015 via its $763 million takeover of Houston-based **AmREIT.** It's unknown when J.P. Morgan acquired its interest. ❖

MARATHON OIL TOWER

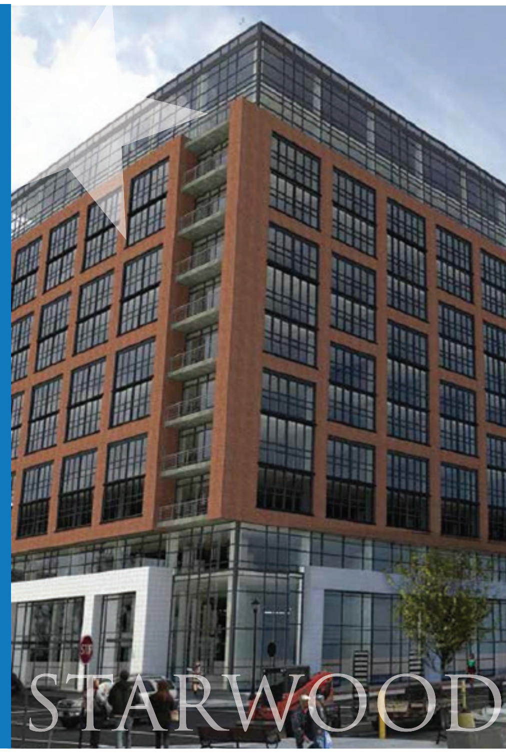
$214MM

Acquisition Financing

1st Mortgage Loan

Office

Houston, TX



200 STOVALL

$140MM

Construction

1st Mortgage and Mezzanine Financing

Multifamily

Alexandria, VA

Acquisition financing for a 1.2mm sf, class A office tower in the Galleria submarket of Houston, TX. The property is currently 85% occupied and the STWD loan will allow the sponsor to implement a capital improvement plan and drive cash flow through accretive leasing at the property.

Acquisition and construction financing for the planned conversion of an existing office building into a multifamily property with 520 residential units, 27k sf of ground floor retail, and 246 parking spaces located in Alexandria, VA.

INNOVATIVE FINANCIAL SOLUTIONS

Ensuring Performance and Trust – One Project and Relationship at a Time

Every day, our 350 dedicated employees and more than 3,400 affiliates through Starwood Capital Group work to provide one-stop, customized financial solutions for borrowers around the globe.

Balance Sheet Floating Rate

STARWOOD PROPERTY TRUST

STARWOOD MORTGAGE CAPITAL

Fixed-Rate Conduit
Small Balance Floating Rate (<$40MM)

Brilliant Solutions Since 2009

Starwood Property Trust Dennis Schuh Chief Originations Officer 203.485.5108 dschuh@starwood.com starwoodpropertytrust.com
Starwood Mortgage Capital Larry Brown President 704.362.1979 lbrown@starwood.com starwoodmortgagecapital.com

Conduit Prices Within Recent Range

Bookrunners **Citigroup** and **Cantor Fitzgerald** priced the benchmark bonds of a $668.2 million conduit offering yesterday in the middle of the recent spread range.

The long-term super-seniors went out the door at a spread of 87 bp over swaps, after being shopped at 85-bp area. The transaction (CGCMT 2018-C5) is backed by loans supplied by Citi, **Rialto Capital,** Cantor subsidiary **CCRE** and **Ladder Capital** (see Initial Pricings on Pages 39-42).

The new-issue benchmark spread has settled in the range of 79-92 bp since late March, amid widespread tiering in the sector. In the two previous conduit deals, which priced on May 23, the comparable levels were 82 bp in a $713.1 million offering led by **J.P. Morgan** and **Deutsche Bank** (JPMDB 2018-C8) and 92 bp in a $730.4 million transaction led by **UBS, Societe Generale** and Cantor (UBSCM 2018-C10).

While the CGCMT deal's benchmark paper commanded a spread that was slightly wide of price talk, demand for subordinate bonds was stronger than dealers anticipated. Those classes ended up about 5 bp tighter than price talk — including the "A-S" class, rated Aa3/AAA/AAA by **Moody's, Fitch** and **Kroll,** which went for 105 bp. At the bottom of the investment-grade capital stack, the spread was 260 bp on the offered triple-B-minus notes, with 9.89% of subordination.

Elsewhere in the new-issue market yesterday, **Wells Fargo** and **Morgan Stanley** priced a $514.2 million commercial real estate CLO for **Exantas Capital,** a **C-III Capital** unit formerly known as Resource Capital. The offering (XAN 2018-RSO6) is backed by 29 loans to multiple borrowers on 38 properties in 15 states. The floaters have a weighted average remaining term of 2.6 years, or 4.5 years factoring in all extension options.

The CLO was oversubscribed, with each class pricing substantially tighter than guidance. The triple-A bonds flew off the shelves with a spread of 83 bp over one-month Libor, after being shopped at 87-90 bp. The spread tightened the most on the triple-B-minus notes, which went for 250 bp — down from talk of 275-bp area.

Meanwhile, commercial MBS dealers were marketing two single-borrower offerings backed by floating-rate acquisition loans with two-year terms and five one-year extension options.

In the larger deal, **Goldman Sachs** and J.P. Morgan are securitizing a $603.3 million loan they originated for **Atrium Hospitality** on 24 hotels (AHPT 2018-ATRM). Those properties, encompassing 5,734 rooms in 12 states, are among 35 that the Alpharetta, Ga., company acquired from **John Q. Hammons Hotels & Resorts** of Springfield, Mo., via a bankruptcy sale. The price talk ranged from 95-97 bp on the triple-A class to 155-160 bp on the tranche rated A-/A (high) by **S&P** and **DBRS.**

The other single-borrower transaction is collateralized by a $463 million loan that Deutsche and Goldman originated for **Savanna** of New York on the 683,000-sf Five Bryant Park office building in Midtown Manhattan (DBGS 2018-5BP). The price talk was 83-bp area on the triple-A bonds and 100-bp area on the double-A-minus notes. ❖

OPPORTUNITY IS HERE

Ten-X Commercial is the digital marketplace that brings new levels of control, velocity, customization and efficiency to how commercial real estate is bought and sold.

× MAKE YOUR MARKET

POMONA TECH CENTER 3201 W. Temple Avenue, Pomona, CA	44,187 SF	OFFICE	BID ONLINE **JULY 9-11**

ATRIUM AT FAIR LAKES

12902 Federal Systems Park Drive, Fairfax, VA

219,927 SF	OFFICE	BID ONLINE **JULY 9-11**

MULTIFAMILY PORTFOLIO

Multiple Addresses, Wichita, KS

118 UNITS	MULTIFAMILY	BID ONLINE **JULY 9-11**

TEN-X COMMERCIAL

Find additional commercial properties for sale at **10x.com/cma-18** or call **888-770-7332**.

TenX RE, Inc./Ten-X, a Licensed Real Estate Broker. CA BRE 01994943. For all other state licensing details visit: https://www.ten-x.com/company/legal/licensing/
1 Mauchly, Irvine, CA 92618 800-499-6199

Acore, Brookfield Back Swift Deals

Swift Real Estate lined up two loans last month — from **Acore Capital** and a **Brookfield Asset Management** debt fund — to back separate office purchases in California.

The floating-rate mortgages, both with seven-year terms, total just over $250 million.

Acore provided $150 million of debt on a 550,000-square-foot office complex in El Segundo. Swift, a San Francisco fund manager, paid $170 million for the property, called AirFlyte, where a major tenant is reducing its space. Some $40 million of the proceeds are set aside for renovations and leasing costs.

CBRE brokered the loan and handled the sale for **GI Partners** of San Francisco, which controlled the property through a vehicle it manages for **Calpers.**

The investment-sales pitch highlighted that a buyer could boost its return by leasing the soon-to-be-vacant space at higher rents. The property is currently fully occupied by defense contractor **Raytheon** and **AT&T** unit **DirecTV.** Both recently renewed their leases, but Raytheon is cutting back its space by 107,000 sf, which it will vacate in January.

Swift assumed a commitment GI made in the lease negotiations to fully renovate one of the lobbies and create a central plaza with shared collaboration areas. It plans to reposition the property as a multi-tenant campus pitched to creative and technology firms.

The three buildings are at 2200 East Imperial Highway (199,000 sf), 2222 East Imperial Highway (145,000 sf) and 2230 East Imperial Highway (205,000 sf). The complex is off Interstate 105, immediately south of Los Angeles International Airport.

Separately, a high-yield fund managed by Toronto-based Brookfield wrote a $103.6 million mortgage to back Swift's $110 million purchase of a commercial condominium at Fox Plaza in San Francisco.

The 220,000-sf condo encompasses 11 floors of offices and ground-floor retail space in a 29-story building at 1390 Market Street, in the Mid-Market district. The upper floors contain 444 apartments that are separately owned.

About $31 million of the loan is structured as future funding, which will help cover leasing costs to boost the 89% occupancy level. **HFF** arranged the loan and brokered the sale for **Broadreach Capital** of Palo Alto, Calif.

Bidders were told during the marketing campaign that a buyer could raise below-market rents as leases on 40% of the overall space mature within three years. Broadreach renewed leases on 36% of the space last year, lifting rents in the process, but the average in-place rent is still 21% below the submarket's average asking rate.

The property, built in 1967, is two blocks from a BART commuter rail station and the Civic Center, in an area that's home to City Hall, the War Memorial Opera House and other government and cultural institutions.

Swift was founded by president **Christopher Peatross** in 2010. He previously oversaw all of **Blackstone's** office holdings. The shop is currently investing via its $408 million Swift Real Estate Partners Fund 2. ❖

Market knowledge, experience and financial strength.

Owners, developers, investment funds and real estate companies rely on the expertise of our Real Estate Finance Group for a full suite of commercial loan and financing programs.

$35,800,000	**$92,500,000**	**$39,900,000**	**$47,200,000**	**$55,000,000**
Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet
Industrial	**Retail**	**Student Housing**	**Office**	**Multifamily**
Industrial Portfolio	Southlands T.C.	Grand Avenue	Corporate Center I & II	Jefferson LasCo
Minneapolis, MN	Aurora, CO	Knoxville, TN	Concord, CA	Irving, TX
$7,300,000	**$7,500,000**	**$13,500,000**	**$22,000,000**	**$3,600,000**
CMBS	CMBS	CMBS	CMBS	CMBS
Office	**Hotel**	**Retail**	**Office**	**Retail**
Fountain Plaza	Sandpiper Hotel Portfolio	Fortuna Center Plaza	Offices at Sam Houston	93 Grand
Laguna Hills, CA	Louisiana	Dumfries, VA	Houston, TX	New York, NY

John Heiberger
Head of Real Estate Finance
212 667-4667
john.heiberger@cibc.com

Bill Deftos
Managing Director
212 667-4550
bill.deftos@cibc.com

www.cibccm.com/realestate

New York | Atlanta | Chicago | Newport Beach

Staffing Changes Continue at Situs

Continuing its reorganization, **Situs** has disbanded an advisory unit that helped clients analyze the value and risk of commercial real estate debt and other assets, and has turned those duties over to a recently acquired subsidiary.

Managing director **Ed Robertson,** the Seattle-based co-head of the financial institutions group, resigned last Friday, following last month's departure of the other co-head, **Charles Rierson** in Atlanta.

Robertson will help with the transition before leaving at the end of this month. He'll then join the consulting arm of **Vaco,** an outsourcing firm in Brentwood, Tenn., that provides staffing and other financial services. There's no word yet on Rierson's plans.

The credit-risk advisory and strategic consulting services that their group provided are being assumed by staffers who already handled similar work at **MountainView Financial,** a Denver advisory firm that Situs acquired in January. That unit, which is a more-established provider of such-services, previously focused on the residential mortgage sector. Three staffers in Atlanta who worked for Robertson and Rierson now work primarily on due-diligence assignments under **Robin Baker,** co-head of commercial real estate advisory services.

The moves are part of a broader effort by Situs, which has about 900 employees, to streamline some operations and expand others, said chief executive **Steven Powel.** As previously reported, more than a dozen senior and mid-level staffers have left or been laid off from the Houston advisory and due-diligence firm over the past six months.

Also last Friday, **Jonathan Feirman,** a New York-based vice president on Situs' loan-advisory team, gave notice that he'll leave June 15. His next move is unknown. And a senior member of the business development team, **Raymond Belliveau,** resigned from his post in Sacramento. He's headed to the **National Council of Real Estate Investment Fiduciaries,** a Chicago trade group.

Robertson and Rierson co-led the financial institutions group for just over three years. Robertson joined Situs in 2013. He previously was a managing director in charge of bank and loan advisory services at another due-diligence firm, **Clayton Holdings** of Riverview, Fla., where he spent five years. Before that, he was at **Cerberus Capital** for about nine months and held various senior positions at **Washington Mutual** and **Barclays.**

Rierson spent 11 years at **Regions Financial** until leaving the Birmingham, Ala., bank for Situs in 2015.

