Green Street

Commercial Mortgage Alert

THE WEEKLY UPDATE ON REAL ESTATE FINANCE & SECURITIZATION

OCTOBER 22, 2021

Goldman Leading Medline Buyout Financing

The commercial MBS units at **Goldman Sachs** and four other banks have teamed up to provide a **Blackstone** partnership with a $2.23 billion mortgage to help finance its pending purchase of a majority stake in **Medline Industries.**

The New York fund giant and its partners, Washington-based **Carlyle Group** and **Hellman & Friedman** of San Francisco, struck a deal in June to acquire a 77% stake in the medical-supply manufacturer for $32.2 billion. The family of Medline founders **James Mills** and **Jon Mills** will retain the largest piece of the remaining interest in the Northfield, Ill., company.

The floating-rate loan from Goldman, **Bank of America, Barclays, JPMorgan Chase** and **Morgan Stanley** is expected to close in conjunction with the sale. The banks, led by Goldman, intend to securitize the debt via a single-borrower CMBS offering that's likely to price within two weeks or so (MED 2021-MDLN).

The interest-only mortgage will have an initial term of two years, plus three

See MEDLINE on Page 11

Securitization Spigot Remains Wide Open

Commercial MBS lenders and issuers of commercial real estate CLOs are expected to continue flooding the market with fresh paper over the next two months, even as buy-side demand shows signs of weakening.

At least 16 CMBS offerings totaling around $16.6 billion are poised to price by mid-December, including a roughly $1 billion conduit deal and about $8.6 billion of single-borrower transactions expected to go out the door in the next week (see Pipeline on Page 9). Some of those eight single-borrower deals could get pushed into early November as dealers jockey to gain investors' attention in a crowded market.

The final issuance tally through December will be higher. While most, if not all, of the conduit deals in the queue have been accounted for, the projected loan sizes, borrowers and properties associated with three additional pending single-borrower issues couldn't be learned. More single-borrower transactions almost certainly will crop up before yearend with little notice.

Bridge lenders are expected to float at least eight CRE CLOs, totaling around

See SPIGOT on Page 10

JV Seeks Debt for San Francisco Project

Goldman Sachs Asset Management and **Hines** are talking to lenders about a $1.24 billion debt package that would back the construction of a massive office, hotel and condominium tower adjacent to Salesforce Park in San Francisco.

Eastdil Secured is representing the partnership, which is looking for quotes on a floating-rate financing deal that would run six or seven years.

The joint venture has received approval to build a 1.1 million-sf trophy-level skyscraper in the Transbay district, which surrounds Salesforce Transit Center. Officially dubbed 77 Natoma, the tower also has been referred to as "Parcel F" and by the address 550 Howard Street, between First and Second Streets.

The 61-story tower would comprise 340,000 sf of office space, a 177-room upscale hotel run by **Rosewood Hotels and Resorts** and 158 residential condos. In keeping with similar mixed-use projects, the market-rate condos would occupy the top 28

See DEBT on Page 11

THE GRAPEVINE

Benefit Street Partners has hired **Conrad Wicker** as a managing director to expand originations on the West Coast. Wicker started Oct. 12 in Los Angeles, where he's opening an office for the New York-based unit of **Franklin Templeton.** Wicker, who reports to commercial real estate head **Michael Comparato,** previously was an executive director in the commercial MBS group at **UBS.** He worked at **CCRE** before joining the Swiss bank in 2016.

U.S. Bank hired senior vice president **Edward Kang** a few weeks ago to help build out its commercial real estate lending business in and around New Jersey. He reports to **Kim McKee,** regional manager overseeing lending activity in the Northeast region. Kang previously held the same title at **Wells Fargo,** where he worked for four years. Before that, he

See GRAPEVINE on Back Page

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

JV Eyes Loan on Chicago Offices

A joint venture that owns the office high-rise at 300 South Riverside Plaza in Chicago is in the market for a $225 million mortgage.

The collateral is the leasehold interest in the 1.1 million-sf building, which is along the Chicago River's South Branch in the city's West Loop neighborhood. The owner, a partnership between **Third Millennium** and investor **David Werner,** has tapped **Newmark** to advise on the financing.

The joint venture is taking quotes on a floating-rate debt package with a five-year term. Just over $200 million would be funded upfront, with the remainder reserved for tenant improvements and other costs.

The building is nearly fully occupied, with a weighted average remaining lease term close to seven years. The rent roll includes auto sales website **Cars.com** and **Zurich Insurance.**

Third Millennium, a Boca Raton, Fla., investment shop headed by **Joseph Mizrachi,** purchased the property with Werner in 2010 for $190 million. The seller was **Brookfield.** They lined up a $119.9 million mortgage from **UBS** that the bank securitized the following year.

In late 2017, the owners refinanced the property with a $175 million loan from South Korea-based investor **Shinhan Investment.** The outstanding balance of that fixed-rate deal, which was slated to run five years, would be retired with proceeds from the new loan.

The 23-story building was completed in 1983. It's across from Union Station, three blocks south of Ogilvie Transportation Center. The city's tallest skyscraper, Willis Tower, is nearby, on the east side of the Chicago River.

Not long after Third Millennium and Werner bought the property, insurer **AIG** vacated some 200,000 sf, which the joint venture later filled. The building's largest tenant — **JPMorgan Chase** — exited its 486,000 sf about five years ago after cutting short its lease.

The owners then began a renovation program that included a new lobby and plaza space as well as updates to building systems and common areas. They then re-leased all of the bank's space to a roster of new tenants. The partners put the building on the block in 2014, with expectations it could fetch up to $330 million. However, no sale came together.

The property is between West Jackson Boulevard, West Van Buren Street, South Canal Street and South Riverside Plaza. It has substantial outdoor space and a large fitness center.

The underlying ground is separately owned by a group of local investors. The leasehold agreement runs another 93 years. ❖

CMBS Demand Slips as Deals Pile Up

Spreads on commercial MBS offerings continued to widen this week and single-borrower deals were being offered at rare discounts as the massive wave of floating-rate paper began to overwhelm the market.

Even as market fatigue became more obvious, the new-issue train chugged on, with a large number of deals pricing or in the pipeline (see article on Page 1).

Bond-price discounts of as much as half a cent on the dollar were offered in the past two weeks, as a torrid pace of issuance that began after Labor Day continued. In recent weeks, marketing campaigns also lengthened, spreads widened and some deals were even restructured midstream.

"The supply technical is really impacting the market," one dealer said. "There are just so many [single-borrower deals] and [commercial real estate] CLOs that investors are getting fatigued. The SASB deals are not priced for discounts, so the street is getting hammered."

For example, all of the bonds of a $1.2 billion offering backed by a loan to **Blackstone** on a portfolio of 41 industrial properties were offered at a discounted price of 99.75 cents on the dollar. **Deutsche Bank, Bank of Montreal, JPMorgan Chase** and **Wells Fargo** priced the deal Oct. 18 (BX 2021-PAC).

The top tranche, rated triple-A by **Fitch** and **DBRS Morningstar,** priced at 74 bp over Libor, where it was offered, but the BBB(low) tranche widened 25 bp to price at 200 bp.

