www.CMAlert.com

Commercial Mortgage Alert

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

SEPTEMBER 11, 2015

SEC Signs Off on New CMBS Shelf Models

Three commercial MBS issuers have filed updated shelf registrations that will serve as models for complying with new **SEC** rules.

The filings by **Bank of America, Deutsche Bank** and **J.P. Morgan** are the product of months of back-and-forth with the regulator. The three banks took part in an SEC pilot program to work out a template that conforms to the latest version of "Regulation AB," the SEC's sweeping disclosure rules for securitizations.

A key result of the discussions was an agreement that operating advisors can satisfy the SEC's call for stepped-up scrutiny of the "representations and warranties" that lenders provide about collateral-loan data.

J.P. Morgan was the first to register its shelf, on Aug. 14, followed by Deutsche on Sept. 1 and BofA on Sept. 9. The filings came after SEC staffers signed off on the latest of several versions that the banks and their attorneys at **Cadwalader Wickersham** had submitted for review since February, said **Michael Gambro,** a partner at the

See MODEL on Page 13

B-Piece Buyers Seek Okay for New Structures

As they prepare to take on risk-retention duties in conduit transactions, B-piece buyers are reaching out to federal regulators to clarify the rules of the road.

A number of those investors, sources said, are having informal talks with the **SEC** about how they can structure new vehicles to comply with the risk-retention rule, mandated by the Dodd-Frank Act, that kicks in late next year.

In particular, they want to be sure they can form partnerships that would provide different levels of risk and return to investors with varying yield appetites — without running afoul of the rule's intent that a single entity retain 5% of each securitization.

Potential partners in those vehicles, as well as commercial MBS issuers, also are seeking guidance from regulators as they plan for the new regimen. Sources describe the talks as exploratory contacts between individual firms and SEC staffers — via lawyers and trade groups — rather than multi-player meetings, as each

See BUYERS on Page 16

After the Wave of Maturities, Then What?

Commercial MBS lenders have started riding the wave of maturities that will present an unusually large number of refinancing opportunities for another couple of years, but afterward they could be in for some lean times.

When the CMBS market revived following the financial crisis, securitization programs staffed up in anticipation of a spike in scheduled loan maturities from 2015 through 2017 — when 10-year commercial mortgages originated at the peak of the previous cycle would come due.

That spike now is under way, with some $99 billion of CMBS loans maturing this year, up from the 2010-2014 average of $59 billion, according to **Trepp.** And the volume will soar to $110 billion next year and $137 billion in 2017.

But the bonanza could come to an abrupt end in 2018, when CMBS loan maturities will fall sharply. That's because CMBS originations dried up in the 2008-2011 span, as lenders licked their wounds from the damage caused by the financial crisis

See WAVE on Page 17

THE GRAPEVINE

Christopher Hoeffel joined **Colony Capital** this week as chief financial officer of its Colony American Finance unit, which lends to investors that buy single-family homes and rent them out. Hoeffel is based in New York and reports to the unit's president, **Beth O'Brien.** Hoeffel formerly ran investment operations at **Investcorp,** and before the crash, co-headed the commercial mortgage business at **Bear Stearns.** Los Angeles-based Colony Capital is looking to expand its lending activities and wants to add a few staffers on the East and West Coasts to handle capital-markets duties, originations and transaction management.

Natixis has added a senior originator in New York. **Bruce Habig** started late last

See GRAPEVINE on Back Page

Trio Tapped for Hudson Yards Project

Bank of America, CIBC and **Wells Fargo** will lead a $965 million loan for the construction of an office tower at Manhattan's Hudson Yards site.

A partnership between **Related Cos.** and **Oxford Properties** will develop the 2.6 million-square-foot building, at 30 Hudson Yards. The banks will begin lining up additional lenders for the syndicate at a meeting next week.

The debt is the latest piece of financing to fall in line for the massive redevelopment zone on the West Side of Manhattan. Separately, **Bank of China** and **Credit Agricole** are joining **Deutsche Bank** as co-leads on a roughly $1.5 billion loan to New York-based Related and Oxford, the real estate arm of **Ontario Municipal Employees,** for the construction of a 1 million-sf retail pavilion. That seven-story structure, called the Shops & Restaurants at Hudson Yards, will connect the bases of 30 Hudson Yards and another giant office tower: the 1.7 million-sf 10 Hudson Yards. Those lead banks will also hold a meeting next week with other lenders to broaden the syndicate.

Both loans carry some degree of recourse to the sponsors, a step likely intended to smooth the way for syndication. While top-name developers like Related sometimes avoid providing corporate guarantees that a portion of the debt will be repaid, the sheer size of the Hudson Yards loans and the number of projects simultaneously under way in the same area present enough risk for lenders to push for recourse.

The loan on 30 Hudson Yards has a five-year term. The loan-to-cost ratio is described as less than 50%, putting the project's expense in the vicinity of $2 billion. Market pros said that the Related partnership has already lined up occupants for more than 90% of the space. **Time Warner,** which plans to vacate its current headquarters at Columbus Circle, will buy a large office condominium in the building. The rest of the space will either be rented or sold as condos.

The 92-story skyscraper will rise to 1,287 feet, according to filings with the city, slightly higher than the nearby Empire State Building. It will be the tallest structure in the redevelopment zone, and the buzz is it will feature an observation deck open to the public.

The floating-rate loan on the retail pavilion with have a four-year term, with a one-year extension option. So far, according to a market pro, one tenant has been lined up — Neiman Marcus, which will open its first department store in Manhattan.

The other building attached to the retail pavilion — the 52-story 10 Hudson Yards — was one of the first components of the redevelopment zone to be financed. Two years ago, **Starwood Property,** Oxford and the **United Brotherhood of Carpenters and Joiners** supplied a $475 million loan. That building, divided into office condos, is nearly completed. Accessories retailer **Coach** acquired a condo of about 740,000 sf. Most of the remaining space has also been pre-sold.

The Hudson Yards zone is on about 28 acres on Manhattan's West Side, between the West Side Highway and 10th Avenue, spanning West 30th and West 34th Streets. ❖

SocGen Targets Portfolio Loans

Societe Generale, which launched a conduit operation early this year, is now reviving its balance-sheet lending program.

Over the past few months, the French bank has started pursuing U.S. portfolio loans backed by commercial properties for the first time since the financial crisis. The effort is being overseen by managing director **Powell Robinson,** the head of U.S. real estate structured finance and an 18-year SocGen veteran.

Robinson is building a lending team. Last month, **Jo Hastings** joined as a director. She previously was a relationship manager at **HSBC** for more than a year, after working for many years as a director at the former Eurohypo, now known as **Hypothekenbank Frankfurt.**

SocGen is also looking to hire a staffer to syndicate loans, and it could add several more people in the coming year. Robinson's team can also tap lending pros from other areas of the bank.

Robinson will work closely with managing director **Wayne Potters,** who heads the commercial MBS group. SocGen views the balance-sheet and CMBS businesses as complementary, enabling the bank to provide a range of debt products to clients.