Feirman joined Situs as a vice president in 2013 after spending about a year at **Basis Investment,** a year and a half at **Santander Real Estate Capital** and four years at **UBS.**

Belliveau moved to Situs in 2015 after almost four years at New York-based **MSCI** and about 14 years at other research firms in various business-development and sales roles. ❖

Shop Eyes Loans on 2 Buildings in SF

An investment firm is looking to line up at least $125 million of debt on two retail/office buildings near Union Square in San Francisco.

The properties, which encompass 154,000 square feet, are within a block of each other, at 111 Maiden Lane and 201-209 Post Street.

The owner, local firm **Trinity Properties,** has tapped **Newmark** to line up loans of 12-15 years. The request is for $65 million on the seven-story Maiden Lane building and $60 million on the 12-story Post Street property. The aggregate leverage is described as less than 50%, pegging the properties' value at more than $250 million.

The properties, which Trinity has long owned, are virtually fully occupied. The street-level space is leased to upscale retail tenants — including Bottega Veneta, Hermes and Yves Saint Laurent at the Maiden Lane building and Cartier and Fendi on Post Street.

The "creative" offices on the upper floors of the properties are occupied mostly by companies in the advertising and design industries.

Both buildings were constructed more than a century ago and have been renovated several times. They are on parallel streets, at or near Grant Avenue.

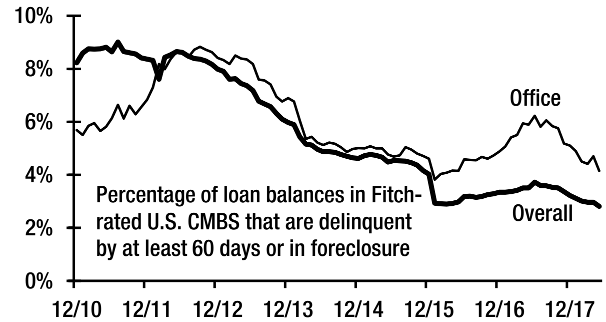
Trinity primarily invests in apartments, owning well over 3,000 units across the city. It is developing the huge Trinity Place rental complex, at 1188 Mission Street in the Mid-Market neighborhood. That project, which is being developed in phases, will encompass 1,900 apartments, nearly 70,000 sf of retail space and more than 1,000 parking spaces. ❖

Corrections

A June 1 article, "Ladder Backs Student-Housing Buyer," misidentified the originator of a $69.5 million loan on a student-housing portfolio in Santa Barbara, Calif. The loan was written by **Natixis,** not **Ladder Capital,** which is a member of the partnership that acquired the portfolio. Also, another partner, **Encore Capital,** is based in the Santa Barbara area, not Boca Raton, Fla.

An item in The Grapevine on June 1 misstated **Eric Gunderson's** title at **Wells Fargo.** He is a managing director, not a director. ❖

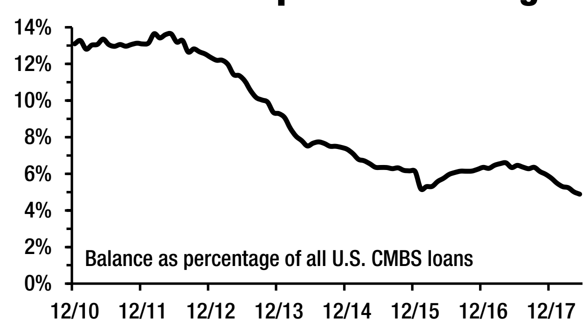
CMBS Delinquencies



Source: Fitch

	May (%)	Month Earlier (%)	Year Earlier (%)
Retail	5.54	5.66	5.87
Office	4.15	4.70	5.90
Industrial	2.60	2.43	4.74
Mixed-use	2.58	2.50	4.21
Hotel	2.59	2.63	2.62
Multi-family	0.44	0.49	0.61
Other	0.75	0.75	0.71
OVERALL	**2.81**	**2.97**	**3.50**

CMBS Loans in Special Servicing



Source: Trepp

As of May 31

Collateral	Balance ($Mil.)	Portion of Loan Type In Special Servicing (%)	Share of Special Servicing (%)	Share of All CMBS Loans (%)
Retail	$8,521.1	6.74	39.33	28.50
Office	7,122.2	5.94	32.87	27.04
Hotel	2,865.6	4.19	13.23	15.43
Multi-family	912.3	2.51	4.21	8.19
Industrial	887.2	4.73	4.10	4.23
Other	1,356.2	1.84	6.26	16.60
TOTAL	**21,664.7**	**4.89**	**100.00**	**100.00**

CMBS Loan Quality Improves Again

Two key measures of credit quality for securitized commercial mortgages showed improvement again last month, dropping to their lowest levels since the downturn.

The percentage of past-due loans collateralizing commercial MBS deals rated by **Fitch** dipped by 16 bp to 2.81% in May, after hovering around 3% since February. The delinquency rate hasn't been lower since mid-2009, when it was on its way up amid the credit crunch. It reached an all-time high of 9.01% in July 2011.

Also last month, the special-servicing rate decreased by 12 bp to 4.89%, according to **Trepp.** That tally hasn't been lower since April 2009. It subsequently climbed to a peak of 13.65% in February 2012. The aggregate balance of all CMBS loans in that category now stands at $21.7 billion, down $220.7 million from a month ago.

Both rates have declined fairly steadily over the past year, after bouncing up and down for a couple of years as property owners and lenders worked to refinance a huge wave of maturing loans that were originated at the height of the last market cycle (see charts on Page 12).

Only $163 million of debt was added to Fitch's past-due index in May. Meanwhile, $732 million of mortgages were removed from the delinquency tally after being sold, modified or otherwise resolved.

The largest to fall off the list was a $274.1 million loan on a Chicago office building, at 175 West Jackson Boulevard, that **Brookfield Asset Management** bought in April for $305 million. The Toronto firm assumed the debt, set up an account to cover cashflow shortfalls for the next year and plans to invest significant capital to stabilize the property over the next five years, according to servicer reports. The fixed-rate mortgage remains in the hands of special-servicer **LNR Partners** for the time being, after being transferred on March 7. **Deutsche Bank** originated the 10-year loan in 2013 for the previous owner of the property and securitized it via three transactions (COMM 2013-CCRE12, 2013-CCRE13 and 2014-CCRE15).

The resolution of that mortgage helped drive down the past-due rate for office loans by 55 bp, to 4.15% last month, the largest decline among the major property sectors.

Factoring in paydowns, Fitch's tally of loans at least 60 days behind on payments or in foreclosure or maturity default decreased last month by $803 million to $10.9 billion. Another $301 million of CMBS debt was late by 30-59 days at the end of May, up from $198 million a month ago.

The latest declines in the special-servicing and delinquency rates were bolstered by increases in the denominators used for those calculations. Trepp's special-servicing rate was pegged to $443.5 billion of outstanding CMBS loans, up $6.5 billion since April 30. And the Fitch-rated CMBS universe expanded by $3.8 billion, to $386.6 billion. ❖

Invesco Eyes Floater on Calif. Offices

An **Invesco Real Estate** partnership is weighing bids for a $180 million loan to finance its acquisition of a Bay Area office complex.

The Dallas investment manager and its partner, **Harvest Properties** of Emeryville, Calif., have struck a deal to buy the 447,000-square-foot Peninsula Office Park in San Mateo, Calif., for about $210 million. They're looking for a floating-rate mortgage with a term of 5-7 years. **Eastdil Secured** is advising the Invesco team on the debt and brokering the sale for **Hudson Pacific Properties,** a Los Angeles REIT.

Some $40 million of the loan proceeds would be funded down the road for capital improvements and leasing costs, as the buyer works to boost the occupancy rate from its current low-80% range.

The six-building complex is at 2655 Campus Drive, about 23 miles south of San Francisco and 30 miles northwest of San Jose. Its features include a cafe, a fitness center, 1,650 parking spaces and a shuttle to the Hillsdale Caltrain Station. There are a number of shops and restaurants nearby, including the Laurelwood Shopping Center.

The property was in a massive portfolio that Hudson purchased from **Blackstone** in 2015. That $3.5 billion transaction involved 26 properties totaling 8.2 million sf. As part of the deal, Blackstone took a 48% stake in Hudson.

At the time, Peninsula Office Park comprised seven buildings. In January this year, Hudson split off one, with 63,000 sf, and sold it to an unidentified buyer for $22.5 million. ❖

Ivanhoe ... From Page 1

rents. The ownership also can add as many as 77 units to the properties, which would further increase cashflows in the second year of the loan term.

The pitch to lenders is that the portfolio's potential for generating higher income offers insulation against any slowdown in the market that could drive down commercial-property values.

San Francisco-based Veritas is one of the largest owners of apartment properties in the city. Ivanhoe, a real estate investment unit of Canadian pension **Caisse de Depot et Placement du Quebec,** began investing alongside Veritas several years ago. The collateral for the proposed mortgage represents a sizable portion, if not all, of the multi-family buildings the two jointly own in San Francisco. ❖

MEZZANINE LENDERS

Lenders That Actively Provide Mezzanine Financing on Commercial Properties

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
3650 REIT Shin Bowers 310-862-9993 Ken Dickey 212-390-9283	REIT originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties across the major asset classes in the U.S. Loans are serviced in-house.		$300	**Size ($Mil.):** 10-100+ **Coupon:** 8-15% **Max LTV:** 90% **Term:** 1-5 years **Rate type:** Fixed/floating
Acore Capital Boyd Fellows 415-917-4400	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties of all types in North America. Target gross IRR: 9-12%.	$925	1,250	**Size ($Mil.):** 30-300 **Max LTV:** 80% **Term:** 3-5 years **Rate type:** Floating
AEW Capital Management Dan Jacobson 617-261-9248	Investment manager originates B-notes, mezzanine loans, stretch loans and preferred equity with focus on high-quality transitional office, industrial, retail and hotel properties in the top-25 U.S. markets. Target gross IRR: 5-15%.	500	750	**Size ($Mil.):** 20-300 **Coupon:** 4.5-15% **Debt yield:** 6-12% **Max LTV:** 80% **Term:** 1.5-10 years **Rate type:** Fixed/floating
Annaly Commercial Real Estate Michael Quinn 212-696-0100	REIT originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties of all types in liquid U.S. markets. Target gross IRR: 8-10+%.	350	1,000	**Size ($Mil.):** 10-250 **Coupon:** 8-10+% **Debt yield:** 5-10+% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Apollo Global Scott Weiner 212-822-0418	Investment manager operates a REIT and separate accounts. Originates B-notes, mezzanine loans and preferred equity on all property types in the U.S. and Europe, with focus on major markets. Will write pre-construction, construction and stabilized loans. Target gross IRR: 5.5-12%.	2,300		**Size ($Mil.):** 20+ **Coupon:** 5.5+% **Term:** 2-10 years **Rate type:** Fixed/floating
Arbor Realty Fred Weber 516-506-4595	REIT originates mezzanine loans and preferred equity on office, retail and multi-family properties in the U.S. Target gross IRR: 9-15%.	165		**Size ($Mil.):** 1-30 **Coupon:** 9-15% **Debt yield:** 6-9% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Archbell Capital Scott Shepherd 213-266-5986 Greg Levitan 213-266-5987	Finance company originates mezzanine loans and stretch loans on all property types in primary and secondary U.S. markets, with an emphasis on the Western U.S. Focus on “light” to “heavy” transitional properties. Target gross IRR: 8-15%.		500	**Size ($Mil.):** 10-100 **Coupon:** L+300–900 bp **Debt yield:** Any **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Floating
Arden Group Douglas Harmon 646-639-8486	Investment manager operates Arden Credit Fund. Originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties of all types in the top-35 U.S. markets. Will write construction and land loans. Target gross IRR: 11%.	25	100	**Size ($Mil.):** 5-65 **Coupon:** 6-12% **Debt yield:** Up to 10% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Fixed
Ardent Financial Daniel Siegel 678-248-6539	Finance company and fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on major property types in the U.S. Focuses on complex opportunities such as land, rehabilitation, construction and transitional properties with destabilized cashflow. Target gross IRR: 10+%.	150	250	**Size ($Mil.):** 2-75 **Coupon:** 7+% **Max LTV:** 85% **Term:** 1-4 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 16

MEZZANINE LENDERS

Continued From Page 15

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Ares Real Estate Jamie Henderson 212-710-2178	Investment manager operates a REIT, funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on properties of all types in the U.S., with an emphasis on transitional properties in liquid markets. Target gross IRR: 10-15%.			**Size ($Mil.):** 5-150 **Coupon:** 6-15% **Max LTV:** 85% **Term:** 1-5 years **Rate type:** Fixed/floating
Aria Development Capital Joshua Benaim 212-400-0500 ext.101 Jay Lee 212-400-0500 ext.104	Subsidiary of Aria Investment. Originates B-notes, mezzanine loans and preferred equity on urban infill projects, with a focus on New York, Washington and Miami. Target gross IRR: 10+%.	$50	$50	**Size ($Mil.):** 5-20 **Coupon:** 10-20% **Debt yield:** 5-10% **Max LTV:** 90% **Term:** Up to 7 years **Rate type:** Fixed/floating
Atalaya Capital Young Kwon 212-201-1917	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on most major property types in the U.S., Canada and Western Europe. Focuses on transitional, pre-development, entitlement, condo-inventory and construction loans across all asset classes. Target gross IRR: 11-15%.	250	500	**Size ($Mil.):** 5-250 **Coupon:** 5.5-10% **Debt yield:** 6-9% **Max LTV:** 80% **Term:** 1-5 years **Rate type:** Floating
Avant Capital Adam Luysterborghs 203-612-9580	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on office, multi-family and industrial properties in major U.S. markets. Target gross IRR: 14%.	0	75	**Size ($Mil.):** 2-10 **Coupon:** 8-16% **Debt yield:** Up to 10% **Max LTV:** 90% **Term:** Up to 5 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 18