Every tranche of Deutsche and Wells' $450 million offering backed by a loan to **California State Teachers** and **Silverstein Properties** on 1177 Avenue of the Americas in Manhattan saw widening (AOA 2021-1177).

The deal priced Oct. 20 at a discounted price of 99.875. The top tranche, rated triple-A by Fitch and DBRS, widened 15 bp from whispers to price at 90 bp over Libor, while the BBB(low) tranche widened 20 bp to price at 225 bp.

Market players noted that spreads have been extremely tight all year — and remain relatively tight. Dealers also haven't hesitated to announce new deals, with more than a dozen single-borrower offerings and CRE CLOs being marketed or teed up.

For most of the year, investors have complained about paltry spreads, but the vast amount of capital pouring into the market staved off widening during periods of oversupply.

Now, that dynamic has started to shift modestly in the other direction. So far, dealflow hasn't been interrupted. Dealers have been offering discounts rather than reset the market at much wider spreads based on a supply imbalance that could prove temporary.

The strategy is somewhat unusual. Over the past year, 59 of 74 floating-rate single-borrower deals priced at par, while 15 were offered at a discount, according to **Commercial Mortgage Alert's** CMBS Database. Some of those instances were isolated, likely related to collateral concerns, but seven of those 15 discounted deals have happened since Oct. 8, with others headed in that direction.

One CMBS investor said he agreed that a subtle shift was taking place, but he noted that such discounts tend to be much higher for corporate bonds or corporate CLOs, and he downplayed any longer-term impact.

"As the supply continues, slowly but surely, the buyers have a little more leverage to command better terms, but in the grand scheme, the narrative continues to be a vibrant capital market

See DEMAND on Page 12

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

MF1®
All multifamily. All the time.

What does the "1" stand for?

#1
Private Multifamily Lender[1]

#1
CRE CLO Issuer[2]

#1
Largest Multifamily Securitization[3]
Largest CRE CLO[3]

1 July 2020–June 2021, excludes Fannie Mae, Freddie Mac, and FHA. Trepp, Bloomberg, Offering Memorandums
2 Twelve months ending 6/30/21 and since November 2019. Trepp, Bloomberg, Offering Memorandums
3 MF1 2021-FL7 ($2.25B). Commercial Mortgage Alert, Offering Memorandums

Berkshire
Limekiln Real Estate

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Loan Sought on New Rentals in NJ

A **PGIM Real Estate** joint venture is seeking a mortgage of about $135 million on a newly developed luxury apartment building in Northern New Jersey.

PGIM and partner **Roseland Residential** have hired **CBRE** to solicit quotes on a loan running three to five years. The collateral is Capstone at Port Imperial, a 360-unit property in West New York that was completed this year.

The building, at 17 Avenue at Port Imperial, is part of a sprawling master-planned development along the Hudson River across from Manhattan's Upper West Side. Roseland, a subsidiary of Jersey City, N.J.-based REIT **Mack-Cali Realty,** has noted in regulatory filings that it holds a 40% stake in Capstone at Port Imperial. PGIM presumably owns the rest.

Work on the 11-story building began near the end of 2017. The joint venture obtained some $112 million of construction financing from a lender group that included **PNC, Provident Bank** and **TD Bank.** The outstanding balance of that loan likely would be extinguished with proceeds from the new mortgage.

The building is a block from the Hudson River. The surrounding master-planned development, called Port Imperial, is a $2 billion project in West New York and neighboring Weehawken that ultimately will comprise a mix of apartment buildings, hotels and residential condominiums. A number of properties already have been completed or are under construction, with Roseland having a hand in many of those projects.

Rents for available units at Capstone at Port Imperial range from $2,250 for a studio to $7,620 for a four-bedroom apartment. Amenities include an indoor/outdoor lounge on the ninth floor with views of the Hudson River and Manhattan, a two-level pool and spa area, a large fitness center, an outdoor theater, a children's play area and a dog run.

When the building officially opened at the end of June, Roseland said some 220 units had been leased.

The property is along a stretch of the Hudson River known as New Jersey's "Gold Coast," which has seen a boom in residential and retail development over the past decade. It's a half-mile north of a ferry terminal with service to Midtown and Lower Manhattan. ❖

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

EXPERIENCE MATTERS

$4+ Billion Modern Ground Lease Portfolio

35 transactions since September 2020

Safehold

Lowest cost, longest term structure to unlock the value of passive land beneath your building.

safeholdinc.com/bettercapital

Acquisitions ▪ Recapitalizations ▪ Development

East Coast
Tim Doherty
Head of Investments
tdoherty@istar.com
212.930.9433

Southeast
Greg Camia
gcamia@istar.com
770.329.2035

Northwest
Tye Palonen
tpalonen@istar.com
310.954.1904

Southwest
Steve Wylder
swylder@istar.com
310.315.5566

Midwest
Adam Matos
amatos@istar.com
212.930.9439

Texas
Arie Toporovsky
atoporovsky@istar.com
212.930.9454

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Cannabis Lender Eyes Securitization

A lender that finances buildings used by legal cannabis businesses is considering tapping the commercial real estate CLO market as a funding strategy.

Pelorus Equity of Newport Beach, Calif., provides bridge loans to commercial real estate owners who lease their buildings to state-licensed cannabis businesses. Managing partner **Travis Goad** declined to put a timetable on when the company may issue its first securitization.

"As the regulatory and investor-appetite landscape shifts to this type of risk, we're trying to always access the capital markets in the most efficient way," he said.

Citing rapid growth and interest in its business model, the firm this week announced it raised the equity target for its Pelorus Fund, a private mortgage REIT, to $1 billion from $250 million. Last month, it completed a $42.3 million unsecured bond offering.

Since its inception in 2016, Pelorus has loaned about $225 million to businesses that purchase warehouses and renovate them for use as cannabis facilities. It also lends to developers that build greenhouses or indoor growing facilities.

In an effort to retain borrowers in the next phase of their business plans, the firm recently launched a stabilized-lending program, offering three- to five-year amortizing loans to take out initial transitional financing.

Borrowers have turned to other lenders for financing once their facilities were built, Goad said. "We ultimately decided we don't want these borrowers leaving our system. They're good borrowers, they're good properties."

It likely will be several years before the conditions are right for a CRE CLO comprising loans on cannabis facilities, given legal hurdles surrounding marijuana, said **Joseph Cioffi,** a lawyer with **Davis+Gilbert** who monitors the industry. For example, U.S. securities laws prohibit offerings related to products illegal at the federal level, which include cannabis.

In April, the **U.S. House of Representatives** for the fourth time passed the Secure and Fair Enforcement Banking Act, which would make lending in the space legal for federally chartered banks. The **Senate** has yet to act on it. The **CRE Finance Council** supports the measure.

Despite the legal uncertainties, some market players say institutions should start preparing to lend to the cannabis industry. "The day will come, and the market should have an eye toward it," Cioffi said.