The bank will likely start by originating balance-sheet loans for longtime clients, mainly on properties in larger markets in the Northeast U.S. The fixed- or floating-rate mortgages would have terms up to 10 years. The bank might also participate in "club" deals with other lenders.

Several competing lenders said that over the past month or two, SocGen has been competing for loans as large as $200 million, although the bank probably would look to have partners on mortgages that large.

SocGen formerly was an active originator of balance-sheet commercial mortgages in the U.S. But after the financial crisis hit, it pulled back from the market, as did many other Europe-based lenders.

SocGen jumpstarted its conduit operation in January by hiring 10 pros, including Potters and **Adam Ansaldi,** who had worked in the CMBS group of **RBS** until that bank shut down the operation last year. In May, SocGen added several other senior staffers, including managing directors **Gary Romaniello,** who moved over from **Annaly Capital** to be head of originations, and **Richard Kirikian,** a senior originator previously at **Ladder Capital.**

Last month, SocGen participated in its first conduit deal, contributing $277.4 million of loans to a $716.3 million offering that it co-led with **Wells Fargo** (WFCM 2015-SG1). ❖


CCRE®
EXPERIENCE · EXECUTION · EXCELLENCE
NATIONAL LEADER
IN REAL ESTATE FINANCE
Over $38 Billion 2237 Loans
Closed since 2010
Fixed I Floating I Agency

Pause in CMBS Issuance Ends Abruptly

Commercial MBS dealers kicked off what's expected to be a busy month by marketing $3.4 billion of offerings this week, ending a three-week break in issuance.

Following the usual late-summer slowdown, issuers returned to work after Labor Day to begin pitching three conduit offerings, plus a $708.2 million transaction backed by senior fixed-rate debt on a trophy office tower in Manhattan. All four deals are expected to price next week.

The largest of the multi-borrower deals is a $963.7 million offering by **Ladder Capital, Rialto Capital, Wells Fargo** and **National Cooperative Bank** (WFCM 2015-LC22). There's a $958.5 million offering by **Citigroup, Goldman Sachs,** Rialto, **KGS-Alpha Capital** and **RAIT Financial** (CGCMT 2015-GC33). And **UBS** and **Bank of America** are leading a $757.3 million deal to which they contributed all of the underlying loans (BACM 2015-UBS7).

The long-term, super-senior bonds in the BACM transaction were being shopped yesterday with a projected spread of 120-122 bp over swaps. Initial price guidance was unavailable for the other two conduit deals. But the equivalent benchmark class of the WFCM offering, led by Wells, could be pitched at 125 bp, according to early "whisper talk" from the dealer.

The benchmark issuance spread was 120 bp in the previous conduit issue, a $716.3 million transaction led by Wells and **Societe Generale** that priced Aug. 18 (WFCM 2015-SG1). New-issue prices have plunged in the conduit sector since May, when the long-term super-senior spread was 85 bp, and are now at the lowest levels seen in two years.

At the other end of the investment-grade capital stack, dealers apparently expect spreads to continue widening. The price guidance was 450-bp area on the triple-B-minus class of the BACM transaction, while the whisper talk was 450-460 bp on the comparable tranche of the latest WFCM deal. That's up from 440 bp in the WFCM issue that priced last month.

Meanwhile, the single-borrower offering that began making the rounds this week is backed by a portion of a 10-year loan to **SL Green Realty** on the 2.3 million-square-foot office building at 11 Madison Avenue (MAD 2015-11MD).

The $708.2 million piece being securitized was part of a $1.4 billion financing package that Deutsche, **Morgan Stanley** and Wells originated for SL Green on Aug. 18, when the New York REIT bought the 29-story building from a partnership

See PAUSE on Page 28

Natixis Refinances Queens Tower

Natixis has originated a $315 million fixed-rate loan on the Citibank Building in the Long Island City section of Queens, N.Y.

A **Savanna Investment** partnership used the proceeds to retire the same amount of existing debt on the 1.5 million-square-foot property, at One Court Square.

Natixis will carve the five-year mortgage into pieces and sprinkle them among upcoming conduit deals. The loan, which closed two weeks ago, was brokered by **Cushman & Wakefield.**

A **David Werner** partnership bought the building in 2012 for $481 million from the team of **J.P. Morgan Asset Management** and **SL Green Realty** of New York. Werner held a 49% stake in the partnership, and the remaining interest was held by **Waterbridge Capital,** the **Feil Organization** and **Carlton Associates,** all of New York. Last year, Werner sold his stake to New York-based Savanna and J.P. Morgan's Junius Real Estate investment platform.

The Natixis loan refinanced a fixed-rate mortgage that **Deutsche Bank** had securitized in 2005 via a $3.9 billion pooled offering (CD 2005-CD1). That 10-year loan was scheduled to mature this month.

Citibank fully occupies the building under a triple-net lease that expires in 2020, with renewal options for 25 years, according to **CoStar.**

The 52-story skyscraper is the tallest building in New York State outside of Manhattan. It dominates the view across the East River from Manhattan.

The property was developed in 1989, when commercial tenants were just starting to move into the submarket. Before that, the area contained mostly residential properties and small manufacturers. The building sits atop the Court Square subway station, a transit hub. ❖

MetLife Lends on New Bronx Mall

MetLife has provided a $330 million fixed-rate mortgage on a recently constructed mall in the Bronx, N.Y.

The 10-year loan, which closed in the past couple of weeks, is backed by most of the space at the 780,000-square-foot Mall at Bay Plaza, in the Baychester section of the borough. The mall's value is in the neighborhood of $550 million, putting the leverage at about 60%. **Prestige Properties** of New York completed the property last summer, expanding a site that already contained retail and office space.

The three-level Mall at Bay Plaza was billed as the first enclosed mall built in New York City in more than 40 years. The total construction price tag was pegged at nearly $300 million. The anchors are a 160,000-sf Macy's and a 166,000-sf JC Penney, which previously was part of an adjacent retail center. Both of those stores are owned by the retailers, which lease the underlying land from Prestige. The mall includes a 2,400-space garage.

The property is adjacent to the open-air Bay Plaza Shopping Center, which dates to the late 1980s, as well as some office space. Altogether, the mall, shopping center and office space encompass roughly 1.9 million sf.

The tenants at Bay Plaza Shopping Center include Kmart, Marshalls, P.C. Richard & Son, Pathmark, Staples, Toys R Us and AMC Theatres.

In 2012, **MetLife** originated a five-year, fixed-rate loan on 517,000 sf of the existing retail and office space.

The entire complex is on nearly 80 acres at the intersection of Interstate 95 and the Hutchinson River Parkway, next to the massive Co-op City residential community. ❖

AXA Finances Seattle Landmark

Insurer **AXA Equitable** has originated a $69.5 million fixed-rate loan on a landmark medical-office building in Seattle.

The 294,000-square-foot Medical Dental Building is owned by local shop **Goodman Real Estate,** headed by developer **John Goodman.**

HFF brokered the 20-year mortgage, which closed two weeks ago. New York-based AXA was advised by **Quadrant Real Estate** of Alpharetta, Ga.