MEZZANINE LENDERS

Continued From Page 16

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Axonic Capital Brendan McCormick 212-828-7208 Tyler Kimball 212-828-7274	Investment manager operates funds and separate accounts. Originates and acquires B-notes, mezzanine loans and preferred equity on major property types in the U.S. Target gross IRR: 7-12%.		$500	**Size ($Mil.):** 15-75 **Coupon:** 7-12% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Bank of America Jon Rymsha 646-855-2461	Its investment-banking unit arranges B-notes, mezzanine loans and preferred equity on U.S. properties in conjunction with the origination of senior mortgages it retains, securitizes or syndicates. Target gross IRR: 4-9+%.	$550	1,000	**Size ($Mil.):** 10-500+ **Coupon:** 4-10% **Debt yield:** 5-10+% **Max LTV:** 85% **Term:** 2-10+ years **Rate type:** Fixed/floating
Barclays Brian La Belle 212-526-1809	Investment bank arranges B-notes, mezzanine loans, stretch loans and preferred equity on U.S. properties in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates. Target gross IRR: 4-12+%.	1,045	1,300	**Size ($Mil.):** 2-2,000 **Coupon:** 4-12+% **Debt yield:** Any **Max LTV:** Any **Term:** Any **Rate type:** Fixed/floating
Barings Real Estate Tony Soldi 860-509-2281	MassMutual subsidiary operates funds and separate accounts. Writes B-notes, mezzanine loans, stretch loans and preferred equity on properties in major U.S. metropolitan areas, the U.K., Ireland, the Netherlands and Spain. Focuses on high-quality transitional properties and large development projects with top-tier sponsors. Target gross IRR: 6-15%.	950	1,500-2,000	**Size ($Mil.):** 10-250 **Coupon:** 4-15% **Debt yield:** Any **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Fixed/floating
Basis Investment Tammy Jones Shaunak Tanna 212-915-0699	Investment manager operates funds, separate accounts and a REIT. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S., with a focus on transitional assets. Will consider construction loans and an IRR "look back" for loans. Target gross IRR: 9-12%.	105	250-300	**Size ($Mil.):** 2-75 **Coupon:** 6-13% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Bedrock Capital Frank Prezioso Michael Santini 212-957-2525	Subsidiary of One William Street Capital. Originates B-notes, mezzanine loans, stretch loans and preferred equity on U.S. properties. Focuses on middle-market properties with institutional sponsors. Risk-based approach allows pricing and structuring flexibility. Will finance opportunistic, special-situation and distressed properties. Target gross IRR: 8-15%.	340	500	**Size ($Mil.):** 5-50 **Coupon:** 6-12% **Term:** 1-10 years **Rate type:** Fixed/floating
Benefit Street Partners Michael Comparato 212-588-9404	Investment manager operates a REIT, Benefit Street Partners Realty (formerly Realty Finance). Originates mezzanine loans and preferred equity on major property types in the U.S. in conjunction with the origination of senior mortgages. Will consider increasing mezzanine position when joining with third-party senior lender.			**Size ($Mil.):** 1-25 **Coupon:** 8-14% **Debt yield:** 6+% **Max LTV:** 90% **Term:** 1-10 years **Rate type:** Fixed/floating
BlackRock Clinton Soose Katy Mao Mark Kramer 212-810-5300	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional properties in primary and secondary markets in the U.S. and Western Europe.	500	1,000	**Size ($Mil.):** 10-100 **Coupon:** 5-15% **Debt yield:** Any **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Blackstone Tim Johnson 212-583-5625	Investment manager operates funds and a REIT. Supplies B-notes, mezzanine loans, stretch financing and preferred equity on a wide range of property types in major metropolitan areas globally. Target gross IRR: 6-12%.	1,000	800-1,000	**Coupon:** L+500-1,000 bp **Debt yield:** Any **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 19

MEZZANINE LENDERS

Continued From Page 18

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Bridge Investment Jim Chung 646-453-7101	Investment manager operates Bridge Debt Strategies Fund 2. Originates B-notes, mezzanine loans, stretch loans and preferred equity. Focus is office and multi-family properties in secondary U.S. markets and senior housing throughout the U.S. Target gross IRR: 7-12%.	$75	$100	**Size ($Mil.):** 3-50 **Coupon:** 7-12% **Debt yield:** 5-8% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Brookfield Real Estate Andrea Balkan 212-417-7277	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in North America, Europe and Australia.	2,500	3,000	**Size ($Mil.):** 75-1,000 **Coupon:** 4-8% **Debt yield:** Up to 10% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Canyon Partners Real Estate Robin Potts 310-272-1500	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity for transitional properties across the major asset classes, as well as senior housing and student housing. Geographic focus is primary and secondary U.S. markets. Target gross IRR: 10-18%.	200	400	**Size ($Mil.):** 10-100 **Coupon:** 8-15% **Debt yield:** 6-12% **Max LTV:** 85% **Term:** 1-5 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 20

MEZZANINE LENDERS

Continued From Page 19

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
CarVal Investors Paul Mullaney 952-444-4821	Subsidiary of agricultural giant Cargill. Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in North America. Focuses on value-added and transitional opportunities. Will finance development for qualified sponsors. Target gross IRR: 10+%.	$500	$900	**Size ($Mil.):** 10-150 **Coupon:** 4.5-12% **Debt yield:** Up to 11% **Max LTV:** 85% **Term:**1-5 years **Rate type:** Fixed/floating
CBRE Global Investors Robert Perry 213-683-4200	Investment manager originates and purchases mezzanine loans on properties across all asset classes in primary and secondary U.S. markets. Focuses on collateral with core-plus or value-added risk profiles.	250	250	**Size ($Mil.):** 10-75 **Coupon:** 6-11% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
CCRE Kiran Manda Baz Preston 212-829-5490	Subsidiary of Cantor Fitzgerald originates B-notes, mezzanine loans and preferred equity in conjunction with senior mortgages it writes on U.S. properties.	150	500	**Size ($Mil.):** 2-200 **Coupon:** 4-13% **Max LTV:** 85% **Term:** 2-10years **Rate type:** Fixed/floating
CIM Group Kelly Eppich 323-860-4973	Fund operator originates B-notes, mezzanine loans and stretch loans on all property types. Focus is construction and "heavy" transitional projects in core U.S. urban markets. Financing is generally nonrecourse.	640	1,500	**Size ($Mil.):** 40-500 **Coupon:** 7-12% **Max LTV:** 85% **Term:** 1-5 years **Rate type:** Floating
Citigroup Brad Bloom 212-723-5483	Bank arranges B-notes, mezzanine loans, stretch loans and preferred equity on properties in major U.S. and European markets, in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates.	1,500	2,000	**Size ($Mil.):** 3-500+ **Coupon:** 4+% **Max LTV:** 85% **Term:** 1-10+ years **Rate type:** Fixed/floating
Clarion Partners Drew Fung 212-808-2145	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans and preferred equity on core-plus, transitional properties and certain ground-up development opportunities across a wide range of asset classes in U.S. markets. Target gross IRR: 8-15+%.			**Size ($Mil.):** 10-40 **Coupon:** 7-15% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Fixed/floating
Colony NorthStar Sujan Patel 212-547-2616	Investment manager operates a REIT, funds and separate accounts. Originates and acquires B-notes, mezzanine loans, stretch loans and preferred equity on all property types in primary and secondary U.S. markets. Target gross IRR: 12-18%.	620	1,000	**Size ($Mil.):** 10-500 **Coupon:** 7+% **Max LTV:** 95% **Term:** 1-10+ years **Rate type:** Fixed/floating
Credit Suisse Stefanos Arethas 212-325-0736 Brendan Jordan 212-325-1924	Investment bank arranges B-notes, mezzanine loans and unrated bonds on all property types in the U.S. and Europe, in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates.			**Size ($Mil.):** 5-500 **Coupon:** 4-12% **Debt yield:** 5-10% **Rate type:** Fixed/floating
Crescit Capital Strategies Joseph Iacono 212-332-1960 Nik Chillar 949-200-5201	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. Focuses on construction, transitional and term financing.		500	**Size ($Mil.):** 15-75 **Coupon:** 5-15% **Max LTV:** 85% **Term:** Up to 10 years **Rate type:** Fixed/floating
Criterion Real Estate Capital Chuck Rosenzweig 212-259-0414 Adam Falk 212-259-0411	Investment manager originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types, primarily in "gateway" U.S. markets. Focus is larger value-added or opportunistic deals, including development, redevelopment and repositioning. Flexible on structure, duration and cashflow. Target gross IRR: 11-18%.	325	500	**Size ($Mil.):** 25-1,000 **Coupon:** 5-14% **Max LTV:** 90% **Term:** 1-10 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 22

MEZZANINE LENDERS

Continued From Page 20

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Deutsche Bank Thomas Rugg 212-250-3541	Bank arranges B-notes, mezzanine loans, stretch loans and preferred equity on properties in the U.S. and major European markets in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates.	$1,200	$2,000	**Size ($Mil.):** 2-500 **Coupon:** 4-13% **Debt yield:** 5-12% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
DWS Real Estate Debt Investments Marc Feliciano Joe Rado Pat Kennelly 312-537-0111	Investment manager, formerly known as Deutsche Asset Management, operates funds and separate accounts. Originates B-notes, mezzanine loans and preferred equity on core, core-plus, transitional and value-added properties across major asset classes in primary and secondary U.S. markets. Target gross IRR: 6-12%.		750-1,000	**Size ($Mil.):** 10-200 **Coupon:** 5-10+% **Debt yield:** 6-11% **Max LTV:** 85% **Term:** 3-10+ years **Rate type:** Fixed/floating
Edgewood Capital Michael House Chris Whittleton 203-255-1700	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. and the Caribbean, with a focus on value-added and distressed plays. Target gross IRR: 12-17%.	80	125	**Size ($Mil.):** 5-50 **Coupon:** 8-15% **Debt yield:** 12-17% **Max LTV:** 80% **Term:** 1-5 years **Rate type:** Floating
Eightfold Real Estate Capital Isaac Pesin 305-503-4053	Investment manager originates B-notes, mezzanine loans and preferred equity on U.S. properties across asset classes that need repositioning. Also finances buyers of defaulted notes and borrowers seeking capital for restructurings or discounted payoffs. Target gross IRR: 15+%.			**Size ($Mil.):** 1-10 **Max LTV:** 95% **Rate type:** Fixed/floating
EJS Real Estate Ted Segal 212-615-3456	Finance company originates mezzanine loans, stretch loans and preferred equity on multi-family and mixed-use projects with strong sponsors in the New York area and other primary U.S. markets. Finances pre-development, construction and conversion of properties.		125+	**Size ($Mil.):** 10-50+ **Coupon:** 8-12+% **Max LTV:** 85% **Term:** 1-5 years **Rate type:** Fixed/floating
Essex Property Keith Guericke 650-655-7929 Cory Zimmerman 650-655-7844	REIT originates mezzanine loans and preferred equity for the construction, redevelopment and recapitalization of multi-family properties on the West Coast. Yields accrue on ground-up construction until property is stabilized.	280	300	**Size ($Mil.):** 8-100 **Coupon:** 9-12% **Debt yield:** 9-12% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed
Exantas Capital Paul Hughson 212-705-5046	Subsidiary of C-III Capital. The REIT, formerly known as Resource Capital, originates B-notes, mezzanine loans, stretch loans and preferred equity on all types of properties in the U.S. Target gross IRR: 8-12%.	225	350	**Size ($Mil.):** 5-50 **Coupon:** 5-12% **Max LTV:** 87.5% **Term:** 1-5 years **Rate type:** Fixed/floating
FCP E.J. Corwin 240-395-2029	Fund operator, formerly known as Federal Capital Partners, originates B-notes, mezzanine loans and preferred equity on development, value-added and stabilized properties on the East Coast and in Texas. Emphasizes flexibility and speed. Target gross IRR: 12-15%.	75	75	**Size ($Mil.):** 5-50 **Coupon:** 10-15+% **Debt yield:** 6-10% **Max LTV:** 90% **Term:** 0.5-10 years **Rate type:** Floating
Goldman Sachs Mark Romanczuk 212-902-0290	Investment bank arranges B-notes, mezzanine loans, stretch loans and preferred equity on U.S., Caribbean and Mexican properties, primarily in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates. Target gross IRR: 4.5-13%.	1,800	2,000	**Size ($Mil.):** 2-500+ **Coupon:** 4.5-13% **Max LTV:** 85% **Term:** 1-12 years **Rate type:** Fixed/floating
Goldman Sachs Merchant Banking Peter Weidman 212-902-1000	Goldman's investment-management unit's $4.2 billion Broad Street Real Estate Credit Partners 3 fund invests in B-notes, mezzanine loans and stretch loans on all property types in North America and Europe. Target gross IRR: Mid-teens.	1,275	2,000	**Size ($Mil.):** 50-500+ **Coupon:** 7-10% **Term:** 3-7 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 24