CRE CLOs from first-time issuers typically weigh in at several hundred million dollars, and deal sizes have risen markedly in recent months. While offerings collateralized by loans on one property type were rare before this year, deals backed solely by multi-family properties have proliferated and tend to price at tight spreads. ❖

Subcribers can access our market monitor after logging in to GreenStreet.com by clicking "Download" under the image of any issue and selecting "XSLX."

Pros Bullish on In-Person Events

An event the **CRE Finance Council** is hosting in New York on Oct. 28 is being viewed as a test of market pros' appetite for in-person gatherings ahead of the trade-group's big annual conference in January.

About 220 people have registered so far for CREFC's "Fall CRE CLO Conference" at the New York Hilton Midtown. It was last held in person in October 2019, with about 400 in attendance.

The event also can be attended virtually, but CREFC is hoping it will pave the way for a robust gathering of industry pros at the "CREFC Miami" conference, scheduled for Jan. 9 to 12 at the Loews Miami Beach Hotel.

"I wanted to create something of a benchmark," said CREFC executive director **Lisa Pendergast,** who will moderate a panel discussion at the event. "We're going to get back to in-person conferences. It might not be for everyone at this point, but at some point it's going to happen."

Under New York's Covid-19 restrictions, attendees at the CRE CLO event will be required to provide proof of vaccination to enter the hotel. CREFC will impose the same requirement for its annual Miami conference, which before the pandemic drew nearly 2,000 people annually.

The annual conference was held virtually in January, before the widespread rollout of the coronavirus vaccine. In recent weeks, other trade groups have attempted in-person events, including the **Mortgage Bankers Association,** which gathered this week in San Diego, and the **Structured Finance Association**, which held its annual conference in Las Vegas early this month. Attendance at the SFA event was light at 2,200, versus as many as 8,000 before the pandemic.

One CMBS investor who plans to attend the CRE CLO conference next week was impressed by the registration count.

"Getting half of the number that came to the last in-person event is pretty good, considering we're still in the middle of a global pandemic," she said.

Another investor who is passing on next week's event but plans to be in Miami noted intense pent-up demand for in-person meetings after a nearly two-year drought.

"Look, next week will be small, but in-person conferences are happening again," he said. "Midtown restaurants are jammed. People are booking lunches. This is how people are getting back to normal."

He said the Miami conference has the potential to draw big numbers given the rising vaccination rate and the fact that many events can be held outdoors. He and others noted that in the past, investor meetings often were held poolside in cabanas.

"Next year is supposed to be a new year, and everyone needs to start making the change," he said. "We're vaccinated, and we should be taking the mental stance that it's safe."

Added a lender: "I work in Chicago. It's January, and the conference is in Miami. I wish they'd make it two weeks." ❖

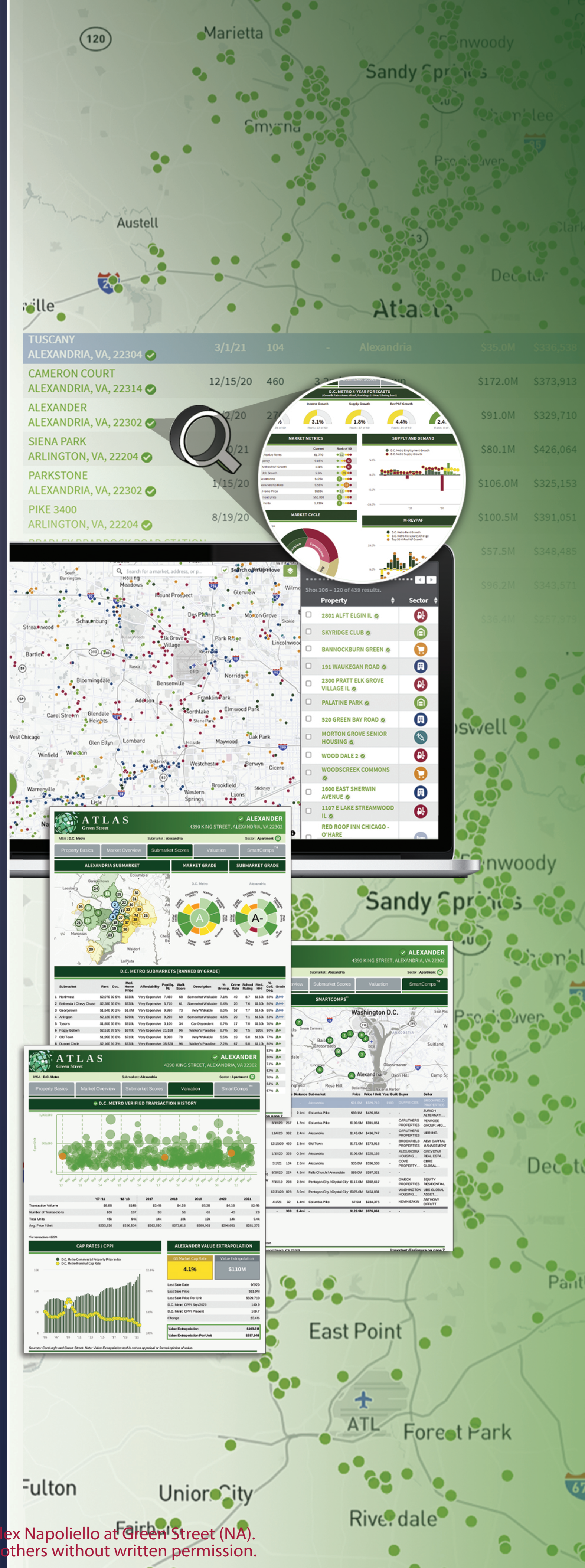
This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Green Street

Are you confident in your sales comps data?

We are.

Our unparalleled high standards for the data we put into our platform ensures confidence in the level of insights you get out of it. Explore our enhanced Sales Comps solution!



This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Loan Sought to Buy SF-Area Rentals

Bell Partners is asking for quotes on a loan of around $80 million to finance its purchase of an apartment property north of San Francisco.

The Greensboro, N.C., multi-family investment shop has struck a deal to purchase the Tam Ridge apartment complex in Corte Madera, Calif., 10 miles outside the city. The sale price is described as close to $160 million, which would peg the leverage on Bell's loan request in the neighborhood of 50%.

Bell has tapped **Eastdil Secured** to line up the financing, preferably a fixed-rate loan running seven to 10 years.

The seller is San Francisco shop **MacFarlane Partners,** which developed the 180-unit complex beginning around 2014 and completed it in 2017. The property is in Marin County, an affluent region north of the city known for its scenic vistas and access to San Francisco via the Golden Gate Bridge and ferry service.

Tam Ridge consists of six low-rise buildings constructed on what once was the site of a Styrofoam cup manufacturing facility. It's at 199 Tamal Vista, just off U.S. Route 101, a short distance from the Town Center Corte Madera shopping center.

Rents for available units run from $3,497 for a one-bedroom apartment to $7,485 for three bedrooms. The property's features include a landscaped park with a heated pool and spa, a fitness center, a terrace with indoor and outdoor fireplaces and a grilling area. ❖

Benefit Street Lends on DC Rentals

The buyer of a luxury apartment complex in Washington's Embassy District has lined up $88.5 million of floating-rate debt from **Benefit Street Partners** to finance the purchase.