Goodman acquired the building for $38 million in 2005 from **Harsch Investment** of Portland, Ore. It poured $25 million into renovations in 2008, including a new lobby. Goodman used the proceeds to retire a mortgage originated by **Bank of America.**

The 18-story building is nearly fully leased to more than 150 tenants, primarily medical and dental practices.

The property is at 509 Olive Way, next to **Amazon.com's** new 4.2 million-sf campus expansion and Interstate 5. The site is on the northern edge of the central business district, a few blocks east of the waterfront.

The Medical Dental Building was constructed in two phases, in 1925 and 1950. It's listed on the **National Register of Historic Places** and is a city landmark. ❖


DUE DILIGENCE
SHOULDN'T FEEL
LIKE THIS.
Make it easy with the right Partner.
Engineering and Environmental
Due Diligence Nationwide
800-419-4923
www.partneresi.com
PARTNER
Engineering and Science, Inc.

Loan Sought to Expand Calif. Hotel

The owner of the leasehold interest in a Southern California hotel is shopping for $151 million of debt to refinance and expand the property.

Mayer Corp. is seeking a fixed-rate loan with a 10-year term on the Hilton Waterfront Beach Resort in Huntington Beach. Roughly half of the proceeds would be drawn down over time for construction of a 152-room addition to the property, which now has 290 rooms.

The remaining proceeds would allow Mayer to retire $41.9 million of existing, low-leverage debt and free up cash. Some of that would be plowed back into the property as equity for the additional development, and another slice may be used to acquire the land under the hotel.

The borrower, a family-run investment shop in Irvine, Calif., is being advised on the financing by broker **Westcap Corp.,** also of Irvine.

The existing mortgage was originated by **Morgan Stanley** in 2013 and securitized in an $856.3 million pooled deal (MSBAM 2013-C11). It carries a 5.24% coupon and is slated to run until 2018, so it would have to be defeased.

The Hilton opened in 1990. The 12-story building includes 15,000 square feet of event space and a pool. The planned addition would increase the guest-room count to 442, add 20,000 sf of event space and include a second pool, in a similar-looking structure next door.

Mayer has been involved in projects in the Huntington Beach area for decades. It built the Hilton as part of a development agreement with municipal entities. Mayer has a 99-year lease on the hotel site, and is in talks to buy the parcel from the city. The company also owns a majority of the leasehold interest in the adjacent 517-room Hyatt Regency Huntington Beach Resort & Spa, and it developed a 200-home community on land it owned nearby.

The Hilton Waterfront Beach Resort is at 21100 Pacific Coast Highway, a half mile south of the Huntington Beach Pier. ❖

Northwood Seeks Loan on Fla. Resort

Northwood Investors is seeking up to $217 million of debt on a luxury resort in Naples, Fla., along the Gulf of Mexico.

The 474-room property, which was recently renamed the Naples Grande Beach Resort from the Waldorf Astoria Naples, is valued at $289 million.

Northwood, a New York investment shop led by former **Blackstone** real estate chief **John Kukral,** is asking lenders to provide a variety of proposals for a five-year, floating-rate loan or a 10-year, fixed-rate mortgage.

The firm's advisor, **HFF,** will accept quotes for senior mortgages at leverage ratios of 65% or 70%, as well as debt packages with mezzanine components that would lift the total leverage to 75%.

Northwood acquired the resort from Blackstone in 2013 for $195.5 million and recently completed a $21 million upgrade, removing **Hilton Hotels'** Waldorf Astoria flag and rebranding the property.

The beachfront resort, at 475 Seagate Drive, encompasses a hotel on a 23-acre site and an 18-hole golf course on an additional 203 acres. The hotel consists of 424 rooms in an 18-story tower, 50 garden-style bungalow units, three restaurants, three heated resort-style pools, a 100-foot waterslide, seven tennis courts, a fitness center and 100,000 square feet of event space.

The resort's net operating income this year is projected at $17.3 million. Revenue per room this year is $226.73, up from $183.11 in 2013. ❖

Model ... From Page 1

law firm.

The pilot program was aimed at helping issuers meet a Nov. 24 compliance deadline. Gambro said SEC staffers "were very responsive. Our interactions with them were congenial and collaborative, even though we couldn't get them to budge on certain points."

The essentially identical shelf registrations will set the pattern for all conduit transactions — the industry's bread-and-butter deal type — which are backed by fixed-rate mortgages to multiple borrowers.

An SEC-approved shelf registration provides the boilerplate language to be used in the prospectus and the pooling and servicing agreement, with blank spaces to be filled in later with deal-specific information.

The changes mandated by Reg AB 2 include a long list of new shelf-registration requirements, including more-detailed loan data and procedures for resolving disputes. Those include the appointment of an "asset-representations reviewer" that can be called upon to examine the adequacy and accuracy of the so-called reps and warrants on the loans in a deal.

A lender that provides inaccurate or incomplete information about a collateral loan could be forced to buy it back at par value. Such "loan put-back" requests, rare in the past, came in large numbers in the wake of the credit crunch. Most stemmed from losses on residential mortgage bonds, but some involving CMBS went to court.

As an independent fact-finder, the asset-representations reviewer can't be an investor in a transaction it's working on, or be affiliated with any of the major parties to the deal, including a loan contributor, depositor, certificate administrator, trustee or servicer. Issuers of residential MBS and asset-backed securities will have to bring in a party to fill that role. But the new shelf registrations establish that operating advisors can take on that additional responsibility in CMBS transactions.

"The introduction of the asset-representations reviewer role was one of the major issues for CMBS," said **Janet Barbiere,** a partner at law firm **Orrick Herrington.** "The operating advisor was the most logical entity to fill that role, since they're already on the deal, can't be affiliated with the special servicer and generally do not have other conflicts."

Operating advisors became a fixture in CMBS deals when post-crash conduit issuance revived in 2010. Buyers of investment-grade bonds pressured issuers to install them to keep

See MODEL on Page 14

Model ... From Page 13

tabs on special servicers and monitor workouts of distressed mortgages. In practice, the advisor doesn't play much of a hands-on role unless the holder of a transaction's B-piece loses control of the special-servicing rights due to principal writedowns or appraisal reductions. In the meantime, the advisor primarily performs a yearly audit of the special servicer to verify its capability.

Four firms have dominated the field of operating advisors to date: **Park Bridge Lender Services** of New York, **Pentalpha Surveillance** of Greenwich, Conn., **Situs Holdings** of Houston and **Trimont Real Estate Advisors** of Atlanta.

The new shelf registrations also set up procedures for determining if and when the asset-representations reviewer would swing into action. Some specifics, however, are left for issuers to determine on a deal-by-deal basis.

The certificate administrator on a transaction would be charged with notifying bondholders if loans that were 60 days past due or in foreclosure reached a certain percentage of the deal's collateral. Notification would also be required if the number of delinquent loans exceeded a certain percentage of the loan count at closing, provided their balance reached a specific percentage of the current pool balance.

The actual percentages involved in those calculations would be set by the issuer of each transaction, Gambro said. It remains to be seen whether they will evolve to create an industry standard, he added.