MEZZANINE LENDERS

Continued From Page 22

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Greystone John Palmer 212-649-9746	Finance company arranges mezzanine loans on acquisitions and cash-neutral refinancings of U.S. properties in conjunction with the origination of CMBS loans. Target gross IRR: 12%.		$250	**Size ($Mil.):** 0.5-5 **Coupon:** 12-15% **Debt yield:** 5-8% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
H.I.G. Realty Partners Jeff Wiseman 212-294-7194	Investment manager operates funds and separate accounts. Originates and invests in B-notes, mezzanine loans, stretch loans and preferred equity on quality transitional properties, including construction, in primary and secondary U.S. markets. Target gross IRR: 10-15+%.		200	**Size ($Mil.):** 10-75 **Coupon:** 8-12% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Fixed/floating
Heitman Greg Leadholm 312-849-4174	Investment manager operates funds and separate accounts. Originates mezzanine loans, stretch loans and preferred equity for high-quality operators in the U.S. Finances all major property types, as well as student housing and self-storage. Target gross IRR: 10-13%.	$400	350	**Size ($Mil.):** 10-100 **Coupon:** 9-12% **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Fixed/floating
Hines Andrew Cooper 347-837-3807 Janice Walker 713-966-7755	Investment manager invests in B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S., including financing for construction, repositioning and acquisition.			**Size ($Mil.):** 5-40 **Coupon:** L+375-1,000 bp **Debt yield:** Up to 8+% **Max LTV:** 85% **Term:** 1-5 (+2) years **Rate type:** Fixed/floating
Hunt Mortgage Brent Feigenbaum 212-317-5730	Finance company operates a REIT and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on commercial and multi-family U.S. properties. The multi-family originations are generally in conjunction with Fannie Mae first mortgages that it writes. Target gross IRR: 10-14%.	5	100	**Size ($Mil.):** 1-25 **Coupon:** 8-15% **Debt yield:** 7-10% **Max LTV:** 85% **Term:** 3-10 years **Rate type:** Fixed/floating
Invesco Real Estate Charlie Rose 310-310-0315 Yorick Starr 212-278-9047	Investment manager operates funds and separate accounts. Originates mezzanine loans, stretch loans and preferred equity on core, core-plus and transitional properties in primary and secondary U.S. markets. Target gross IRR: 5-9%.			**Size ($Mil.):** 50-250 **Coupon:** L+275–800 bp **Debt yield:** 6-9% **Max LTV:** 75% **Term:** 1-7 years **Rate type:** Floating
iStar David Sotolov 310-315-7070	REIT originates B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional properties, as well as development projects. Geographic focus is the top-50 metropolitan areas. Target gross IRR: 10-15%.	385	500	**Size ($Mil.):** 20-250 **Coupon:** 8-12% **Debt yield:** 7-12% **Max LTV:** 90% **Term:** 1-5 years **Rate type:** Fixed/floating
J.P. Morgan Candace Chao 212-648-2121	Bank's investment-management arm, J.P. Morgan Asset Management, operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on stabilized properties, transitional properties and select construction projects in the U.S.			**Size ($Mil.):** 10-200 **Coupon:** 5-10+% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
JCR Capital Sam Isaacson 303-531-0215	Finance company manages funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on U.S. properties across asset classes. Target gross IRR: 15-20%.	300	350	**Size ($Mil.):** 5-50 **Coupon:** 10-20% **Max LTV:** 90+% **Term:** 1-5 years **Rate type:** Fixed

See MEZZANINE LENDERS on Page 26

LoanCore Capital

LoanCore Capital is a privately held asset management firm focused on commercial credit.

LoanCore manages LoanCore Capital Credit REIT and LoanCore Capital Markets which have a combined balance sheet capacity of over $9 billion. Since the firm's inception in 2008, LoanCore has funded in excess of $16 billion comprised of over 625 transactions.

LoanCore Capital Credit REIT	LoanCore Capital Markets
W Lexington Hotel New York, NY **$170,000,000** First Mortgage Floating | Hospitality 5 year term	**101 Ludlow** New York, NY **$71,000,000** First Mortgage Fixed | Multifamily 10 year permanent loan
Hyde Park Portfolio Chicago, IL **$120,000,000** First Mortgage Floating | Multifamily 5 year term	**CHG Building** Midvale, UT **$57,000,000** First Mortgage Fixed | Office 10 year permanent loan
The Dewberry Hotel Charleston, SC **$65,000,000** First Mortgage Floating | Hospitality 5 year term	**360 North Rodeo Drive** Beverly Hills, CA **$38,000,000** First Mortgage Fixed | Mixed Use 10 year permanent loan

loancore.com

MEZZANINE LENDERS

Continued From Page 24

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Kayne Anderson Real Estate Caroline Lewittes 561-300-6243	Investment manager operates Kayne Anderson Real Estate Debt 3 fund. Invests in B-notes, mezzanine loans, stretch loans and preferred equity on senior housing, student-housing, medical-office and self-storage properties in the U.S. Target gross IRR: 10-14%.	$100	$500	**Size ($Mil.):** 1-500 **Coupon:** L+800-1,200 bp **Debt yield:** 6-11% **Max LTV:** 85% **Term:** 3-7 years **Rate type:** Fixed/floating
KKR Patrick Mattson 212-519-1656	Private-equity shop operates a REIT and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on U.S. properties of all types. Target gross IRR: 8-12%.		1,000	**Size ($Mil.):** 10-150 **Coupon:** 7-12% **Max LTV:** 80% **Term:** 2-10 years **Rate type:** Fixed/floating
KSL Capital Partners Craig Henrich 203-989-3900	Investment manager operates funds that invest in B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional hotel and recreational properties in the U.S., Canada, the Caribbean and the U.K. Target gross IRR: 13-16%.	270	400	**Size ($Mil.):** 15-250+ **Coupon:** 5-13% **Debt yield:** 5-13% **Max LTV:** 75% **Term:** 1.5-10 years **Rate type:** Fixed/floating
LibreMax Capital Michael McLarney 212-612-1558	Investment manager operates funds that originate and purchase B-notes and mezzanine loans on stabilized and transitional properties in primary and secondary markets in the U.S. and the Caribbean. Target gross IRR: 8-15%.	100	250	**Size ($Mil.):** 7.5-75 **Coupon:** 7-15% **Debt yield:** Up to 14% **Max LTV:** 80% **Term:** 0.5-5 years **Rate type:** Floating
Lionheart Strategic Management Billy Jacobs 646-744-2288	Fisher Brothers affiliate operates funds that originate B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties and development projects for high-quality sponsors in the top-20 metropolitan areas and high-growth markets. Target gross IRR: 10-15%.	50	100	**Size ($Mil.):** 10-25 **Coupon:** 8-12% **Max LTV:** 75% **Term:** 1-5 years **Rate type:** Floating
LoanCore Capital Jordan Bock 203-861-6065 Dan Bennett 203-861-6037	Investment manager operates a REIT and finance company. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S., the U.K. and Ireland, often in conjunction with senior debt from its conduit operation. Will consider accruals, payment-in-kind and toggle structures. Target gross IRR: 5-10%.	1,000	2,500	**Size ($Mil.):** 5-500+ **Coupon:** 5-10% **Debt yield:** Up to 10+% **Max LTV:** 90+% **Term:** 0.5-10 years **Rate type:** Fixed/floating
Mack Real Estate Credit Strategies Peter Sotoloff 212-484-0035	Investment manager operates a REIT and funds. Originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional properties in major markets in North America and Europe. Target gross IRR: 15%.	4,000	5,000	**Size ($Mil.):** 50-500 **Coupon:** 4-7% **Debt yield:** Up to 7% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Floating
Madison Realty Capital Josh Zegen 646-442-4200	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on value-added properties in major U.S. markets. Focuses on "special situations." Target gross IRR: 10-20%.	1,400	2,000	**Size ($Mil.):** 5-500 **Coupon:** 12-18% **Debt yield:** 6-12% **Max LTV:** 70-90% **Term:** 1-5 years **Rate type:** Fixed/floating
Marathon Asset Management Scott Schwartz 212-500-3105	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional U.S. properties across major asset classes.	500	750	**Size ($Mil.):** 20-100 **Coupon:** 4-12% **Debt yield:** Up to 8% **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Floating