The borrower is **Apartment Income REIT,** also known as AIR Communities, which spun off from **Aimco** at the end of last year. AIR buys and manages apartment properties, while Aimco is a developer. Both companies are based in Denver.

Bellwether Enterprise Real Estate Capital brokered the financing, which was fully funded in conjunction with AIR's acquisition of the 389-unit Vaughan Place complex about two weeks ago. Further details about the deal could not be learned.

The bridge loan from New York-based Benefit Street has an initial term of three years and two one-year extension options. The projected loan-to-value ratio is just under 48%, reflecting expectations that the underlying property will be worth about $185 million when it's fully stabilized in two or three years.

The apartments are 97% occupied and account for about 90% of the property's income. The complex also has 40,000 sf of office space and 12,000 sf of ground-level retail space.

The studio to two-bedroom units have granite counters, washer/dryers, ceramic tile in the bathrooms, and hardwood floors in the dining rooms, living rooms and hallways. Amenities include gated entrances, a concierge, a ballroom, a fitness center and an Olympic-size outdoor pool. There are 405 parking spaces.

Built in 1988, the property comprises several multi-story buildings at 3401 38th Street NW, 2 miles northeast of the Potomac River and 3 miles northwest of the White House. ❖

Planning Your Travel Schedule? Check out the most comprehensive listing of upcoming conferences in real estate finance and securitzation around the world. Go to GreenStreet.com and click on "Events & Conference Calendar" under Insights.

CMBS Trader Launching Hedge Fund

Veteran commercial MBS trader **Dan McNamara** is starting his own hedge fund.

McNamara, previously a CMBS portfolio manager at **MP Securitized Credit Partners,** has opened **Polpo Capital Management** in New York and plans to begin trading Nov. 1 with $100 million of equity. The fund, called Polpo Capital, will invest in the new-issue and secondary markets, while taking short positions via **IHS Markit's** CMBX index — one of McNamara's signature trades at MP Securitized Credit.

At Polpo, McNamara will be joined next month by four unidentified staffers. Meanwhile, he is seeking to raise additional capital, telling prospective investors that while fundamentals remain strong in the new-issue market, he anticipates certain legacy deals will come under pressure as pandemic-related loan forbearances expire.

McNamara was a principal at MP Securitized Credit, a New York firm where he spent more than nine years before leaving several months ago. Among his most profitable trades in recent years was a short position on the CMBX.6, which references a basket of 2012-vintage conduit deals with heavy exposure to mall loans.

It's unclear if MP Securitized Credit maintains that position in the wake of McNamara's exit. One of his analysts on the mall trade, **Catie McKee,** left the firm late last year to join hedge fund shop **King Street Capital Management.**

In any case, McNamara is telling potential investors he remains bearish on the sector and believes that even after the pandemic, many malls won't be able to recover in the face of increasing competition from e-commerce.

McNamara also has experience investing in the controlling classes of CMBS deals, or B-pieces, which give him more say in servicing decisions and loan resolutions. He's been telling investors, meanwhile, that heavy dealflow in the new-issue market combined with investor jitters over inflation could cause spreads to widen in the months ahead — and that he's prepared to take advantage of any dislocation in the market.

Earlier in his career, McNamara was a CMBS trader at **Societe Generale, Braver Stern** and **UBS.** ❖

Correction

An Oct. 15 article, "777 Hires Lippman to Lead New Unit," contained unclear information. The New York office **Stuart Lippman** is setting up for **777 Asset Management** will house hires for the new commercial real estate structured product group as well as staffers already with the firm. ❖

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

PIPELINE

CMBS Deals in the Works

OCTOBER	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Blackstone partnership (Medline indust./office port.) (MED 2021-MDLN)	GS, Bar., BofA, JPM, M. Stan.	Single borrower	Floating	$2,230
GIC and EQT Exeter (industrial portfolio) (ELP 2021-ELP)	Citi, JPM, Deut., M. Stan.	Single borrower	Floating	1,770
Blackstone (multi-family portfolio) (BX 2021-21M)	Barclays, M. Stan., Natixis	Single borrower	Floating	1,300
Blackstone (multi-family portfolio) (BX 2021-BXMF)	BofA, SocGen, Wells Fargo	Single borrower	Floating	1,075
Citi, Deutsche, Goldman, JPMorgan (BMARK 2021-B30)	Citi, Deutsche, Goldmn., JPM	Conduit	Fixed	1,000
Equus Capital Partners (industrial portfolio) (EQUS 2021-EQAZ)	Deutsche, M. Stan., JPM	Single borrower	Floating	806
DivcoWest partnership (Cambridge Cross. office/lab) (CAMB 2021-CX2)	Deutsche, BofA, JPMorgan	Single borrower	Fixed	696
Starwood Property Trust (multi-family portfolio) (SREIT 2021-LIH)	Barclays, Goldman Sachs	Single borrower	Floating	380
Prime Group Holdings (self-storage portfolio) (CGCMT 2021-PRM2)	Citigroup	Single borrower	Floating	340

NOVEMBER	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
BofA, Morgan Stanley, Wells, NCB (BANK 2021-BNK37)	BofA, Morgan Stanley, Wells	Conduit	Fixed	$1,200
Citi, Deutsche, Goldman, JPMorgan (BMARK 2021-B31)	Citi, Deutsche, Goldmn., JPM	Conduit	Fixed	1,000
Barclays, BMO, KeyBank, SocGen, Starwood Mort. (BBCMS 2021-C12)	Barclays, BMO, Key, SocGen	Conduit	Fixed	1,000
Goldman, Argentic Invest. Mgmt., Starwood Mort. (GSMS 2021-GSA3)	Goldman Sachs	Conduit	Fixed	1,000
3650 REIT, Citi, Deutsche (3650 2021-PF1)	Citigroup, Deutsche Bank	Conduit	Fixed	925
Wells, Credit Suisse, UBS, LMF, Ladder Cap., others (WFCM 2021-C61)	Wells, Credit Suisse, UBS	Conduit	Fixed	900

DECEMBER	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
BofA, Morgan Stanley, Wells, NCB (BANK 2021-BNK38)	BofA, Morgan Stanley, Wells	Conduit	Fixed	$1,000

TOTAL **$16,622**

CRE CLOs in the Works

OCTOBER	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
LoanCore Capital (LNCR 2021-CRE6)	Wells Fargo	Managed	Floating	$1,200
Starwood Property Trust (STWD 2021-FL3)	Wells Fargo	Managed	Floating	1,000
Granite Point Mortgage Trust (GPMT 2021-FL4)	Citigroup	Managed	Floating	800
Fortress Investment Management (FORT CRE 2021-1)	Goldman Sachs	Managed	Floating	750

NOVEMBER	Lead Managers	Deal Type	Rate Type	Amount ($Mil.)
Arbor Realty Trust (ARCLO 2021-FL4)	JPMorgan Chase	Managed	Floating	$1,000
Ladder Capital (LCCM 2021-FL3)	Wells Fargo	Managed	Floating	900
Acres Commercial Realty (ACRES 2021-FL2)	JPMorgan Chase	Managed	Floating	750
Ready Capital (RCMF 2021-FL7)	JPMorgan Chase	Managed	Floating	600

TOTAL **$7,000**

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Wells Signs Loan on Industrial Project

Wells Fargo has originated roughly $40 million of construction financing for the development of an industrial property in West Virginia.