Once a notification goes out, an investor vote on whether to order an asset review can be triggered if holders of at least 5% of the outstanding balance of the deal's bonds request it in writing within 90 days. The vote itself also would require a response from the holders of at least 5% of the deal. The review would only proceed if approved by a majority of those voting, based on their holdings.

Banks in the pilot program initially proposed a 25% quorum for that vote, but that was turned down by the SEC. The agency also rejected a proposal to limit an asset-representations reviewer's investigation to potential violations of reps and warrants that were directly related to a loan becoming delinquent.

The SEC also vetoed a call for the asset-representation reviewer's fee and related costs to be borne by the investors who voted for the review — unless they represented a majority of all bondholders in the deal. That stipulation would have made it "more onerous for investors to use the provision," SEC special counsel **Arthur Sandel** wrote in responses to the banks. The final version allows for those costs to be covered by funds from the deal's general account, with a proviso that the lender that contributed a mortgage to the pool would have to cover the expense if it's required to buy back the loan. ❖

TAILORED FINANCING SOLUTIONS FOR ANY SITUATION.

FIXED & FLOATING | **MORTGAGE, MEZZANINE & PREFERRED EQUITY** | **TRANSITIONAL & STABILIZED PROPERTIES**

REPRESENTATIVE TRANSACTIONS

$28,400,000
BRIDGE & MEZZANINE LOAN
Multifamily Portfolio
Las Vegas, NV
Acquisition

$18,500,000
BRIDGE LOAN
Office
Houston, TX
Acquisition

$17,540,000
PREF EQUITY INVESTMENT
Residential Condo
New York, NY
Refinance

$46,400,000
MEZZANINE LOAN
Multi-family Portfolio
Multiple States
Acquisition

$24,210,000
BRIDGE & MEZZANINE LOAN
Office
Wilmington, DE
Refinance

$18,300,000
BRIDGE LOAN
Flagged Hotel
Pittsburgh, PA
Acquisition/Redevelopment

$13,500,000
BRIDGE LOAN
Anchored Retail Center
Monroe, NC
Acquisition

$6,300,000
CMBS LOAN
Anchored Retail Center
Edgewood, MD
Refinance

$36,000,000
BRIDGE LOAN
Residential Condo
Miami, FL
Acquisition

$5,750,000
BRIDGE LOAN
Retail
New York, NY
Acquisition

$20,000,000
BRIDGE LOAN
Office
Greenville, SC
Acquisition

$6,725,000
BRIDGE LOAN
Retail
New York, NY
Refinance

FOR MORE INFORMATION, CONTACT:

Ben Milde / 646-362-6504 / bmilde@firstkeylending.com
Jonathan Stein / 646-233-0708 / jstein@firstkeylending.com
Peter Ginsberg / 646-233-0717 / pginsberg@firstkeylending.com
Pratik Patel / 646-233-0715 / ppatel@firstkeylending.com

FIRSTKEY

Buyers ... From Page 1

institution keeps its specific plans to itself.

Much of the discussion revolves around how B-piece buyers can use "majority-owned affiliates" to bring other investors into a deal.

The risk-retention rule, adopted last fall by six federal regulators, generally requires the issuer of a securitization to retain bonds equivalent to 5% of the deal's proceeds for at least five years. In the case of CMBS, one or two "third-party purchasers" can fulfill that obligation by acquiring that amount of the transaction's most-junior bonds.

That role is expected to be filled by B-piece buyers — but to reach the 5% threshold, they'd have to buy a bigger chunk of a transaction than they've traditionally taken, moving up the credit rungs to the triple-B and perhaps single-A level. That would mean lower overall returns on their capital, which would be tied up for five years. While the rule allows two buyers to split the B-piece pari-passu, it doesn't allow them to divide it into senior and junior pieces.

The rule does, however, state that a B-piece buyer can operate via a "majority-owned affiliate." Some see that as an opening for a B-piece buyer to set up a vehicle and recruit one or more minority partners who would hold shares that carry lower risk and yields, thereby enabling the majority owner to achieve its higher return goals.

"A lot of sophisticated players in the CMBS space are starting to take notice of this now," said **Rick Jones,** who heads the finance and real estate group at law firm **Dechert.**

The contacts with regulators come as industry pros are feeling pressure to get plans in place well ahead of the Dec. 24, 2016, implementation of the risk-retention rule. "It takes a certain amount of lead time to raise money, and they want to be ready," said Jones. "If we all conclude that majority-owned affiliates are the best thing since sliced bread, well, that's great — but the investors then have to go out and raise money for that type of vehicle. So they have to get their act together now."

One source said some firms have raised the question of whether a third-party purchaser can use multiple majority-owned affiliates on a single deal, with different structures to suit specific investors.

Regulators also have been asked to clarify what rights a minority investor in one of these vehicles can have in such matters as control of the special servicer,

See BUYERS on Page 22

Wave ... From Page 1

and the recession. So, significantly fewer CMBS loans will come due from 2018 to 2021. In fact, Trepp calculates that annual maturities will average only $32 billion for those years.

To be sure, forecasting origination volume three years out is risky given the number of variables. For one thing, CMBS lenders obviously aren't restricted to refinancing CMBS loans. They can also seek to take business away from banks and insurance companies, whose loans will mature at a pace closer to historical norms in 2018-2021 — with annual averages of $142 billion for banks and $25 billion for insurers.

"I believe that around 50% of the new CMBS loans we do are refis of bank loans," said one active conduit lender. "So if more bank loans are coming due soon, that's good news for us."

What's more, the strength of the economy is a wild card. An increase in acquisitions, for example, could create additional financing opportunities that would offset the decline in refinancings. Also, the recent surge in construction means that developers will be seeking more permanent loans in two or three years to take out construction financing, bolstering lending opportunities.

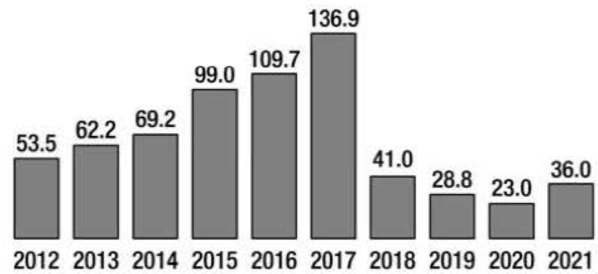
But refinancings have accounted for roughly three-quarters of CMBS originations in the current cycle, according to Trepp, so the plunge in CMBS maturities will clearly take a toll.

Lenders said they expect the CMBS market to be smaller, but still vibrant. "It sounds like we'll be going over a cliff, and there will certainly be a big drop-off, but I don't think it's going to be dire," said one pro. "Can we have an industry at some stable level of production? Sure. But it won't support as many hands as it does now. You'll see the 67-person shop become the 31-person shop. But, that said, many people will still be able to make a living doing CMBS."

U.S. CMBS issuance is on pace to exceed $110 billion this year and could climb higher next year and in 2017 as the refinancing wave crests. After that, "I think you're going to see CMBS volume settle down to a 'natural' level of between $75 and $100 billion per year," said one market veteran. Another CMBS pro predicted that annual issuance post-2017 could range from $40 billion to $65 billion.