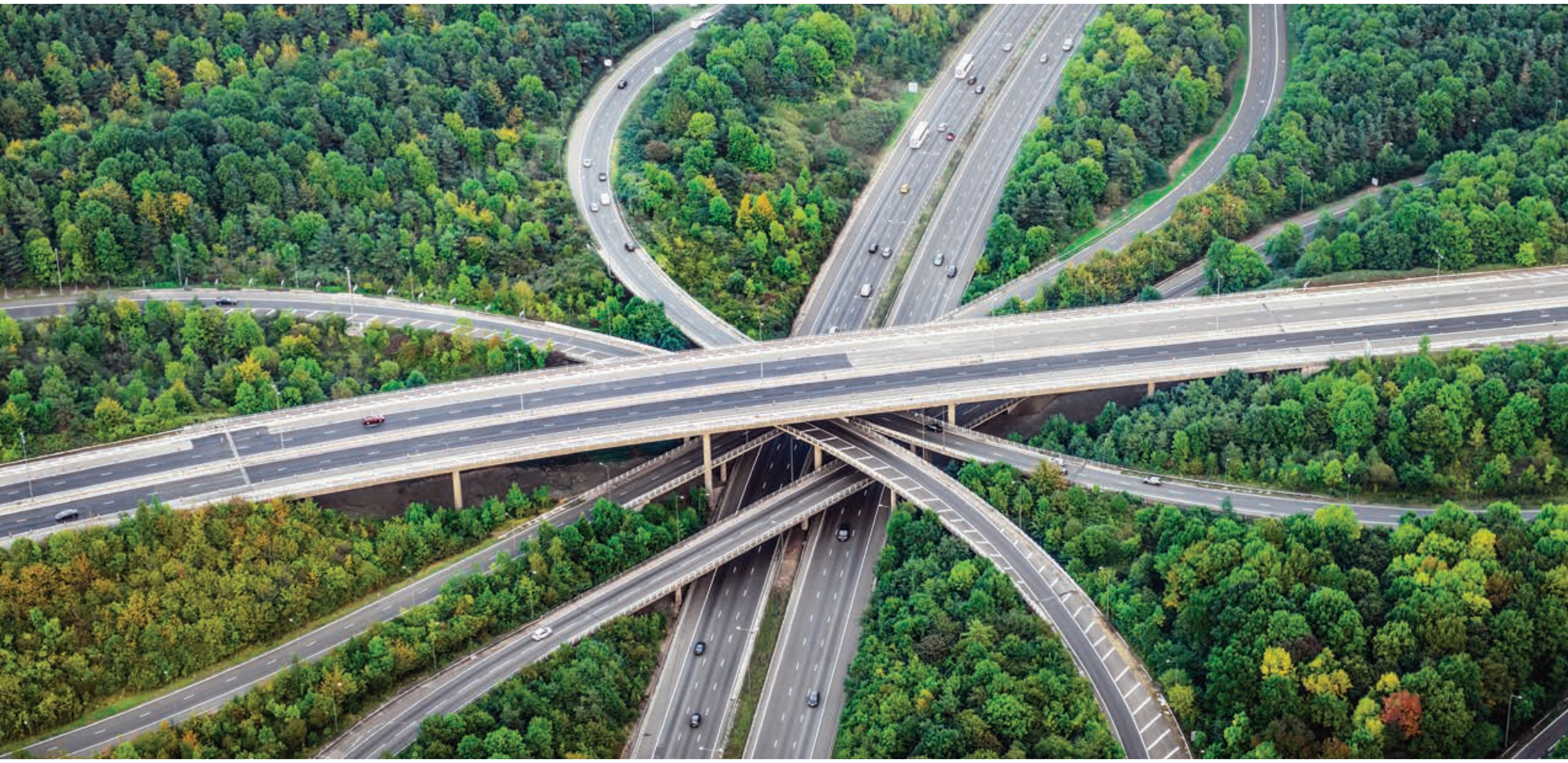
See MEZZANINE LENDERS on Page 28

MEZZANINE LENDERS

Continued From Page 26

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Mesa West Capital Jeff Friedman 310-806-6300	Finance company operates separate accounts. Originates and purchases B-notes, mezzanine loans, stretch loans and preferred equity on major property types in the U.S. Focuses on transitional, value-added projects in "gateway" markets. Target gross IRR: 6-10%.		$500	**Size ($Mil.):** 25-100 **Coupon:** 4-8% **Debt yield:** Up to 8% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
MetLife Mike Amoia 973-355-4502 Jim Brusco 973-355-4438	Insurer's investment-management arm, MetLife Real Estate Investors, originates B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional properties in primary and secondary U.S. markets. Will provide future funding.			**Size ($Mil.):** 15-100 **Coupon:** 5.75-11% **Debt yield:** 5.25+% **Max LTV:** 80% **Term:** 2-10 years **Rate type:** Fixed/floating
Moinian Capital Jonathan Chassin 646-254-6326	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on office, retail, multi-family and hotel properties in major U.S. markets and metropolitan areas. Focuses on flexible financing for premier commercial real estate assets. Target gross IRR: 10%.	$430	500	**Size ($Mil.):** 15-250 **Coupon:** 8.5-15% **Max LTV:** 95% **Term:** 1-7 years **Rate type:** Fixed/floating
Morgan Stanley Kwasi Benneh 212-761-3255	Investment bank arranges B-notes and mezzanine loans on U.S. properties, often in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates. Target gross IRR: 5-12%.	2,500	2,000	**Size ($Mil.):** 5-500 **Coupon:** 5-12% **Debt yield:** 5-10% **Max LTV:** 85% **Term:** 1-15 years **Rate type:** Fixed/floating
Morrison Street Capital David Tindall 503-952-0790 Ryan Norwood 503-952-0746	Fund operator originates B-notes, mezzanine loans and preferred equity on existing, cash-flowing assets in top-100 U.S. metropolitan areas. Prefers multi-family and multi-tenant commercial properties. Will also lend on hotels. Target gross IRR: 10-12%.	65	50-100	**Size ($Mil.):** 2-15 **Coupon:** 9-12% **Max LTV:** 85% **Term:** 3-10 years **Rate type:** Fixed/floating
Natixis Jerry Tang Andrew Florio David Perlman 212-891-6100	Investment bank provides B-notes, mezzanine loans, stretch loans and preferred equity on transitional and stabilized properties of all types in the U.S. and its territories, in conjunction with the origination of senior loans that it retains, securitizes or syndicates. Target gross IRR: 4.5-13+%.	2,110	2,750	**Size ($Mil.):** 3-1,000+ **Coupon:** 4.5-13+% **Debt yield:** Any **Max LTV:** Any **Term:** 1-15+ years **Rate type:** Fixed/floating
New York Mortgage Joe Kunzon 224-848-4028 Reed Levy 980-224-4185	The REIT, through its RiverBanc subsidiary, originates B-notes, mezzanine loans and preferred equity on transitional, development and stabilized multi-family properties in the U.S. Target gross IRR: 10.5-13%.			**Size ($Mil.):** 3.5-20 **Coupon:** 7-13% **Debt yield:** 6-10% **Max LTV:** 80% **Term:** 5-12 years **Rate type:** Fixed/floating
NY Urban Funding Chris Lama 212-527-7130	Family-owned finance company originates B-notes, mezzanine loans, stretch loans and preferred equity across property types in the Mid-Atlantic. Will finance construction. Emphasizes ability to close loans quickly. Target gross IRR: 8-20%.	15	25	**Size ($Mil.):** 0.25-5 **Coupon:** 8-20% **Max LTV:** 90% **Term:** 0.5-6 years **Rate type:** Fixed/floating
Oaktree Capital Keith Gollenberg 212-284-1975 Justin Guichard 213-830-6363	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types. Geographic focus is global, with an emphasis on the top-35 U.S. markets and Western Europe.	400	1,000	**Size ($Mil.):** 20-250+ **Coupon:** 4-12% **Debt yield:** Up to 12+% **Max LTV:** 80% **Term:** 2-7 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 30



MEZZANINE LENDERS

Continued From Page 28

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
ORIX Real Estate Americas Ron Lawrie 214-237-2078 Adam Diamond 214-237-2103	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on properties in primary and secondary U.S. markets. Focuses on multi-family and self-storage properties as well as pre-leased retail, office and industrial properties.	$350	$400	**Size ($Mil.):** 5-50 **Coupon:** 9-18% **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Floating
Oxford Properties Kevin Egan 212-986-6106 Varuth Suwankosai 646-376-3114	Real estate arm of Ontario Municipal Employees. Provides B-notes, mezzanine loans, stretch loans and preferred equity on properties in primary U.S. markets and Europe. Will finance stabilized and transitional properties, construction and special situations. Target gross IRR: 5-12+%.			**Size ($Mil.):** 50-500+ **Coupon:** 5-12+% **Max LTV:** 80+% **Term:** 1-10 years **Rate type:** Fixed/floating
Pacific Life Insurance Hyung Kim 949-219-5085	Insurer originates mezzanine loans, stretch loans and preferred equity for high-quality sponsors with a focus on top U.S. markets. Will finance transitional and stabilized properties in most asset classes, as well as construction. Will also write low-leverage B-notes (6-9% coupons). Flexible on structure, duration and cashflow. Target gross IRR: 10-14%.	0	50	**Size ($Mil.):** 15-150 **Coupon:** 8-13% **Max LTV:** 80% **Term:** 2-10 years **Rate type:** Fixed/floating
Paramount Group David Zobel 212-237-3141 Michael Nathan 212-237-2933	Investment manager operates a REIT and the $775 million Paramount Group Real Estate Fund 8. Originates B-notes, mezzanine loans, stretch loans and preferred equity on office and retail properties in "gateway" markets, such as New York, Washington and San Francisco. Emphasis on transitional office properties. Target gross IRR: 6-10%.	200	400	**Size ($Mil.):** 15-250 **Coupon:** Up to 10% **Debt yield:** Up to 7% **Max LTV:** 90% **Term:** 1-10 years **Rate type:** Fixed/floating
Parse Capital Nick Killebrew 858-472-2720	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on multi-family properties in the U.S., including senior housing and both market-rate and affordable buildings. Will selectively look at financing value-added properties. Target gross IRR: 13-17%.	150	200	**Size ($Mil.):** 5-75 **Coupon:** 12-16% **Debt yield:** 6.25-7.5% **Term:** 3-7 years **Rate type:** Fixed
PCCP Brian Heafey 415-732-7548	Finance company operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. Target gross IRR: 10%.	500	800	**Size ($Mil.):** 25-350 **Coupon:** L+200-500 bp **Debt yield:** Up to 12% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Floating
Pearlmark Real Estate Doug Lyons 312-499-1952	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the top-25 U.S. markets plus Toronto and Vancouver. Finances stabilized and transitional properties as well as development projects. Target gross IRR: 8-13%.		150-200	**Size ($Mil.):** 4-100 **Coupon:** 6-12% **Debt yield:** 6-10% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Pensam Funding Ray Cleeman 786-879-8829	Investment manager originates B-notes, mezzanine loans, stretch loans and preferred equity. Focuses on financing for value-added, lease-up, recapitalization, construction, transitional and repositioning situations. Will consider properties whose cashflow doesn't initially cover debt service.	320	450	**Size ($Mil.):** 3-100 **Coupon:** L+350-1,000 bp **Debt yield:** 5+% **Max LTV:** 90% **Term:** 0.5-5years **Rate type:** Fixed/floating
PGIM Real Estate Steve Bailey 212-515-8101	Investment-management arm of Prudential operates funds and separate accounts. Originates mezzanine loans, stretch loans and preferred equity across most property types in major U.S. markets. Focuses on institutional-quality real estate and strong sponsorship. Target gross IRR: 7-14%.	300	400	**Size ($Mil.):** 15-200 **Coupon:** 6+% **Max LTV:** 85% **Term:** 3-7 years **Rate type:** Fixed/floating
Prima Capital Nilesh Patel 914-725-2657	Investment manager operates funds and separate accounts. Originates B-notes and mezzanine loans on institutional-quality properties in primary U.S. markets. Focuses on investment-grade subordinate debt. Target gross IRR: 5.5%.			**Size ($Mil.):** 5-125 **Coupon:** 4.5+% **Debt yield:** 7+% **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 32

MEZZANINE LENDERS

Continued From Page 30

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Prime Finance Jon Brayshaw 212-231-9071	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S.	$1,700	$2,000	**Size ($Mil.):** 5-100+ **Coupon:** 4-12% **Debt yield:** Up to 10% **Term:** 1-7 years **Rate type:** Fixed/floating
Principal Real Estate Bill May 515-247-0772 Jason Franzen 515-362-1423	Investment-management arm of insurer operates funds and separate accounts. Invests in B-notes, mezzanine loans, stretch loans and preferred equity on institutional-quality properties. Focuses on the top-25 U.S. markets, but will selectively look wider. Target gross IRR: 5-10%.	600	700	**Size ($Mil.):** 10-300+ **Max LTV:** 80% **Term:** 2-10 years **Rate type:** Fixed/floating
Quadrant Finance Partners Roddy O'Neal 214-540-0528	Investment manager operates funds. Originates mezzanine loans and stretch loans on all property types in the U.S. Focuses on stabilized and light-transitional assets, providing flexible terms and structured prepayment options. Limited construction financing. Target gross IRR: 9-14%.	50	100	**Size ($Mil.):** 1-10 **Coupon:** 9-14% **Debt yield:** 7-12% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Quadrant Real Estate Tom Mattinson 770-752-6714 Walt Huggins 770-752-6712	Investment advisor operates separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on core and light value-added properties of all types in primary and secondary U.S. markets. Target gross IRR: 5-8%.	60	200	**Size ($Mil.):** 10-100 **Coupon:** 5-8% **Debt yield:** 6-8% **Max LTV:** 85% **Term:** 3-10 years **Rate type:** Fixed/floating
Ramsfield Hospitality Finance Adam Maisel 212-421-1488	Investment manager originates and acquires B-notes, mezzanine loans, stretch loans and preferred equity on hotels of all classes in the U.S. and the Caribbean. Will finance stabilized and transitional properties and construction. Target gross IRR: 7-12%.	150	350	**Size ($Mil.):** 2.5-100 **Coupon:** 3.5-12% **Debt yield:** Up to 14% **Max LTV:** 95% **Term:** 2-10 years **Rate type:** Fixed/floating
RCG Longview Richard Gorsky 212-356-9282	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans, stretch loans and preferred equity on transitional, value-added and stabilized properties throughout the U.S. Target gross IRR: 7-13%.	265	250-350	**Size ($Mil.):** 5-100 **Coupon:** 4.5-13% **Debt yield:** Up to 10% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Red Capital John O'Toole 312-453-7709	Finance company originates B-notes and mezzanine loans on both market-rate and affordable multi-family properties in the U.S. Often provides mezzanine debt in conjunction with Fannie Mae loans originated by affiliate Red Mortgage Capital.			**Size ($Mil.):** 5-50 **Coupon:** 10-20% **Max LTV:** 85% **Rate type:** Fixed/floating
Related Cos. Brian Sedrish 212-596-3999	Development giant's debt platform, Related Real Estate Debt Strategies, operates funds and separate accounts. Invests in B-notes, mezzanine loans, stretch loans and preferred equity on all types of properties in the U.S. Will finance development, pre-development and transitional properties. Target gross IRR: 10+%.		500+	**Size ($Mil.):** 15+ **Coupon:** Any **Debt yield:** Any **Max LTV:** 85% **Term:** 2-5 years **Rate type:** Fixed/floating
Rexmark Michael Rebibo 212-575-0047	Investment manager operates funds and separate accounts. Originates B-notes, mezzanine loans and preferred equity on properties across all asset classes in major "gateway" markets in the U.S. Provides financing that covers the entire risk spectrum. Target gross IRR: 5.5+%.	290	1,000	**Size ($Mil.):** 50-300 **Coupon:** 5.25-8% **Max LTV:** 80% **Term:** 2-10 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 34

MEZZANINE LENDERS

Continued From Page 32

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Rialto Capital Joseph Bachkosky Josh Cromer 212-751-5323	Investment manager operates funds, separate accounts and a REIT. Originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. Focuses on properties with cashflow that is ramping up or near stabilization. Target gross IRR: 6-15%.	$275	$350	**Size ($Mil.):** 5-100+ **Coupon:** 5-15+% **Debt yield:** 5-12% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Rimrock Real Estate Ventures Tony Jaffe Eric Nelson 424-369-4702	Finance company originates mezzanine loans, stretch loans and preferred equity on most major property types in the U.S. Target gross IRR: 9-15%.	85	150	**Size ($Mil.):** 10-50 **Coupon:** 8-15% **Debt yield:** 6-10% **Max LTV:** 85% **Term:** 1-5 years **Rate type:** Fixed/floating
Rockwood Capital Niraj Shah 212-402-8524	Investment manager operates funds and separate accounts. Supplies B-notes, mezzanine loans, stretch loans and preferred equity on stabilized and transitional properties in key coastal “gateway” markets in the U.S. Target gross IRR: 8-10+%.			**Size ($Mil.):** 15-150 **Coupon:** 6-10+% **Debt yield:** Any **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Seven Valleys Capital Jason Bordenick 212-235-1244	U.S. family office of Chinese investor Zhang Xin. Originates B-notes, mezzanine loans, stretch loans and preferred equity on a wide range of properties in the top-10 metropolitan areas in the U.S. Target gross IRR: 10+%.	75	300	**Size ($Mil.):** 50-300 **Term:** 1-5 years **Rate type:** Floating
SG Capital Partners Roger Boone 203-355-6121	Finance company, affiliated with Shelter Growth Capital, originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in primary and secondary U.S. markets.	300	400	**Size ($Mil.):** 10-200 **Coupon:** 8+% **Debt yield:** 7+% **Max LTV:** 80% **Term:** 1-7 years **Rate type:** Fixed/floating
Silverpeak Argentic John Burke 646-560-1730 Mike Schulte 646-560-1744	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on a wide range of properties in the U.S. Provides fixed-rate permanent financing on stabilized properties and floating-rate financing on transitional properties. Target gross IRR: 8-14%.	20	150	**Size ($Mil.):** 5-100 **Coupon:** 8-14% **Debt yield:** 5-10% **Max LTV:** 90% **Term:** 3-10 years **Rate type:** Fixed/floating
SL Green Realty David Schonbraun 212-216-1602 Robert Schiffer 212-216-1650	REIT originates B-notes, mezzanine loans, stretch loans and preferred equity on office, retail and multi-family properties in New York. Target gross IRR: 7-20+%.			**Size ($Mil.):** 10-1,000 **Rate type:** Fixed/floating
Societe Generale Adam Ansaldi 212-278-6126	Bank arranges B-notes, mezzanine loans and preferred equity on U.S. properties, in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates.	200	500	**Size ($Mil.):** 1-500+ **Coupon:** 4-12+% **Debt yield:** 5-12% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Fixed/floating
Sound Mark Partners Ji Won Sin 203-413-4266 Jenna Gerstenlauer 203-413-4270	Operates open-end fund that originates B-notes, mezzanine loans and preferred equity on a wide range of properties in the U.S.			**Size ($Mil.):** 6-45 **Coupon:** 8-14% **Max LTV:** 95% **Term:** 2-10 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 36