The floating-rate loan has an initial term of three years and two one-year extension options. The bank closed on the debt package about two weeks ago for the developer, a joint venture between **MetLife Investment Management** and Houston-based **Hines.**

The borrower lined up the financing in conjunction with its acquisition of the development site, in Martinsburg, for around $5 million. The seller was a local family.

The MetLife team plans to develop 730,000 sf of warehouse space in two equal-sized buildings on a parcel off State Route 11, not far from Interstate 81 and just south of Eastern West Virginia Regional Airport. The property is known as the Tabler Station Logistics Park.

MetLife and Hines apparently are moving ahead with the project without lining up tenants beforehand — another indication of the strength of the asset class. Speculative construction deals are generally more difficult for lenders to approve, given the uncertainty about cashflows and the ability of the borrower to service the debt. Still, more than a year-and-a-half into the pandemic, commercial-property lenders remain hyper-competitive on industrial deals to a degree that makes "spec" financing deals viable.

Tabler Station Logistics Park is on about 70 acres in an area with a number of large manufacturing facilities. **Procter & Gamble,** for example, operates a 2.5 million-sf facility that opened three years ago and was projected to become the company's largest plant. **Colliers,** which is handling leasing for the MetLife venture, is highlighting several other similar operations nearby.

MetLife and Hines are building the two warehouses as part of a larger development that will include another warehouse with 800,000 sf. Construction on the third building could begin as early as next year. ❖

Spigot ... From Page 1

$7 billion, by the end of November.

"The market is on fire, to say the least," said one CRE CLO issuer. "I don't think the train is going to stop anytime soon. There is just so much [lending] activity … and so much momentum that has built up."

The enormous supply of fresh paper has caused new-issue prices to come down this month (see article on Page 2). Heavy supply is outstripping demand, and investors are having difficulty analyzing so many offerings at once. Bond buyers are "drinking from the fire hose and trying to distinguish one deal from the next," one buy-sider said.

Some industry pros have speculated that lending and issuance may become constrained if the trend continues.

Securitizations of short-term, floating-rate debt have become routine in the current cycle. As the near-term outlook for commercial real estate and the U.S. economy remains murky amid the lingering pandemic, many borrowers are avoiding long-term conduit loans that carry strict prepayment penalties. The strong bid for floaters has caused coupons to rise lately, but borrowers haven't been discouraged significantly by the higher prices, loan brokers said.

"We're expecting what we're seeing right now to continue through the end of the year and into the beginning of next year," said **Moody's** managing director **Keith Banhazl.** Many borrowers "want floating-rate, shorter-duration [loans] that give them more flexibility. That bodes well for [single-borrower CMBS deals] and CRE CLOs."

The looming yearend deadline to stop using Libor as a pricing benchmark for floating-rate loans and bonds remains a wild card, as most private-label securitization lenders have yet to close loans pegged to an alternative, such as the Secured Overnight Financing Rate. Some market players, however, don't think the move away from Libor will deter financing activity as long as deals continue to make sense for borrowers.

In fact, using Libor for too long may end up hurting a securitization's chances in the market if it's perceived to run the risk of encountering regulatory hurdles. "I imagine that any issuer that brings a [Libor-based] offering after Thanksgiving is going to get a lot of pushback from the investor community and will have to make concessions," a CMBS investor said.

Only one of the single-borrower deals in the identifiable CMBS pipeline will be collateralized by fixed-rate debt. That $696 million offering will be backed by part of a $1.23 billion loan to a **DivcoWest** partnership that **Deutsche Bank, Bank of America, JPMorgan Chase** and **3650 REIT** wrote on the new Cambridge Crossing office/laboratory complex in Cambridge (CAMB 2021-CX2). The rest of that 10-year mortgage likely will be funneled into one or more upcoming conduit issues.

The collateral for the largest CMBS offering on deck is a $2.23 billion floater backed by industrial and office properties that a **Blackstone** partnership expects to acquire via its pending purchase of a majority stake in **Medline Industries,** a manufacturer of medical supplies (MED 2021-MDLN). The lenders are **Goldman Sachs, Barclays,** BofA, JPMorgan and **Morgan Stanley** (see article on Page 1). ❖

Identify the Leaders In Your Business

- Top CMBS Underwriters
- Top Loan Contributors to CMBS Deals
- Top REIT-Bond Underwriters
- Top Law Firms in CMBS
- Top Mortgage Servicers
- And many more industry rankings

View them all for FREE at GreenStreet.com

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

DBRS Seeks to Expand CMBS Team

Amid robust deal volume in the commercial MBS market, **DBRS Morningstar** is looking to hire five staffers in New York or Chicago.

The senior-most opening is for a vice president in the CMBS surveillance unit led by senior vice president **David Putro.** Candidates should have seven years of experience in commercial real estate finance.

The rating agency also is looking to hire two senior analysts and two analysts to assist in grading new deals. Candidates for those positions should have one to three years of experience.

More information on the openings and application process can be found at dbrsmorningstar.com/careers.

DBRS has been among the most active rating agencies in the white-hot single-borrower market, ranking second in deal volume during the first six months of the year, according to **Commercial Mortgage Alert's** CMBS Database.

Across the CMBS market, hiring managers and others have been complaining about the difficulty of filling junior positions for a variety of roles, from originators to law associates. ❖

Invesco Inks Self-Storage Loan in NJ

RXR Realty financed its purchase of three new self-storage properties in Northern New Jersey with a $75 million loan from **Invesco Real Estate.**

The Uniondale, N.Y., investment firm paid an undisclosed amount to buy the recently completed properties, totaling 3,607 units. The identity of the seller could not be learned.

The floating-rate loan from Dallas-based Invesco closed on Oct. 19. The interest-only debt has an initial term of three years plus extension options.

The collateral properties include two operating under the **CubeSmart** banner in Hillside and Clifton. The other is a **Public Storage** facility in Rochelle Park.

Founded in 2007, RXR holds about $21 billion of assets. The firm is led by veteran investor **Scott Rechler.** ❖

Debt ... From Page 1

floors to maximize their appeal and value. The office space and the hotel would be on the lower floors. The entire building is geared to achieve a LEED gold designation.

Architecture firm **Pelli Clarke Pelli** designed the tower. That firm also was behind Salesforce Transit Center, which stretches the better part of four blocks — more than a quarter-mile — running nearly the entire distance from Second Street to Beale Street. Completed in 2018, it contains San Francisco's primary bus terminal and space for a planned underground rail hub. The roof of the four-level structure is a roughly 5.5-acre public park with an amphitheater.

The 77 Natoma tower would be linked to the park via an elevated pedestrian bridge, making it one of just three directly connected buildings. The others are the 56-story office-and-condo building at 181 Fremont Street and Salesforce Tower, the office building at 415 Mission Street that became the city's tallest structure upon completion three years ago.