But several market pros declined to even venture a guess of what might happen. "There are way too many variables, including the economic cycle itself," said one industry analyst. "It wouldn't be appropriate for us to speculate 3-5 years out." ❖

CMBS Loan Maturities ($Bil.)



Source: Trepp

Ready Capital Recruits Three Staffers

ReadyCap Commercial's bridge-lending unit has hired two analysts and an underwriter.

The staffers — **Rebecca Ishmael, Ashlee Vega** and **Ken Gross** — joined the New York office of Ready Capital Structured Finance over the past few weeks.

Ishmael was named a senior credit analyst. She previously was an underwriter at **ACRE Capital** of Dallas, focusing on the underwriting of multi-family loans for **Fannie Mae's** DUS program.

Vega is a transaction analyst. She was formerly at New York-based **L&L Holding,** working on the legal and acquisitions team that handled commercial redevelopment projects.

Gross, a senior associate, is an underwriter. He formerly focused on underwriting and valuation at **Summer Street Advisors** of Westport, Conn., and had previous stints at **Ernst & Young** and **Citigroup.**

ReadyCap, based in Irvine, Calif., launched the bridge-lending unit this year under co-heads **David Cohen** and **Dominick Scali.** Cohen is head of production and Scali is head of credit.

ReadyCap's parent is **Sutherland Asset Management,** a New York private REIT, which is, in turn, externally managed by **Waterfall Asset Management,** a New York hedge fund shop founded in 2005. ❖

LNR Taking Down 2 More B-Pieces

LNR Partners has circled two more B-pieces.

The Miami Beach shop agreed to buy the junior bonds from an upcoming deal led by **Wells Fargo** (WFCM 2015-NXS3). Wells, **Silverpeak Real Estate** and **Natixis** will contribute loans to the collateral pool. The B-piece was bid via an auction.

LNR also agreed to buy the subordinate piece of a conduit offering that will be led by **J.P. Morgan** and **Barclays** (JPMBB 2015-C32). Those bonds were placed on a negotiated basis.

LNR previously circled six B-pieces this year — five of which it acquired with partners. ❖

Jefferies LoanCore

The Next Evolution in Commercial Mortgage Lending

Jefferies LoanCore has closed more than $8 billion in loans since inception in 2011. We bring innovative financing solutions to our clients to help them achieve their goals.

Recent Transactions

9000 Sunset
West Hollywood, CA
$125,000,000
First Mortgage
Fixed | Office
10 year permanent loan

Princeton GSA Portfolio
Various, CA & TX
$114,000,000
First Mortgage
Fixed | Office
10 year permanent loan

Orchid Portfolio
Various, UK & Ireland
£75,000,000
First Mortgage
Floating | DPO Financing
1 year initial term

Saunders Industrial Portfolio
Various, MI
$25,000,000
First Mortgage & Mezzanine
Fixed | Industrial
10 year permanent loan

7 Eleven & Walgreens Portfolio
Various, OH & WI
$23,000,000
First Mortgage
Fixed | Retail
10 year permanent loan

Tri-Star Estates MHC
Bourbonnais, IL
$20,000,000
First Mortgage
Fixed | MHC
10 year permanent loan

Florida City Centre
Florida City, FL
$17,000,000
First Mortgage
Fixed | Retail
10 year permanent loan

ABC Mini Storage
Spokane, WA
$16,000,000
First Mortgage
Fixed | Self Storage
10 year permanent loan

Hampton Inn Highlands Ranch
Littleton, CO
$12,000,000
First Mortgage
Fixed | Hospitality
10 year permanent loan

OFFICE LOCATIONS:

ATLANTA, GA
CHICAGO, IL
GREENWICH, CT
IRVINE, CA
LOS ANGELES, CA
SAN FRANCISCO, CA
LONDON, UK
EDINBURGH, UK

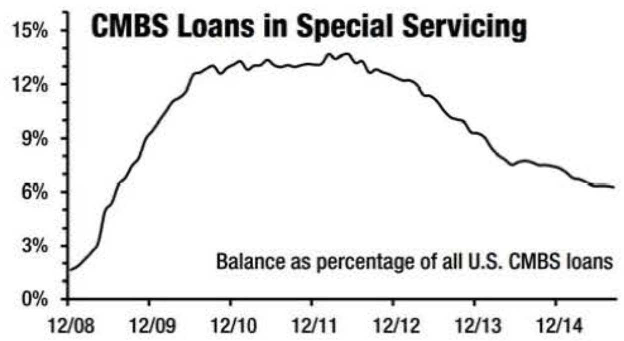
FOR MORE INFORMATION PLEASE VISIT:
WWW.JLCRE.COM

Jefferies LoanCore

Breakdown of CMBS Servicing

As of Aug. 31

Collateral	Balance ($Mil.)	Portion of Loan Type In Special Servicing (%)	Share of Special Servicing (%)	Share of All CMBS Loans (%)
Office	$10,827.6	7.36	33.05	28.20
Retail	9,898.4	6.20	30.22	30.59
Multi-family	5,108.2	8.82	15.59	11.10
Hotel	3,087.9	4.33	9.43	13.67
Industrial	1,680.7	7.85	5.13	4.10
Other	2,155.3	3.35	6.58	12.33
TOTAL	**32,758.0**	**6.28**	**100.00**	**100.00**



Source: Trepp

CMBS Loan-Quality Measures Stay Flat

The balance of past-due mortgages in commercial MBS deals dipped again last month, as resolutions of previously overdue loans eclipsed a jump in newly delinquent debt.

Some $16.9 billion of CMBS loans were at least 60 days behind on payments or in foreclosure or maturity default as of Aug. 31, down by $224.1 million from a month earlier, according to **Fitch.**

The latest tally reflected $884 million of securitized commercial mortgages that were removed from the agency's late-payment list last month, after being sold, modified or otherwise resolved. That was more than enough to offset the $704 million of newly delinquent loans backing Fitch-rated transactions.

Meanwhile, the volume of securitized commercial mortgages in the hands of special servicers also declined last month, by $280.1 million to $32.8 billion, according to **Trepp.**

By both measures, the percentage of troubled CMBS loans was little changed in August. Delinquencies weighed in at 4.52% (down 1 bp from a month earlier) and the special-servicing rate was 6.28% (down 6 bp).

The decline in the delinquency rate was muted by a roughly $4 billion drop in the aggregate balance of loans in Fitch-rated CMBS deals. That tally, which now stands at $373 billion, serves as the denominator when calculating the rate. The

See FLAT on Page 21

Flat ... From Page 20

special-servicing rate is pegged to the overall size of the CMBS universe, which expanded by $468.4 million, to $521.7 billion, according to Trepp.

The largest mortgage to be classified as delinquent last month was a $163.8 million loan on the 638,000-sf Jericho Plaza 1&2 office complex in Jericho, N.Y. The 10-year loan, which matures in May 2017, was transferred to special servicer **C-III Asset Management** last October. The borrower is a partnership among **Credit Suisse, SL Green Realty** of New York and **Onyx Equities** of Woodbridge, N.J. Credit Suisse originated the fixed-rate debt and securitized it in a $2.7 billion transaction (CSMC 2007-C5).