MEZZANINE LENDERS

Continued From Page 34

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Square Mile Capital Michael Lavipour 212-616-1572	Investment manager, an affiliate of USAA Real Estate, runs funds and separate accounts. Writes B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. Lends on properties that are stabilized, transitional or under construction. Target gross IRR: 6+%.	$3,500	$4,000	**Size ($Mil.):** 10-350 **Coupon:** L+250-1,000 bp **Debt yield:** Up to 10+% **Max LTV:** 90% **Term:** 2-10 years **Rate type:** Fixed/floating
Starwood Property Dennis Schuh 203-485-5108	REIT originates B-notes, mezzanine loans, stretch loans and preferred equity on all types of properties in North America and Europe. Often lends in conjunction with senior debt. Target gross IRR: 12-13%.	1,500	1,750	**Size ($Mil.):** 40-500+ **Max LTV:** 80% **Term:** 1-5 years **Rate type:** Fixed/floating
SteepRock Capital Matt Mitchell 212-218-5077 John Bucci 212-218-5081	Finance company operates separate accounts. Originates and acquires B-notes, mezzanine loans, stretch loans and preferred equity on a wide range of properties in North America and the Caribbean, with a focus on institutional-quality assets in major U.S. markets. Target gross IRR: 7-12%.	270	350	**Size ($Mil.):** 1-150 **Coupon:** 6-12% **Debt yield:** 6.5-10% **Max LTV:** 85% **Term:** 1.5-10 years **Rate type:** Fixed/floating
StoneBeck Capital Alexander Zabik 212-335-0237	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in primary and secondary U.S. markets. Focus includes financing for value-added and transitional properties, construction takeouts, condo inventory and restructurings. Target gross IRR: 12%.	100	200+	**Size ($Mil.):** 5-50 **Coupon:** 7-12% **Debt yield:** 5-10% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Stonehill Strategic Capital Michael Harper 404-953-4959	Fund operator, a unit of Peachtree Hotel Group, originates B-notes, mezzanine loans, stretch loans and preferred equity on limited-, select- and full-service hotels in the U.S. Focuses on premium brands, such as Marriott, Hilton, Starwood and Hyatt. Target gross IRR: 12+%.	120	150	**Size ($Mil.):** 1-15 **Coupon:** 12+% **Debt yield:** 5-10% **Max LTV:** 85% **Term:** 2-10 years **Rate type:** Fixed/floating
Terra Capital Dan Cooperman 212-753-5100	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity for pre-development, construction, value-added and stabilized properties of all types in primary and secondary U.S. markets. Target gross IRR: 10-14%.	200	300	**Size ($Mil.):** 10-50 **Coupon:** 8-15% **Max LTV:** 85% **Term:** 1-10 years **Rate type:** Floating
TH Real Estate Mike Lembo 212-916-4488 Shanthi Pothacamury 212-916-4276	Investment-management arm of TIAA manages separate accounts and funds. Originates B-notes, mezzanine loans and preferred equity on stabilized and transitional properties across most asset classes. Focuses on strong sponsors in primary and secondary U.S. markets. Target gross IRR: 6-10%.	1,000	1,750	**Size ($Mil.):** 25-250 **Coupon:** 5.75-10% **Debt yield:** 5-9% **Max LTV:** 80% **Term:** 3-15 years **Rate type:** Fixed/floating
Torchlight Investors Mike Butz 212-488-5616	Fund operator originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S. Focuses on high-leverage financing. Target gross IRR: 12-15%.		600-750+	**Size ($Mil.):** 20-150 **Coupon:** 12-15% **Debt yield:** 5-10% **Max LTV:** 95% **Term:** 3-10 years **Rate type:** Fixed/floating
TPG Real Estate Finance Peter Smith 212-430-4129	REIT originates B-notes, mezzanine loans and stretch loans on a wide range of property types in the U.S. Target gross IRR: 10%.	2,000	2,500	**Size ($Mil.):** 20-100 **Coupon:** 7-13% **Debt yield:** Any **Max LTV:** 85% **Term:** 1.5-7 years **Rate type:** Floating

See MEZZANINE LENDERS on Page 37

MEZZANINE LENDERS

Continued From Page 36

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Trawler Capital Rich Spinelli Brendan Driscoll Joe Laderer 516-274-9855	Fund operator originates and acquires B-notes, mezzanine loans and preferred equity on stabilized properties in the U.S. Target gross IRR: 9.5-10.5%.			**Size ($Mil.):** 2-20 **Coupon:** 9-12% **Debt yield:** 6-10% **Max LTV:** 90% **Term:** 2-10 years **Rate type:** Fixed
Tremont Realty Capital Rick Gallitto 617-658-0753	Investment manager operates separate accounts and REITs. Originates B-notes, mezzanine loans, stretch loans and preferred equity on U.S. properties. Focuses on middle-market loans on value-added properties with cashflow at least 80% of debt service and whose future advances typically don't exceed 20% of loan commitment. Target gross IRR: 9-13%.		$300	**Size ($Mil.):** 5-200 **Coupon:** 5-13% **Debt yield:** 5-11% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Fixed/floating
Triantan Select Income Dan Goelz 224-234-6404	Finance company manages funds and separate accounts. Provides and acquires mezzanine loans and preferred equity on multi-family, retail and industrial properties in major Mid-Western U.S. markets. Focus is in the workforce multi-family sector. Target gross IRR: 10-14%.		100	**Size ($Mil.):** 2-10 **Coupon:** Up to 14% **Debt yield:** 10-14% **Max LTV:** 90% **Term:** 2-5 years **Rate type:** Fixed/floating
UBS Nicholas Galeone 212-713-8832	Bank arranges B-notes and mezzanine loans on all types of properties in the U.S., often in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates. Target gross IRR: 2-15%.	$845	900	**Size ($Mil.):** 2-500 **Coupon:** 2-15% **Debt yield:** 5-25% **Max LTV:** Any **Term:** Any **Rate type:** Fixed/floating
UC Funds Joe Ambrose 857-288-2819	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on major property types in the U.S., sometimes in conjunction with senior mortgages. Focus includes transitional properties, gut renovations and ground-up development. Target gross IRR: 8-15%.	250		**Size ($Mil.):** 5-100 **Coupon:** 3-5% **Max LTV:** 95% **Term:** 1-5 years **Rate type:** Floating
Varde Partners Jon Miller 952-374-5166 Alek Roomet 212-321-3790	Investment manager originates and acquires B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S.	450	600	**Size ($Mil.):** 10-75 **Coupon:** L+325+ bp **Debt yield:** Up to 15% **Max LTV:** 85% **Term:** 2-6 years **Rate type:** Fixed/floating
Walker & Dunlop Geoff Smith 646-438-7715	Finance company originates B-notes, mezzanine loans, stretch loans and preferred equity on all property types in the U.S., generally in conjunction with the origination of senior mortgages. Focuses on value-added and distressed properties and recapitalizations.	390	600	**Size ($Mil.):** 10-200 **Coupon:** 5.5-12% **Debt yield:** Up to 12% **Max LTV:** 95% **Term:** 1-5 years **Rate type:** Fixed/floating
Walton Street Capital Rich Ratke 312-915-2904	Investment manager operates funds and separate accounts. Writes B-notes and mezzanine loans on major property types in major U.S. markets. Target gross IRR: 11-13%.	700	800	**Size ($Mil.):** 25-375 **Coupon:** 5-15% **Debt yield:** 7-17% **Max LTV:** 75% **Term:** 2-5 years **Rate type:** Fixed/floating
Washington Holdings David Millard 310-301-0100	Investment manager originates mezzanine loans and preferred equity on hotels and R&D properties, primarily on the West Coast, and on multi-family properties in the state of Washington. Target gross IRR: 10-15%.			**Size ($Mil.):** 10-75 **Coupon:** 8-13% **Max LTV:** 85% **Term:** 2-7 years **Rate type:** Fixed/floating

See MEZZANINE LENDERS on Page 38

MEZZANINE LENDERS

Continued From Page 37

Lender Contact	The Skinny	2017 ($Mil.)	Proj. 2018 ($Mil.)	Loan Characteristics
Waterfall Asset Management Jamie Scholz 212-257-4651	Investment manager operates a REIT, separate accounts and funds. Originates B-notes, mezzanine loans, stretch loans and preferred equity on institutional-quality properties of all types in the U.S. Target gross IRR: 6-15%.	$300	$300	**Size ($Mil.):** 10-150 **Coupon:** 6-15% **Max LTV:** 85% **Term:** 1-7 years **Rate type:** Fixed/floating
Wells Fargo Royer Culp 704-715-7006	Bank arranges B-notes, mezzanine loans and preferred equity on all types of properties in the U.S., in conjunction with the origination of senior mortgages that it retains, securitizes or syndicates.	585	1,000	**Size ($Mil.):** 1-500 **Coupon:** 4-12+% **Debt yield:** 5-12% **Max LTV:** 85% **Term:** 1-12 years **Rate type:** Fixed/floating

Mezz ... From Page 1

and other lenders couldn't be identified. Also, many foreign players work quietly through investment banks to stay under the radar. But the 33% increase — far bigger than in previous years — reinforces anecdotal reports that the field of players has ballooned.

The review tracks lenders that write B-notes, mezzanine loans, "stretch" loans and preferred equity structured like mezzanine debt. Among the lender types are investment managers, fund shops, finance companies, REITs and insurers. Also included are investment banks that place mezzanine financing with third parties in conjunction with the origination of senior debt.

The survey includes origination volumes, which couldn't be independently verified. Lenders were asked to supply totals only for subordinate debt, but some likely also included senior debt, inflating their numbers.

The sector's biggest lenders include **Apollo Global, Blackstone, Brookfield Real Estate, Goldman Sachs Merchant Banking, Mack Real Estate Credit Strategies, Prime Finance, Square Mile Capital, Starwood Property** and **TPG Real Estate Finance.**

The driving force behind the lender influx is attractive returns on a relative basis. Indeed, shrinking capitalization rates on properties have caused some equity players to shift to the debt side.

"What we've seen is that it has become progressively harder over the past couple of years to put your money into equity deals — whether through ownership or preferred equity or some kind of participation — because there's been so much money chasing so few deals," said an investment manager.

"If you buy a multi-family property at a 4.75% cap, and you put a **Freddie Mac** loan on it at 4%, you're not going to get a double-digit return. But on the debt side, with mezz, you can just about get a 9% or 10% return. Not in the 'gateway' cities, but in the smaller markets. And it's usually fairly easy to get comfortable with that because you have equity in front of you."

In a switch from convention, subordinate lenders — rather than senior ones — are increasingly arranging entire debt packages.

"A lot of debt funds have come in aggressively and started to 'manufacture' mezz by originating the whole debt stack and then selling off the senior piece," said one pro, referring to a process called stretch lending.

Also, debt funds and other nontraditional lenders are willing to provide relatively attractive terms, noted **Ray Cleeman,** principal and head of Miami-based **Pensam Funding.**

"The proliferation of private debt lenders in the market is being fueled by borrower demands for more-flexible loans," he said, citing such provisions as loan-to-value ratios of 80% or more, nonrecourse financing, maturities as short as six months, future-funding commitments and the ability to partially pay down debt in order to release individual properties collateralizing portfolio loans.

"The terms, versatility and leverage that can be achieved by private lenders are very appealing to borrowers and are typically more flexible than what conventional lenders have been able to provide previously," Cleeman said.