Salesforce Tower, at 1,070 feet, is one of the tallest buildings on the West Coast. The 77 Natoma tower would rise 800 feet, making it the fourth-tallest skyscraper in San Francisco's skyline. Houston-based Hines also was a developer and owner of Salesforce Tower. **Boston Properties** bought the 5% of that building it didn't already own from Hines in 2019 in a deal that valued it at $4.2 billion.

Construction of 77 Natoma is slated to start early next year, with completion expected around the end of 2026. The pitch is that the property would become one of the city's premier office assets given its location next to the transit center. ❖

Medline ... From Page 1

one-year extension options. It will be collateralized by 49 of Medline's distribution, manufacturing and office properties, totaling 26.7 million sf, in 30 states. Medline will continue to occupy the properties under a 15-year, triple-net lease with two five-year extension options. The rent will start at $141.3 million per year and increase by 2% annually.

The loan leverage is 74.7%, which pegs the value of the underlying properties at $2.99 billion. That's based on an Oct. 1 appraisal by **Colliers,** taking into account a 5.3% price premium the properties would likely command if offered for sale as a portfolio.

Medline owns or leases about 40 million sf of commercial properties, including roughly 34 million sf in the U.S. The collateral for the CMBS loan includes 31 distribution facilities totaling 23 million sf, with an underwritten net operating income of $108 million per year. The rest of the pool comprises 13 manufacturing sites (2.5 million sf with an NOI of $10.9 million) and five office properties (1.2 million sf, $13.1 million).

If ranked by net operating income, the properties are most heavily concentrated in Illinois ($19 million), Georgia ($11.7 million) and California ($11.1 million).

Based on its 2020 revenue of $17.5 billion, Medline is the largest privately held manufacturer and distributor of healthcare supplies in the U.S. After forming the company in 1966, the Mills brothers floated an initial public offering in 1972, then took it private again by repurchasing the shares five years later. James died in 2019. His son, **Charles Mills,** has been Medline's CEO since 1997. ❖

Search the Archives

You can instantly find out about any borrower, issuer, investor or anything else ever mentioned in Commercial Mortgage Alert by searching the newsletter's archives at:

GreenStreet.com

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

Demand ... From Page 2

that is wide open and supported by strong fundamentals," he said. "There is still a strong appetite for bonds."

However, one CRE CLO issuer said it's definitely been harder to wrap up deals in recent weeks, with three widening and two making structural changes during the marketing campaign. CRE CLO bonds are still selling at par.

"There are still a bunch of deals coming between now and Thanksgiving, so the market will just have to widen out unless more investors come in, which also could happen," he said. "The whole system is kind of gummed up with so much volume going through it. That could mean we have a wild yearend."

FS Credit REIT, a partnership between **Rialto Capital** and **FS Investments,** this week widened spreads on its managed deal, reduced the length of its reinvestment period from 30 months to 24 months and shrank the allowable amount of retail loans in its portfolio to 10% from 20%.

The $1.13 billion transaction, which priced yesterday, was structured by **Barclays**, with bookrunning assists from **Goldman Sachs** and Wells (FSRIA 2021-FL3).

The top tranche widened 10 bp to price at 125 bp over one-month Libor. Other tranches were out 5 bp, while the BBB(low) tranche priced at 285 bp, where it was offered.

Waiting in the wings are a $1.2 billion offering from **LoanCore Capital** (LNCR 2021-CRE6) and an $800 million offering from **Granite Point Mortgage Trust** (GPMT 2021-FL4). ❖

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

BX Mortgage Trust, 2021-PAC

Pricing date:	Oct. 18
Closing date:	Nov. 2
Amount:	$1,200.0 million
Seller/borrowers:	Blackstone, LBA Logistics
Lead managers:	Deutsche Bank, BMO Capital, JPMorgan Chase, Wells Fargo
Master servicer:	Wells Fargo
Special servicer:	SitusAMC
Operating advisor:	Park Bridge Financial
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property type: Industrial (100%).
Concentrations: California (92.1%), Washington (5.1%) and Colorado (2.7%).
Loan contributors: Deutsche Bank (40%), Bank of Montreal (20%), JPMorgan Chase (20%) and Wells Fargo (20%).
Risk-retention sponsor: Deutsche Bank.
Notes: Deutsche Bank, Bank of Montreal, JPMorgan Chase and Wells Fargo securitized a $1.2 billion floating-rate, interest-only mortgage they originated for Blackstone (99% ownership) and LBA Logistics (1%) to refinance 41 industrial properties totaling 9 million sf in California, Washington and Colorado. The portfolio, appraised at $2.09 billion, is 94.9% leased to 240 tenants and spread across six markets. There are 36 properties in the Los Angeles, San Francisco, Inland Empire and Orange County markets; three in the Seattle area; and two in Denver. Blackstone, operating via its Blackstone Property Partners fund, acquired its ownership interest from LBA in 2016. LBA continues to serve as the property manager. The mortgage, which closed Oct. 7, has a two-year initial term and three one-year extension options. The coupon is pegged to one-month Libor plus 145 bp. Blackstone used roughly $676.4 million of the proceeds to retire existing balance sheet debt. After factoring in closing costs, Blackstone had $495.4 million left over. In compliance with U.S. risk-retention rules, a Singapore investment firm advised by Prima Capital is acquiring Class HRR at a price that equals at least 5% of the total deal proceeds. The certificate spreads are based on the maximum extension.
Deal: BX 2021-PAC. **CMA code:** 20210305.

Class	Amount ($Mil.)	Rating (Fitch)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp-Ext)	Note Type
A	530.700	AAA	AAA	55.78	L+68.9	99.7497	10/15/36	1.95/4.95	L+74	Floating
B	59.500	AA-	AA (H)	50.82	L+89.9	99.7496	10/15/36	1.95/4.95	L+95	Floating
C	56.400	A-	AA	46.12	L+109.9	99.7499	10/15/36	1.95/4.95	L+115	Floating
D	76.300	BBB-	A (H)	39.76	L+129.8	99.7497	10/15/36	1.95/4.95	L+135	Floating
E	206.375	NR	BBB (L)	22.56	L+194.8	99.7499	10/15/36	1.95/4.95	L+200	Floating
F	99.086	NR	BB (L)	14.30	L+239.7	99.7499	10/15/36	1.95/4.95	L+245	Floating
G	109.145	NR	B (L)	5.21	L+294.6	99.7496	10/15/36	1.95/4.95	L+300	Floating
HRR	62.494	NR	NR	0.00			10/15/36	1.95/4.95		Floating
X-CP(IO)	134.540*	BBB-	AA (L)				10/15/36			Floating
X-EXT(IO)	192.200*	BBB-	AA (L)				10/15/36			Floating