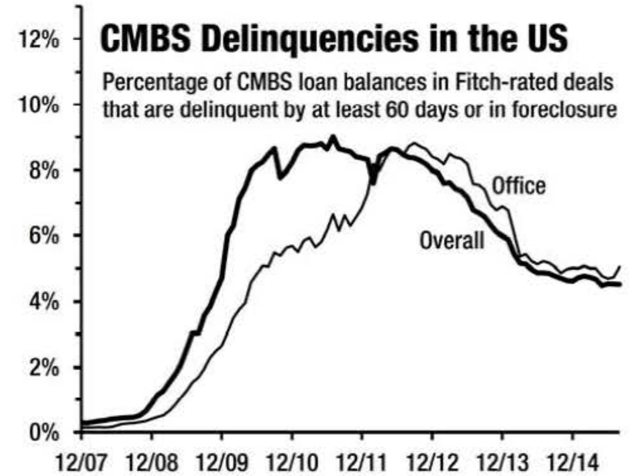
The addition of that loan to Fitch's delinquency index contributed to a 31-bp jump, to 5.04%, in the past-due rate for office mortgages.

The late-payment rate for multi-family loans dropped by 35 bp to 4.55%, due to the resolution of a $269 million mortgage on a portfolio of 73 apartment properties owned by **Ezra Beyman's Empire Assets Group** of Montvale, N.J. The fixed-rate debt on those Empirian-branded properties, which was part of the collateral for a $2.4 billion issue (MLCFC 2007-8), was modified via a "hope note" workout.

Fitch added that $434 million of CMBS loans were behind on payments by 30-59 days at the end of August, down from $806 million a month earlier. ❖

CMBS Delinquencies in the US

Percentage of CMBS loan balances in Fitch-rated deals that are delinquent by at least 60 days or in foreclosure



	July (%)	Month Earlier (%)	Year Earlier (%)
Retail	5.48	5.41	5.34
Hotel	5.27	5.34	5.88
Office	5.04	4.73	5.17
Industrial	4.90	4.87	5.15
Multi-family	4.55	4.90	5.52
OVERALL	**4.52**	**4.53**	**4.85**

Source: Fitch

Santander Backs NJ Office Project

Santander Bank has written a $53 million construction loan for a New Jersey office building that will house **MetLife's** investment division.

A **Rubenstein Partners** joint venture plans to build the 185,000-square-foot property at 67 Whippany Road in Hanover.

Cushman & Wakefield brokered the three-year loan for Rubenstein, a Philadelphia developer, and its partner, **Vision Equities** of Mountain Lakes, N.J. The floating-rate loan closed two weeks ago.

The Rubenstein partnership broke ground in February and is scheduled to complete the four-story building by next summer. MetLife has signed a 15-year, triple-net lease and will relocate 900 employees from nearby Morristown. The 14-acre site will include a three-level garage and surface parking.

The Morris County property is part of a master-planned site that formerly housed **Alcatel-Lucent's** 1.4 million-sf headquarters. Rubenstein and Vision acquired the 194-acre site in 2010 from Alcatel for $18.5 million and sold 94 acres the following year to **Bayer Healthcare,** which now houses its North American headquarters in a 670,000-sf building on the site.

In addition to the MetLife building, the Rubenstein partnership may build residential, retail, hospitality and additional office space on the portion it retained. ❖

Buyers ... From Page 16

which is appointed by the B-piece buyer.

The concept of setting up structured vehicles to take on the risk-retention obligation has been floated since the rule was adopted. But it's no surprise that firms would want to touch base with regulators before launching them, said CMBS researcher **Richard Hill** at **Morgan Stanley.** While the rule clearly states that majority-owned affiliates can retain the risk, that provision "wasn't added until the final rules were published," Hill said, and gives no detail on how those entities can be structured.

"Keep in mind that the risk-retention rule was written four years ago, and how it will actually get implemented will depend on how the rule is interpreted," said Hill. "So any investor would want to get absolute clarity from the regulators before they proceed. The last thing they want is to be seen as trying to evade the rules, which could have potential repercussions."

Such talks with regulators can be a delicate matter, as market participants don't want to raise issues that might prompt tighter regulations. As one source put it: "Some questions are things you might think about asking, but maybe have never occurred to a regulator, and you don't want to tip your hand." ❖

CALENDAR

Main Events

Dates	Event	Location	Sponsor	Information
Sept. 16-18	Western States CREF Conference	Las Vegas	CMBA	www.cmba.com
Nov. 9-10	CREFC Europe Autumn Conference	London	CREFC Europe	www.crefceurope.org
Jan. 11-13, 2016	CRE Finance Council January Conference 2016	Miami	CRE Finance Council	www.crefc.org
Jan. 31-Feb. 3	CREF/Multifamily Housing Convention & Expo	Orlando	MBA	www.mortgagebankers.org
May 22-25	Commercial/Multifamily Servicing & Technology Conf.	Dallas	MBA	www.mortgagebankers.org

Events in US

Dates	Event	Location	Sponsor	Information
Sept. 16	Opp. & Challenges in Tomorrow's CRE Finance Markets	Washington	CRE Finance Council	www.crefc.org
Sept. 16-18	ABS East	Miami	IMN	www.imn.org
Sept. 17	Unraveling the Mysteries of Rule 17g-5	Miami	CRE Finance Council	www.crefc.org
Sept. 17-18	Bank Special Asset Forum: Real Estate, C&I, SBA Loans	Chicago	IMN	www.imn.org
Sept. 24	Networking Event	New York	RELA	www.rela.org
Sept. 27-30	AmeriCatalyst 2015: RUBICON	Austin	AmeriCatalyst	americatalyst.com
Sept. 28-29	Real Estate General Counsels Forum (East)	New York	IMN	www.imn.org
Sept. 28-29	Real Estate CFO Forum (East)	New York	IMN	www.imn.org
Sept. 30	After Work Seminar on CRE CLO's	New York	CRE Finance Council	www.crefc.org
Sept. 30-Oct. 3	CREW Network Convention & Marketplace	Bellevue, Wash.	CREW Network	crewnetwork.org
Oct. 1	After Work Seminar	New York	CRE Finance Council	www.crefc.org
Oct. 1	Networking Event: Golf Outing	Boonton, N.J.	RELA	www.real.org

To view the complete conference calendar, visit The Marketplace section of CMAlert.com

Natixis Funds Hotels Near Yosemite

Natixis has originated an $85 million fixed-rate loan on two Central California hotels near Yosemite National Park.

The properties, in El Portal, are the 327-room Yosemite View Lodge and the 209-room Yosemite Cedar Lodge. They are owned by **Yosemite Resorts,** which is led by members of the **Fischer** family. **Ackman-Ziff** advised the company, which is based in Watsonville, Calif.

Natixis plans to securitize the 10-year loan, which closed two weeks ago.