Hospitable conditions in the commercial real estate CLO market are contributing to the boom by providing an attractive funding source. Lenders can securitize the senior portions of debt packages and use the proceeds for fresh originations, while retaining the higher-yielding subordinate components. Among the lenders that floated their first CLOs in the past year: **Benefit Street Partners,** Blackstone, **Bridge Investment, LoanCore Capital, Silverpeak Argentic,** TPG and **Varde Partners.**

The growing field of lenders has started to drive down yields. While spreads have compressed by about 50-75 bp for loans with traditional leverage of 70-75%, the compression has been much sharper on mezzanine loans that boost the leverage to 85% — as much as 150-200 bp, lenders said. Even so, returns on high-yield debt remain attractive compared to property investments in many cases.

To avoid competition, some lenders have moved down to

See MEZZ on Page 39

Mezz ... From Page 38

the middle market, writing loans of $15 million to $35 million. While such credits can produce tidy profits, that might be an ineffective strategy for large debt funds with perhaps $500 million of equity or more to place. The reason: Smaller loan sizes mean more work, in terms of lining up additional investments and conducting more due diligence.

"You can play in the $15 million-to-$35 million range until you hit the $500 million mark," said one lender, "but any higher than that, and it's tough going."

Even with the increased competition, market veterans generally don't foresee a shakeout in the near term. "It's going to take a while for the market to get saturated," said one lender. ❖

INITIAL PRICINGS

DBGS Mortgage Trust, 2018-BIOD

Pricing date:	June 1
Closing date:	June 26
Amount:	$725 million
Seller/borrower:	Blackstone
Lead managers:	Deutsche Bank, Goldman Sachs
Master servicer:	KeyBank
Special servicer:	Aegon USA Realty
Operating advisor:	Park Bridge Lender Services
Trustee:	Wells Fargo
Certificate administrator:	Wells Fargo
Offering type:	Rule 144A

Property types: Office (100%).
Concentrations: California (47.1%), Washington (26.4%) and Massachusetts (14.8%).
Loan contributors: Deutsche (60%) and Goldman (40%).
Risk-retention sponsor: Deutsche.
Notes: Deutsche and Goldman teamed up to securitize the $725 million senior portion of a $960 million floating-rate debt package they had originated on 22 lab/office properties and a garage owned by Blackstone's BioMed Realty. The portfolio, encompassing 2.4 million sf in seven states, was appraised at $1.24 billion. The interest-only debt package, originated on May 9, has a two-year term, with five one-year extension options. The securitized debt is pegged to one-month Libor plus 127 bp. The debt package also includes a $140 million senior mezzanine loan, pegged to Libor plus 320 bp, and a $95 million junior mezzanine loan, with a coupon of Libor plus 400 bp. Blackstone used $714.6 million of the proceeds to retire existing debt, including $330 million that was securitized last year (CGDB 2017-BIO). After factoring in closing costs and reserves, Blackstone had $216.9 million left over. The investment manager controls the properties via its $15.8 billion Blackstone Real Estate Partners 8 fund. A Singapore investment firm advised by Prima Capital is fulfilling the risk-retention requirement by taking down Class HRR at a price that yields a projected Libor plus 345 bp and equals at least 5% of the total deal proceeds.
Deal: DBGS 2018-BIOD. **CMA code:** 20180118.

Class	Amount ($Mil.)	Rating (Fitch)	Rating (MStar)	Subord. (%)	Coupon (%)	Dollar Price	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	340.500	AAA	AAA	53.03	L+80	99.875	5/15/35	6.89	L+83	Floating
B	65.000	AA-	AA-	44.07	L+89	99.483	5/15/35	6.89	L+100	Floating
C	43.000	A-	A+	38.14	L+95	98.853	5/15/35	6.89	L+120	Floating
D	68.500	BBB-	BBB+	28.69	L+130	98.863	5/15/35	6.89	L+155	Floating
E	67.976	NR	BBB-	19.31	L+170	98.874	5/15/35	6.89	L+195	Floating
F	83.027	NR	BB-	7.86	L+200	98.882	5/15/35	6.89	L+225	Floating
G	20.568	NR	B+	5.02			5/15/35	6.89		Floating
HRR	36.429	NR	B-	0.00			5/15/35	6.89		Floating

INITIAL PRICINGS

Citigroup Commercial Mortgage Trust, 2018-C5

Pricing date:	June 7
Closing date:	June 21
Amount:	$668.2 million
Seller/borrower:	Citigroup, Rialto Capital, CCRE, Ladder Capital
Lead managers:	Citigroup, Cantor Fitzgerald
Co-manager:	Williams Capital
Master servicer:	Midland Loan Services
Special servicers:	KeyBank, Aegon USA Realty, Midland Loan Services
Operating advisor:	Pentalpha Surveillance
Trustee:	Wilmington Trust
Certificate administrator:	Citigroup
Offering type:	SEC-registered

Property types: Multi-family (32.9%), office (21.8%), retail (18%), mixed-use (16.3%), self-storage (6%), hotel (4%) and manufactured housing (0.9%).
Concentrations: New York (15.7%), Ohio (13.1%), New Jersey (12.2%) and California (11.3%).
Loan contributors: Citi (40.5%), Rialto (28.6%), CCRE (15.6%) and Ladder (15.2%).
Largest loans: A $65 million portion of a $240 million loan to Hakimian Organization on the 564,000-sf office building at 636 11th Avenue in Manhattan; a $60 million senior portion of a $200 million loan to KABR Group and Kushner Cos. on the 447-unit apartment building at 65 Bay Street in Jersey City, N.J.; a $59 million senior portion of a $93 million loan to the Iris S. Wolstein Trust on the 241-unit Flats at East Bank apartment building in Cleveland; a $37 million senior portion of a $200 million loan to Hana Financial on the 497,000-sf DreamWorks Campus in Glendale, Calif.; a $34.5 million loan to Thompson Thrift Development on the 324-unit Retreat by Watermark apartment complex in Corpus Christi, Texas; a $32 million loan to Charles Weber on the 327-unit Westlake at Morganton Apartments in Fayetteville, N.C.; a $25 million loan to Nicholas Cammarato on the 130-space garage and 20,000-sf retail component of the residential building at 236 Atlantic Avenue in Brooklyn; and a $25 million loan to H&S Properties on the 206,000-sf office component, the 26,000-sf theater and 565 parking spaces at the building at 650 South Exeter Street in Baltimore.
B-piece buyer: Prime Group.
Risk-retention sponsor: Citi.
Notes: Citi, Rialto, CCRE and Ladder teamed up to securitize commercial mortgages they had originated. Prime is fulfilling the risk-retention requirement by acquiring Classes E-RR through H-RR at a price that yields a projected 14.06% and equals at least 5% of the total deal proceeds.
Deal: CGCMT 2018-C5. **CMA code:** 20180115.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (Fitch)	Rating (Kroll)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A-1	10.000	Aaa	AAA	AAA	30.00	3.130	99.998	3.120	6/10/51	2.66	S+28	Fixed
A-2	41.000	Aaa	AAA	AAA	30.00	4.074	103.000	3.353	6/10/51	4.50	S+42	Fixed
A-3	185.000	Aaa	AAA	AAA	30.00	3.963	100.996	3.859	6/10/51	9.78	S+85	Fixed
A-4	208.766	Aaa	AAA	AAA	30.00	4.228	102.996	3.880	6/10/51	9.86	S+87	Fixed
A-AB	23.000	Aaa	AAA	AAA	30.00	4.148	102.996	3.692	6/10/51	7.34	S+72	Fixed
A-S	55.965	Aa3	AAA	AAA	21.63	4.408	102.993	4.061	6/10/51	9.89	S+105	Fixed
B	28.400	NR	AA-	AA	17.38	4.507	102.992	4.162	6/10/51	9.97	S+115	Fixed
C	29.236	NR	A-	A	13.00	4.721	100.963	4.762	6/10/51	9.97	S+175	Fixed
D	20.782	NR	BBB-	BBB-	9.89				6/10/51	9.97	S+260	Fixed
E-RR	14.300	NR	BBB-	BBB-	7.75				6/10/51	9.97		Fixed
F-RR	15.871	NR	BB-	BB	5.38				6/10/51	9.97		Fixed
G-RR	6.682	NR	B-	B+	4.38				6/10/51	9.97		Fixed
H-RR	29.236	NR	NR	NR	0.00				6/10/51	9.97		Fixed
X-A(IO)	523.731*	Aa1	AAA	AAA		0.604	5.319	4.110	6/10/51		T+120	Fixed
X-B(IO)	28.400*	NR	A-	AAA					6/10/51			Fixed
X-D(IO)	20.782*	NR	BBB-	BBB+					6/10/51			Fixed

*Notional amount

Acore Finances Complex in Napa

Acore Capital originated a $42 million floating-rate loan last week on a completed portion of a redevelopment project in Napa, Calif.

The mortgage is backed by 128,000 square feet of retail and office space at the three-block-long project, on First Street in downtown Napa. The complex also encompasses the 183-room Archer Hotel Napa, which opened late last year, and is slated to include another 197,000 sf of mixed-use space when completed.

The developers are **Zapolski Real Estate** of Durham, N.C., and **Trademark Property** of Fort Worth, Texas. They used the proceeds of Acore's loan to retire construction debt. **HFF** advised them on the financing.

Zapolski started accumulating the parcels for the project in 2012 and later brought in Trademark as its partner. A key component is the former Napa Town Center, a longstanding shopping center that had fallen on hard times. The project was delayed by an earthquake in 2014, and by flooding and wildfires last year.

The five-story hotel, at 1230 First Street, is the project's anchor. It includes a Charlie Palmer steak restaurant. There is also "destination" retail space, at 1300 First Street. The tenants include Compline Wine Bar and Restaurant, Napa Valley Jewelers and Eiko's Modern Japanese Cuisine. ❖

INITIAL PRICINGS

Exantas Capital Corp., 2018-RS06

Pricing date:	June 7
Closing date:	June 26
Amount:	$514.2 million
Seller/borrower:	Exantas Capital
Lead managers:	Wells Fargo, Morgan Stanley
Co-manager:	Barclays
Master servicer:	C-III Asset Management
Special servicer:	C-III Asset Management
Operating advisor:	Pentalpha Surveillance
Trustee:	Wells Fargo
Certificate administrator:	Wells Fargo
Offering type:	Rule 144A

Property types: Multi-family (65.2%), hotel (11%), retail (9.6%), office (5.9%), manufactured housing (3.8%), industrial (2.3%) and self-storage (2.2%).
Concentrations: Texas (21.7%), California (17.2%) and Arizona (14.3%).
Loan originator: Exantas (100%).
Largest loans: A $38.4 million portion of a $48.9 million loan to U.S. Realty Partners and Compass Acquisition on the 335,000-sf Murrieta Town Center retail center in Murrieta, Calif.; a $33.2 million loan to Hunington Properties on the 276-unit Vargos on the Lake apartment complex in Houston; and a $33 million portion of a $39.5 million loan to GF Management on the 279-room Hilton Garden Inn Philadelphia Center City.
Notes: Exantas, formerly known as Resource Capital, floated a static commercial real estate CLO backed by nine whole loans and 20 loan participations. Exantas originated all of the loans, which are secured by 38 properties in 15 states. The weighted average loan spread is 402 bp over one-month Libor. The loans have a weighted average seasoning of five months and a weighted average remaining term of 31 months (54 months including extension options). The loan participations have future-funding commitments totaling $57.1 million that aren't initially part of the collateral pool. However, for 30 months after the deal closes, Exantas can use repaid principal to buy future-funding components and add them to the collateral pool. Exantas is fulfilling the risk-retention requirement by retaining the Preferred Shares. It is also retaining Classes E and F.
Deal: XAN 2018-RS06.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (Fitch)	Rating (Kroll)	Subord. (%)	Coupon (%)	Dollar Price	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	290.537	Aaa	AAA	AAA	43.50	L+83	100.000	6/15/35	2.30	L+83	Floating
B	39.209	NR	NR	AA-	35.88	L+115	100.000	6/15/35	2.69	L+115	Floating
C	30.211	NR	NR	A-	30.00	L+185	100.000	6/15/35	2.75	L+185	Floating
D	44.995	NR	NR	BBB-	21.25	L+250	100.000	6/15/35	2.84	L+250	Floating
E	17.998	NR	NR	BB-	17.75			6/15/35	2.97		Floating
F	21.854	NR	NR	B-	13.50			6/15/35	2.97		Floating
Preferred	69.421	NR	NR	NR	0.00			6/15/35			Floating

WeWork ... From Page 1

$221 million of debt to defray the cost of converting the property to office space. WeWork, a shared-workspace operator, plans to lease roughly one-third of the space itself, primarily for its headquarters.

The debt package would have a five-year term, including extension options. The assignment is being pitched to portfolio lenders. Because of the large future-funding component, securitization programs are not likely to be in the mix.

The 104-year-old flagship store of Lord & Taylor occupies nearly all of the building, at 424 Fifth Avenue. Hudson's Bay, the retail chain's parent, uses a small portion for corporate offices.

Hudson's Bay originally planned to lease back 150,000 sf for a vastly scaled down Lord & Taylor store. But this week, the company announced it was abandoning that plan and would instead close up to 10 of its 48 Lord & Taylor stores, including the flagship, in order to increase its focus on online sales.