*Notional amount

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

J.P. Morgan Chase Commercial Mortgage Securities Trust, 2021-NYAH

Pricing date:	Oct. 21
Closing date:	Nov. 2
Amount:	$506.3 million
Seller/borrower:	A&E Real Estate
Lead manager:	JPMorgan Chase
Co-managers:	Academy Securities, Drexel Hamilton
Master servicer:	KeyBank
Special servicer:	KeyBank
Operating advisor:	Pentalpha
Trustee:	Wells Fargo
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property type: Multi-family (100%).
Concentration: New York (100%).
Loan contributor: JPMorgan Chase (100%).
Risk-retention sponsor: JPMorgan Chase.
Notes: JPMorgan Chase securitized a $506.3 million floating-rate mortgage it originated for A&E Real Estate Holdings on 31 multi-family properties in New York City. The mortgage and a $93.7 million mezzanine loan make up a $600 million interest-only debt package that refinanced the portfolio. The properties comprise 53 apartment buildings with 3,531 residential units (primarily affordable housing) and 23 commercial units in the boroughs of Manhattan, Brooklyn, Queens and the Bronx. The largest property in the pool is the 12-building, 1,229-unit Riverton Square complex, which accounts for 30.5% of the loan amount. Recent appraisals value the properties at $716.9 million, or $775 million including a portfolio premium. The debt package, which closed June 8, has a three-year initial term and two one-year extension options. The coupons for the mortgage and mezzanine loan are pegged to one-month Libor plus 231 bp and 734 bp. JPMorgan is expected to securitize the mezzanine loan in a stand-alone transaction (JPMCC 2021-NYAH MZ). A&E used $545.6 million of the proceeds to retire existing debt. After factoring in closing costs and reserves, A&E had about $15.2 million left over. In compliance with U.S. risk-retention rules, Pimco is acquiring Class KRR at a price that equals at least 5% of the total deal proceeds. Based on an evaluation by Sustainalytics, this transaction satisfies the criteria of the International Capital Market Association's Social Bond Principles of 2021. The certificate spreads are based on the maximum extension.
Deal: JPMCC 2021-NYAH. **CMA code:** 20210310.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp-Ext)	Note Type
A	175.800	Aaa	AAA	65.28	L+76	99.750	6/15/38	2.62/4.62	L+92	Floating
B	30.700	Aa3	AAA	59.21	L+109	99.750	6/15/38	2.62/4.62	L+125	Floating
C	28.500	A3	AA (H)	53.58	L+129	99.750	6/15/38	2.62/4.62	L+145	Floating
D	34.000	Baa3	AA (L)	46.87	L+154	99.750	6/15/38	2.62/4.62	L+170	Floating
E	51.100	NR	A (L)	36.78	L+184	99.750	6/15/38	2.62/4.62	L+200	Floating
F	40.800	NR	BBB (L)	28.72	L+219	99.750	6/15/38	2.62/4.62	L+235	Floating
G	41.800	NR	BB (L)	20.46	L+264	99.750	6/15/38	2.62/4.62	L+280	Floating
H	47.100	NR	B (L)	11.16	L+339	99.750	6/15/38	2.62/4.62	L+355	Floating
J	31.060	NR	NR	5.02	L+450	100.000	6/15/38	2.62/4.62	L+460	Floating
KRR	25.440	NR	NR	0.00	L+650	100.000	6/15/38	2.62/4.62	L+660	Floating
X-CP(IO)	208.475*	A2	AA				12/15/23			Floating
X-EXT(IO)	269.000*	NR	AA				6/15/38			Floating

*Notional amount

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

AOA Mortgage Trust, 2021-1177

Pricing date:	Oct. 20
Closing date:	Nov. 4
Amount:	$450.0 million
Seller/borrowers:	California State Teachers, Silverstein Properties
Lead managers:	Deutsche Bank, Wells Fargo
Master servicer:	Wells Fargo
Special servicer:	LNR Partners
Operating advisor:	Park Bridge Financial
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property type: Office (100%).
Concentration: New York (100%).
Loan contributors: Deutsche Bank (60%) and Wells Fargo (40%).
Risk-retention sponsor: Deutsche Bank.
Notes: Deutsche Bank and Wells Fargo securitized a $450 million floating-rate, interest-only mortgage they originated on Oct. 8 for a joint venture between California State Teachers and Silverstein Properties on 1177 Avenue of the Americas in Manhattan. The 1.04 million-sf office tower, appraised at $860 million, is 87% leased to 23 tenants and serves as the headquarters for law firm Kramer Levin. CalSTRS holds a 97% ownership interest in the property after it bought out a 48.5% stake in June from prior co-owner, UBS Trumbull Property Fund. Silverstein retained its 3% stake and continues to manage the property. The mortgage, pegged to one-month Libor plus 125 bp, has a two-year initial term and three one-year extension options. CalSTRS and Silverstein used roughly $360.9 million of the proceeds to retire an existing CMBS loan (AOA 2015-1177). After factoring in closing costs, the joint venture had $70.9 million left over. In compliance with U.S. risk-retention rules, New York State Teachers, advised by Prima Capital, is acquiring Class HRR at a price that equals at least 5% of the total deal proceeds. The certificate spreads are based on the maximum extension.
Deal: AOA 2021-1177. **CMA code:** 20210307.

Class	Amount ($Mil.)	Rating (Fitch)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp-Ext)	Note Type
A	261.500	AAA	AAA	41.89	L+87.4	99.8748	10/15/38	1.95/4.95	L+90	Floating
B	37.900	AA-	AA	33.47	L+117.4	99.8747	10/15/38	1.95/4.95	L+120	Floating
C	29.300	A-	A (H)	26.96	L+142.4	99.8746	10/15/38	1.95/4.95	L+145	Floating
D	46.400	BBB-	A (L)	16.64	L+182.4	99.8749	10/15/38	1.95/4.95	L+185	Floating
E	52.400	NR	BBB (L)	5.00	L+222.4	99.8747	10/15/38	1.95/4.95	L+225	Floating
HRR	22.500	NR	BB (H)	0.00			10/15/38	1.95/4.95		Floating
X-CP(IO)	113.600*	A-	A				10/15/38			Floating
X-EXT(IO)	113.600*	A-	A				10/15/38			Floating

*Notional amount

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

LUXE Trust, 2021-MLBH

Pricing date:	Oct. 19
Closing date:	Nov. 4
Amount:	$340.0 million
Seller/borrower:	Dajia Insurance
Lead manager:	Bank of America
Master servicer:	KeyBank
Special servicer:	CWCapital Asset Management
Operating advisor:	Park Bridge Financial
Trustee:	Wells Fargo
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property type: Hotel (100%).
Concentration: California (100%).
Loan contributor: Bank of America (100%).
Risk-retention sponsor: Bank of America.
Notes: Bank of America securitized a $340 million floating-rate mortgage that it is originating for Dajia Insurance to refinance the 258-room Montage Laguna Beach oceanfront resort in Laguna Beach, Calif. The interest-only loan, scheduled to close by Nov. 4, will have a three-year term and two one-year extension options. The coupon is expected to be 235 bp over one-month Libor. The resort, with an appraised value of $521 million, is part of the Strategic Hotels & Resorts platform that Dajia – a successor to China's Anbang Insurance – acquired from Blackstone in 2016. Dajia is using roughly $266.5 million of the loan proceeds to pay off existing debt. After factoring in closing costs and reserves, Dajia will have about $67.8 million left over. In compliance with U.S. risk-retention rules, Blackstone is acquiring Class HRR at a price that equals at least 5% of the total deal proceeds.
Deal: LUXE 2021-MLBH. **CMA code:** 20210308.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp)	Note Type
A	114.400	Aaa	AAA	66.35	L+98	100.000	11/15/38	3.03/5.03	L+98	Floating
B	26.300	Aa3	AA	58.62	L+135	100.000	11/15/38	3.03/5.03	L+135	Floating
C	19.600	A3	A (H)	52.85	L+170	100.000	11/15/38	3.03/5.03	L+170	Floating
D	31.200	NR	A (L)	43.68	L+205	100.000	11/15/38	3.03/5.03	L+205	Floating
E	35.200	NR	BBB (L)	33.32	L+235	100.000	11/15/38	3.03/5.03	L+235	Floating
F	45.500	NR	BB (L)	19.94	L+300	100.000	11/15/38	3.03/5.03	L+300	Floating
G	45.500	NR	B (L)	6.56	L+375	100.000	11/15/38	3.03/5.03	L+375	Floating
J	5.300	NR	NR	5.00			11/15/38	3.03/5.03		Floating
HRR	17.000	NR	NR	0.00			11/15/38	3.03/5.03		Floating