Yosemite Resorts used most of the proceeds to retire two loans on the properties totaling $53.8 million. Those mortgages, which had an initial total balance of $60 million, were originated in 2008 by **LaSalle Bank** and securitized via a $2.3 billion conduit offering (CMLT 2008-LS1).

Yosemite View Lodge, at 11136 Highway 140, was built in 1990 and renovated in 2004. It faces the Merced River, and most rooms overlook wildlife areas. There are three outdoor pools and six whirlpools.

Yosemite Cedar Lodge, at 9966 Highway 140, was built in 1940 and renovated in 1990. It has two outdoor pools and an indoor pool. ❖

Law Firm Hires 5, Keeps Recruiting

Law firm **Thompson & Knight** has lured five commercial real estate finance attorneys from a crosstown rival and hopes to recruit a few more lawyers soon.

The new arrivals, led by industry veteran **Michael Peskowitz,** are moving over from **Venable.** They will start next week and remain based in New York. The quintet will join a real estate capital-markets group led by partners **William O'Connor** in Manhattan and **Mark Weibel** in Thompson's Dallas headquarters.

The roughly 40-member group focuses on originations and restructurings, including commercial MBS work involving special servicers. It now includes about 22 attorneys in New York, with the others in Dallas, six other U.S. offices and Mexico City. Plans call for hiring an unspecified number of additional attorneys to handle commercial real estate finance work in New York and Los Angeles, O'Connor said.

At Venable, Peskowitz represented property owners, lenders and large institutions on commercial real estate debt and equity transactions. Thompson & Knight named him a partner. The other lawyers moving over from Venable are counsels **Julia Geykhman** and **Lauren Scarantino,** and associates **Michael Denci** and **Helen Quigley.**

All held the same titles at Venable except Geykhman, who was an associate. Before joining the Washington-based firm in May 2014, she spent almost eight years at **Sullivan & Cromwell.**

Peskowitz and Scarantino joined Venable in 2012 from **Sidley Austin,** where Peskowitz was a partner for 12 years and Scarantino was an associate for almost five years. Denci joined Venable in 2012, while Quigley was hired last year. ❖

Pause ... From Page 4

between **Sapir Organization** of New York and **CIM Group** of Los Angeles. The \$2.6 billion purchase price included assumed responsibility for \$300 million of promised tenant improvements.

Elsewhere in the new-issue market, Goldman was pitching a \$477.7 million transaction backed by a 10-year, fixed-rate loan on 4,125 single-family rental homes in eight states (AH4R 2015-SFR2). The underlying properties are owned by **American Homes 4 Rent** of Agoura Hills, Calif. The price talk was 160-165 bp on the triple-A bonds. For the subordinate paper, it ranged from 210-220 bp on the class rated Aa2/AA+/AA+ by **Moody's, Kroll** and **Morningstar** to 400-415 bp on the most-junior tranche, which wasn't rated by Moody's but carried BBB-/BBB grades from Kroll and Morningstar. ❖

INITIAL PRICINGS

REITALY Finance S.R.L.

Pricing date:	Sept. 3
Closing date:	Sept. 9
Amount:	€181.9 million ($202.4 million)
Seller/borrower:	Apollo Global partnership
Lead manager:	Goldman Sachs
Master servicer:	Zenith Service
Special servicer:	CBRE Loan Servicing
Trustee:	Zenith Service
Certificate administrator:	Zenith Service
Offering type:	Non-U.S.

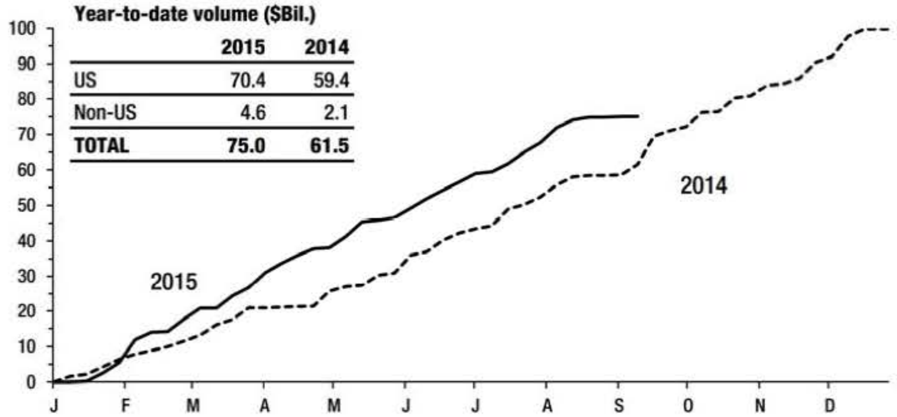
Property types: Retail (100%).
Concentrations: Italy (100%).
Loan contributors: Goldman (100%).
Notes: Goldman securitized a €181.9 million portion of a €191.5 million floating-rate loan it had originated in May on 25 retail properties in Italy. REITALY Fund, which is owned by Apollo Global's Apollo European Principal Finance Fund 2 (99% interest) and AXA Real Estate (1%), acquired the 2.7 million-square-foot portfolio in December 2014 from Olinda Fondo Shops, a mutual fund managed by Prelios of Italy, for €285.9 million in cash. The portfolio encompasses a mix of shopping centers, stand-alone stores and cinemas. The interest-only loan, pegged to three-month Euribor plus 331 bp, has a five-year term. Under risk-retention rules, Goldman retained 5% of the loan (the remaining €9.6 million balance).
Deal: REITALY 2015. **CMA code:** 20150196.

Class	Amount (€Mil.)	Amount ($Mil.)	Rating (S&P)	Rating (Fitch)	Subord. (%)	Coupon (%)	Dollar Price	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A-1	70.000	77.9	A	A+	39.93	E+215	100.000	5/22/27	4.18	E+215	Floating
A-2	39.300	43.7	A	A	39.93	E+255	99.200	5/22/27	4.18	E+274	Floating
B	33.300	37.0	BBB-	BBB	21.63	E+315	98.650	5/22/27	4.30	E+347	Floating
C	12.400	13.8	BBB-	BBB-	14.81	E+437	99.500	5/22/27	4.30	E+449	Floating
D	17.699	19.7	BB+	BB	5.08	E+470	98.000	5/22/27	4.30	E+518	Floating
E	9.250	10.3	BB	BB-	0.00	E+545	97.250	5/22/27	4.30	E+611	Floating
X-1(IO)	0.200*		NR	NR							
X-2(IO)	0.100*		NR	NR							

*Notional amount

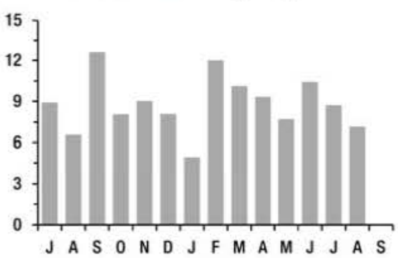
MARKET MONITOR

WORLDWIDE CMBS



US CMBS

MONTHLY ISSUANCE ($Bil.)