In 2016, Hudson's Bay lined up a $400 million floating-rate loan on the building from a syndicate that was led by **CIBC** and also included **Aareal Capital, CIT Group, First Commercial Bank, TD Bank, Scotiabank, RBS Citizens Bank, Societe Generale** and **TIAA.** Hudson's Bay will use some of the proceeds from the sale to pay off that loan.

The building was constructed in 1914 and underwent a $25 million renovation in 2011.

WeWork and New York-based Rhone have formed an investment vehicle that will buy buildings in which WeWork will be a tenant. So far, the vehicle, WeWork Property Investors, has disclosed raising $404 million of equity. ❖

INITIAL PRICINGS

COMM Mortgage Trust, 2018-HOME

Pricing date:	June 1
Closing date:	June 19
Amount:	$390 million
Seller/borrower:	Deutsche Bank
Lead manager:	Deutsche Bank
Master servicer:	Wells Fargo
Special servicer:	Aegon USA Realty
Operating advisor:	Park Bridge Lender Services
Trustee:	Wilmington Trust
Certificate administrator:	Wells Fargo
Offering type:	Rule 144A

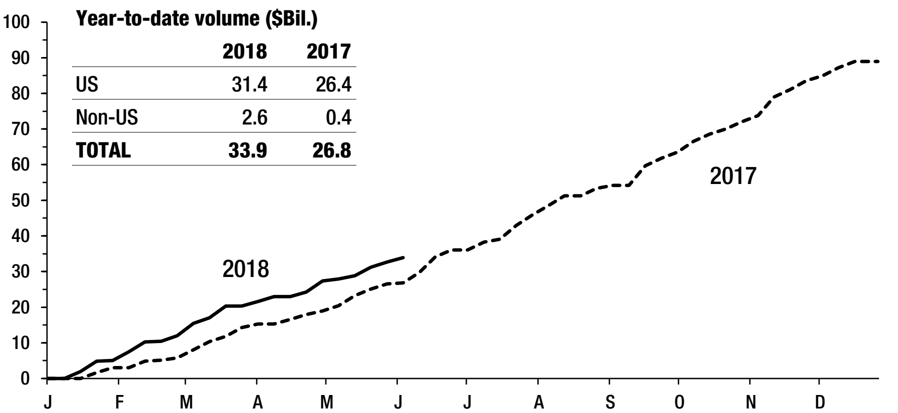
Property type: Multi-family (100%).
Concentrations: New York (69.2%) and California (30.8%).
Loan contributor: Deutsche (100%).
Risk retention sponsor: Deutsche.
Notes: Deutsche securitized portions of three fixed-rate apartment mortgages it had originated for different borrowers. The collateral consists of: a $160 million senior portion of a $257 million loan to Clipper Realty on the 503-unit Tribeca House in Manhattan; a $120 million senior portion of a $550 million loan to Prime Group, C.M. Capital and Oak Hill Capital on the 1,254-unit Gateway in San Francisco; and a $110 million loan to Oxford Properties on the 169-unit Aalto57 in Manhattan. The interest-only loans have 10-year terms. The Tribeca House loan, originated on Feb. 21, is pegged to 3.92%. Clipper used it and $103 million of mezzanine debt to help retire $407.9 million of existing debt. Tribeca House was appraised at $580 million. The Gateway loan, originated on March 16, has a 3.72% coupon. Other senior portions of the loan, totaling $82.5 million, were previously securitized (BANK 2018-BNK11 and BNK12). Most of the proceeds were used to retire $337.9 million of debt that had been securitized in 2013 (FREMF 2013-K33 and K34). After closing costs, the partnership had $208.7 left over. Gateway was appraised at $868.8 million. The Aalto57 loan, originated on March 9, is pegged to 3.82%. Oxford used it and $70.4 million of mezzanine debt to finance its $276 million acquisition of the property from a World Wide Group partnership. Aalto57, which includes 67,000 sf of office/retail space, was appraised at $289 million. Prima Capital is fulfilling the risk-retention requirement by taking down Class HRR at a price that yields a projected 5.25% and equals at least 5% of the total deal proceeds.
Deal: COMM 2018-HOME. **CMA code:** 20180107.

Class	Amount ($Mil.)	Rating (Fitch)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	289.200	AAA	25.85	3.815	100.271	3.856	4/10/33	9.76	S+90	Fixed
B	41.600	AA-	15.18	3.815	99.067	4.007	4/10/33	9.81	S+105	Fixed
C	32.000	A-	6.97	3.815	97.884	4.157	4/10/33	9.81	S+120	Fixed
D	5.627	BBB+	5.51				4/10/33	9.81		Fixed
HRR	21.573	BBB-	0.00				4/10/33	9.81		Fixed
X(IO)	289.200*	AAA					4/10/33			Fixed

*Notional amount

MARKET MONITOR

WORLDWIDE CMBS

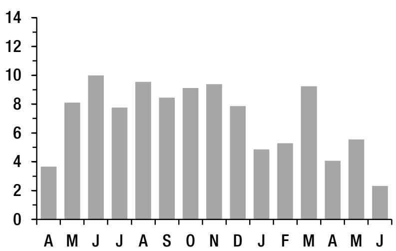


Year-to-date volume ($Bil.)

	2018	2017
US	31.4	26.4
Non-US	2.6	0.4
TOTAL	**33.9**	**26.8**

US CMBS

MONTHLY ISSUANCE ($Bil.)



CMBS TOTAL RETURNS

CMBS INDEX

As of 5/30	Avg. Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv.-grade	5.9	-0.6	-1.7	225.7
AAA	5.7	-0.7	-1.9	208.0
AA	6.9	-0.6	-1.2	101.1
A	6.3	-0.5	-1.0	91.4
BBB	6.4	-0.6	0.9	110.3

Source: Barclays

LOAN SPREADS

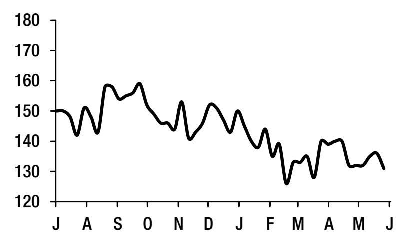
ASKING SPREADS OVER TREASURYS

10-year loans with 50-59% LTV

	6/1	Month Earlier
Office	131	132
Retail	126	127
Multi-family	120	121
Industrial	123	123

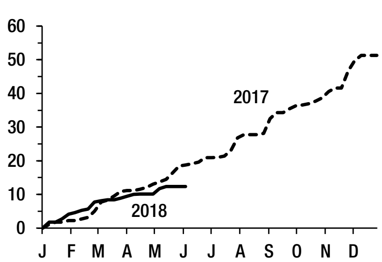
Source: Trepp

ASKING OFFICE SPREADS

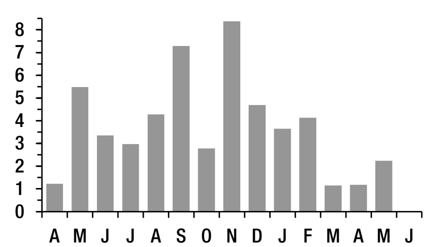


REIT BOND ISSUANCE

UNSECURED NOTES, MTNs ($Bil.)



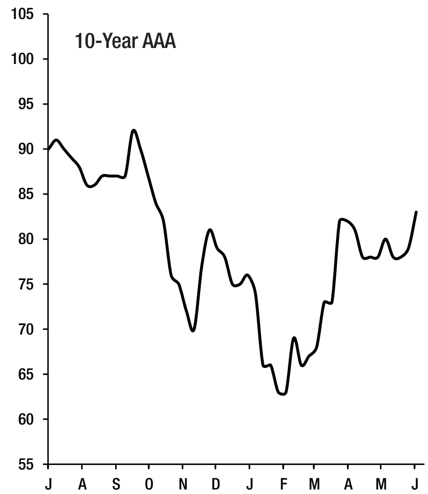
MONTHLY ISSUANCE ($Bil.)



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) 6/6	Week Earlier	52-wk Avg.
AAA	5.0	S+43	S+42	44
	10.0	S+83	S+79	80
AA	10.0	S+115	S+113	126
A	10.0	S+165	S+158	167
BBB-	10.0	S+330	S+325	337

Markit CMBX 6	Dollar Price 6/6	Week Earlier	52-wk Avg.
AAA	100.7	100.9	100.6
AS	101.9	101.8	101.2
AA	101.4	101.4	100.0
A	99.6	99.1	95.9
BBB-	89.9	88.5	86.0
BB	81.4	80.4	77.3

Sources: Trepp, Markit

AGENCY CMBS SPREADS

FREDDIE K SERIES

	Avg. Life	Spread (bp) 6/7	Week Earlier	52-wk Avg.
A1	5.5	S+35	S+35	41
A2	10.0	S+52	S+52	54
AM	10.0	S+60	S+60	
B	10.0	S+145	S+145	152
C	10.0	S+190	S+190	231
X1	9.0	T+80	T+80	107
X3	10.0	T+270	T+270	273
Freddie K Floater		L+22	L+22	35

FANNIE DUS

	6/7	Week Earlier	52-wk Avg.
10/9.5 TBA (60-day settle)	S+57	S+58	58
Fannie SARM	L+23	L+24	34

Source: J.P. Morgan

THE GRAPEVINE

... From Page 1

structured finance at **Palmer Capital** of Roseville, Calif., and earlier worked at **Legg Mason Real Estate** and **Wells Fargo.**

Originator **Thomas Fuchsman** left **J.P. Morgan** this week after about a decade. The word is he has another job lined up, but details are unknown. As a vice president on the commercial MBS team in New York, he reported to originations chief **Joseph Geoghan.** Fuchsman started as an analyst at **Bear Stearns** in 2007, and stayed on when that bank was taken over by J.P. Morgan the following year.

Originations pro **Gregory Breskin** joined **Torchlight Investors** this week. He spent the past two years at his own New York advisory shop, **Ossipee Capital.** Before that, he helped start private equity shops **StoneBeck Capital** and **WestRiver Capital** and did stints at **Brookfield Asset Management** and **Ocwen Financial.** Torchlight also recently added chief operations officer **Felipe Dorregaray,** who arrived in April from **Carlyle Group,** and senior vice president **Angela Johnson,** who joined the investor-relations team in March after four years at **KKR.**

Veteran originator **Roger Nussenblatt** joined **Mission Capital** of New York last week as a managing director. He focuses on debt and equity financing, but is also involved with the asset-sales group. He was most recently a consultant at **Glimcher Capital** and previously worked at **J.P. Morgan**, **RBS Greenwich** and **Credit Suisse.**

Managing director **Stuart Silberberg** left **Acore Capital** several weeks ago after nearly three years. His plans couldn't be learned. Silberberg joined the San Francisco lender in mid-2015 after a stint at **Starwood Property,** where Acore's four founders had worked.

Senior vice president **Edward Dittmer** is jumping to **DBRS** from **Morningstar.** Monday was his last day in Morningstar's Horsham, Pa., office, where he recently spearheaded ongoing efforts to start rating commercial real estate CLOs. Vice president **Beth Forbes** has assumed his former duties as head of credit risk services. It's unclear when Dittmer starts at DBRS or what his duties will be. He joined Morningstar in 2010 after about three and a half years as a buy-side analyst at **Capmark Investments.** Before that, he was a CMBS analyst at Morningstar's predecessor, **Realpoint.**

CBRE is adding **Jen Kairuz** as deputy chief underwriter on a team that supports its **Freddie Mac** small-balance lending platform. Kairuz was previously a director at Charlotte advisory firm **MCube Financial,** and before that worked at **Situs** and Freddie. She's expected to join CBRE's business-lending unit next week, working in Oakbrook, Ill.

Societe Generale is looking for an underwriter to join its balance-sheet lending business in New York. Candidates need 2-3 years of experience. Contact **Jennifer Jamin** at jennifer.jamin-ext@sgcib.com.

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

Commercial Mortgage Alert (ISSN: 1520-3697), Copyright 2018, is published weekly by Harrison Scott Publications, Inc., 5 Marine View Plaza, Suite 400, Hoboken, NJ 07030-5795.

www.CMAlert.com

Commercial Mortgage ALERT

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

SUBSCRIPTION ORDER FORM

☑ **YES! Sign me up for a one-year (46-week) subscription to Commercial Mortgage Alert and bill me at the special charter rate of $5,697 — a savings of $200. I can cancel at any time and receive a full refund for all undelivered issues.**

DELIVERY (check one): ❑ E-mail ❑ Mail

PAYMENT (check one): ❑ Bill me ❑ AmEx ❑ Mastercard ❑ Visa

Account #: ______________________ **Exp. date:** ______________________

Signature: ______________________

Name on card: ______________________

DELIVERY ADDRESS:

Name: ______________________

Company: ______________________

Address: ______________________

____

City/State/Zip: ______________________

Country: ______________________

Phone: ______________________

E-mail: ______________________

BILLING ADDRESS (if different):

Name: ______________________

Company: ______________________

Address: ______________________

____

City/State/Zip: ______________________

Country: ______________________

Phone: ______________________

E-mail: ______________________

To start your subscription, click here. Or phone 201-659-1700.
You can also fax this order form to: 201-659-4141.

06/08/18