CMBS TOTAL RETURNS

CMBS INDEX

As of 9/9	Avg. Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv.-grade	5.4	0.4	1.5	210.9
AAA	5.8	0.5	1.6	195.5
AA	4.2	0.3	0.8	89.2
A	3.5	0.3	1.2	75.2
BBB	4.3	0.4	1.6	84.9

Source: Barclays

LOAN SPREADS

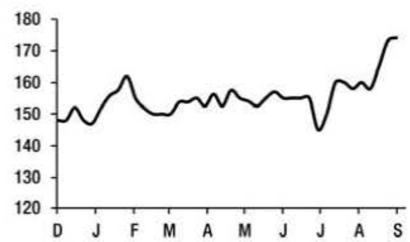
ASKING SPREADS OVER TREASURYS

10-year loans with 50-59% LTV

	9/4	Month Earlier
Office	174	158
Retail	166	150
Multi-family	161	146
Industrial	166	149

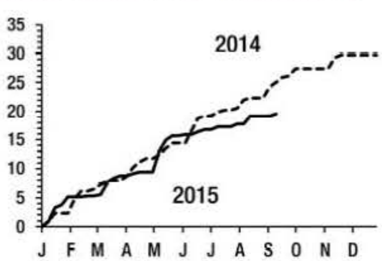
Source: Trepp

ASKING OFFICE SPREADS



REIT BOND ISSUANCE

UNSECURED NOTES, MTNs ($Bil.)

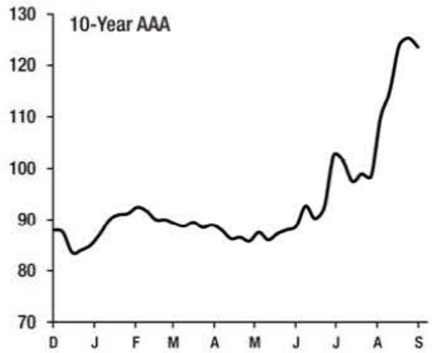


MONTHLY ISSUANCE ($Bil.)

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) 9/9	Week Earlier	52-wk Avg.
AAA	5.0	S+76	S+78	61
	10.0	S+124	S+125	91
AA	10.0	S+201	S+202	149
A	10.0	S+258	S+259	201
BBB-	10.0	S+447	S+450	370

Legacy Fixed Rate (Conduit)	Avg. Life	Spread (bp) 9/9	Week Earlier	52-wk Avg.
AAA	5.0	S+146	S+147	116
	10.0	S+133	S+136	111
AA	10.0	S+973	S+977	953
A	10.0	S+1,449	S+1,453	1,435
BBB	10.0	S+3,049	S+3,056	3,026

Markit CMBX 6	Dollar Price 9/9	Week Earlier	52-wk Avg.
AAA	97.2	97.0	98.1
AS	98.4	98.2	99.3
AA	98.9	98.6	100.4
A	98.5	98.0	100.6
BBB-	98.5	97.8	100.2
BB	98.1	97.6	100.1

Sources: Trepp, Markit

AGENCY CMBS SPREADS

FREDDIE K SERIES

	Avg. Life	Spread (bp) 9/9	Week Earlier	52-wk Avg.
A1	5.5	S+53	S+48	35
A2	10.0	S+71	S+64	47
B	10.0	S+240	S+225	162
C	10.0	S+300	S+310	227
X1	9.0	T+190	T+190	147
X3	10.0	T+415	T+415	313
Freddie K Floater		L+36	L+36	

FANNIE DUS

	9/9	Week Earlier	52-wk Avg.
10/9.5 TBA (60-day settle)	S+77	S+74	56
Fannie SARM	L+35	L+35	

Source: J.P. Morgan

THE GRAPEVINE

... From Page 1

month as a managing director, writing balance-sheet and commercial MBS loans on a range of property types. He arrived from brokerage **Ackman-Ziff,** where he'd been a managing director for two years. Before that, he spent about two years at advisory shop **Linden Capital** and had long stretches at **Barclays** and **Deutsche Bank.**

After 10 years at **Kelley Drye,** attorney **Brian Foley** has joined **J.P. Morgan** to work on CMBS loan closings. He started Aug. 10 as a vice president in New York, reporting to managing director **Joseph Geoghan.** Foley represented commercial real estate lenders as special counsel at New York-based Kelley Drye, with an emphasis on loans originated for securitization. Foley joined the law firm's Parsippany, N.J., office as an associate in 2005 after a few years at **McElroy Deutsch** in Morristown, N.J.

Industry veteran **Larry Grossman** has joined **MUFG Union Bank's** New York office as risk manager for its global capital-markets division. He spent the past four-and-a-half years at **Interactive Data,** where he was director of CMBS and consumer ABS evaluations. Before that, he was at **Hypo Real Estate's Depfa Bank** unit, where he was in charge of CMBS trading and investments.

CBRE has hired **James Brumbaugh** as a vice president on its debt and structured-finance team in Orlando. He started last month, reporting to senior managing director **Bill Moss.** Brumbaugh focuses on arranging financing for developers. Previously, he was president of Pittsburgh-based **CB Servicing.** He had an earlier stint at CBRE from 1998 to 2002, after a mortgage bank he had co-founded, **Carey Brumbaugh,** was acquired. Back at the brokerage, he joins his son, **Zac Brumbaugh,** who was hired in May as a vice president on the same Orlando debt team.

Terry Hughes has joined **Patterson Real Estate Advisory** and is setting up a Nashville office for the brokerage. Hughes started this month as a director and reports to founder **Lance Patterson**. Hughes had previous stints at Indianapolis developer **Milhaus** and at **CBRE.** Atlanta-based Patterson, which also has an outpost in Charleston, S.C., opened five years ago and has arranged mortgages of up to $100 million. Hughes will focus on the multi-family, office and hotel sectors.

Citigroup has added a director to work on CMBS modeling and analytics. **Mingjun Huang** arrived last month after spending five years in a similar post at **Barclays.** Before that, he worked at **Property & Portfolio Research** of Boston.

Moody's Analytics has recruited a commercial mortgage specialist for its structured analytics and valuations team. **Vincent Sokhanvari** spent the last two years at **Amherst Pierpont,** where he had a similar focus, and worked at **Northwestern Mutual** before that.

Waterstone Defeasance has opened a West Coast office. The Charlotte company last month dispatched **Addison McMillan** to Irvine, Calif., as a director to focus on business development, primarily in Southern California. McMillan reports to managing director **John Felter** in New York, who oversees the Northeast and Western regions.

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
Alexi Friedman	Senior Writer	201-234-3970	afriedman@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
Mary E. Romano	Advertising Director	201-234-3968	mromano@hspnews.com
Josh Albert	Advertising Manager	201-234-3999	josh@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) is published weekly by Harrison Scott Publications, Inc., 5 Marine View Plaza, Suite 400, Hoboken, NJ 07030-5795. It is a violation of federal copyright law to reproduce any part of this publication or to forward it, or a link to it (either inside or outside your company), without first obtaining permission from Commercial Mortgage Alert. We routinely monitor usage of the publication with tracking technology. **Subscription rate:** $4,997 per year. To expand your distribution rights, contact us at 201-659-1700 or info@hspnews.com.