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

FS Rialto Ltd., 2021-FL3

Pricing date:	Oct. 21
Closing date:	Nov. 4
Amount:	$1,134.0 million
Seller/borrower:	FS Credit REIT
Lead managers:	Barclays, Wells Fargo, Goldman Sachs
Co-manager:	Deutsche Bank
Master servicer:	Wells Fargo
Special servicer:	Rialto Capital
Collateral manager:	FS Credit REIT
Trustee:	Wilmington Trust
Note admin.:	Wells Fargo
Offering type:	Rule 144A

Property types: Multi-family (83.6%), mixed-use (6.6%), self-storage (5.3%), industrial (4.3%) and land (0.2%).
Concentrations: Florida (27.4%) and Texas (21.6%).
Loan originator: FS Credit REIT (100%).
Largest loans: Two crossed loans, totaling $85 million, to River Rock Capital on the 330-unit Broadstone Oak Hills apartment complex ($46.5 mil.) and the 276-unit Hawthorne House apartment complex ($38.5 mil.), both in San Antonio; a $75 million portion of a $250 million loan to Dacra, L Catterton Real Estate and Brookfield on seven retail and mixed-use buildings, encompassing 286,000 sf, near Paradise Plaza in the Miami Design District; a $66 million portion of a $68.1 million loan to Doreen Mermelstein and Chaim Freeman on the 426-unit Norterra Canyon Apartments in North Las Vegas; and a $62.5 million loan to Nied Capital on the 315-unit Tiffany at Maitland West apartment complex in Maitland, Fla.
Notes: FS Credit REIT, a non-listed public REIT managed by Rialto Capital and FS Investments, floated a managed commercial real estate CLO. The initial collateral pool comprises eight whole loans and 18 loan participations secured by 68 properties in 12 states. On a weighted average basis, the initial pool has a spread of 314 bp over one-month Libor, a seasoning of two months and a remaining term of 37 months (58 months including extension options). Outside the collateral pool, the loan participations have $197.3 million of companion interests and $95.1 million of future-funding commitments. For 24 months after the deal closes, FS Credit REIT can reinvest repaid loan principal in new loans, companion participations and future-funding components, subject to pre-scribed conditions. To comply with U.S., E.U. and U.K. risk-retention rules, FS Credit REIT is retaining the Preferred Shares at a price that equals at least 5% of the total deal proceeds. It is also retaining Classes F and G.
Deal: FSRIA 2021-FL3.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp)	Note Type
A	657.736	Aaa	AAA	42.00	L+125	100.000	11/16/36	2.74/4.71	L+125	Floating
A-S	42.526	NR	AAA	38.25	L+155	100.000	11/16/36	2.87/4.78	L+155	Floating
B	55.283	NR	AA (L)	33.38	L+180	100.000	11/16/36	2.87/4.78	L+180	Floating
C	69.459	NR	A (L)	27.25	L+205	100.000	11/16/36	3.17/4.78	L+205	Floating
D	80.799	NR	BBB	20.13	L+250	100.000	11/16/36	3.75/4.82	L+250	Floating
E	22.680	NR	BBB (L)	18.13	L+285	100.000	11/16/36	3.78/4.87	L+285	Floating
F	66.624	NR	BB (L)	12.25			11/16/36	3.95/4.87		Floating
G	39.690	NR	B (L)	8.75			11/16/36	4.70/4.87		Floating
Pref.	99.231	NR	NR	0.00			11/16/36			Floating

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

INITIAL PRICINGS

CoreVest American Finance Trust, 2021-3

Pricing date:	Oct. 21
Closing date:	Oct. 28
Amount:	$303.7 million
Seller/borrower:	CoreVest American Finance
Lead managers:	Wells Fargo, Morgan Stanley
Master servicer:	Berkadia
Special servicer:	SitusAMC
Trustee:	Wilmington Trust
Certificate admin.:	Wells Fargo
Offering type:	Rule 144A

Property types: Single-family (71.9%) and multi-family (28.1%).
Concentrations: Connecticut (15.8%), Texas (13.1%), Indiana (12.3%) and Illinois (11.2%).
Notes: CoreVest American Finance, a subsidiary of Redwood Trust, securitized 70 fixed-rate loans totaling $303.7 million that it had originated on 1,943 income-producing single-family and multi-family rental properties in 22 states. The loans have original terms of five to 10 years. On a weighted average basis, the pool has a 4.52% coupon and a remaining term of 73 months. The collateral, totaling 3,398 rental units, has an aggregate value of $463.2 million, based on broker price opinions and appraisals, and an aggregate underwritten annual net cashflow of $24.3 million. To comply with U.S. risk-retention rules, CoreVest is retaining Classes F-H at a price that equals at least 5% of the total deal proceeds.
Deal: CAFL 2021-3.

Class	Amount ($Mil.)	Rating (Fitch)	Rating (KBRA)	Subord. (%)	Coupon (%)	Dollar Price	Yield (%)	Maturity (Date)	Avg. Life (Years)	Spread (bp)	Note Type
A	190.561	AAA	AAA	37.25	1.900	99.999	1.891	10/15/54	4.66	S+67	Fixed
B	34.544	NR	AA	25.88	2.494	99.995	2.489	10/15/54	5.54	S+115	Fixed
C	16.323	NR	A	20.50	2.911	99.994	2.912	10/15/54	7.21	S+140	Fixed
D	28.850	NR	BBB	11.00	3.469	99.998	3.478	10/15/54	9.84	S+180	Fixed
E	6.074	NR	BBB-	9.00	4.449	99.075	4.434	10/15/54	9.96	S+275	Fixed
F	7.212	NR	BB	6.63				10/15/54	9.96		Fixed
G	5.694	NR	B	4.75				10/15/54	9.96		Fixed
H	14.426	NR	NR	0.00				10/15/54	9.96		Fixed
X-A(IO)	190.561*	AAA	AAA					10/15/54			Fixed
X-B(IO)	85.791*	NR	AAA					10/15/54			Fixed

*Notional amount

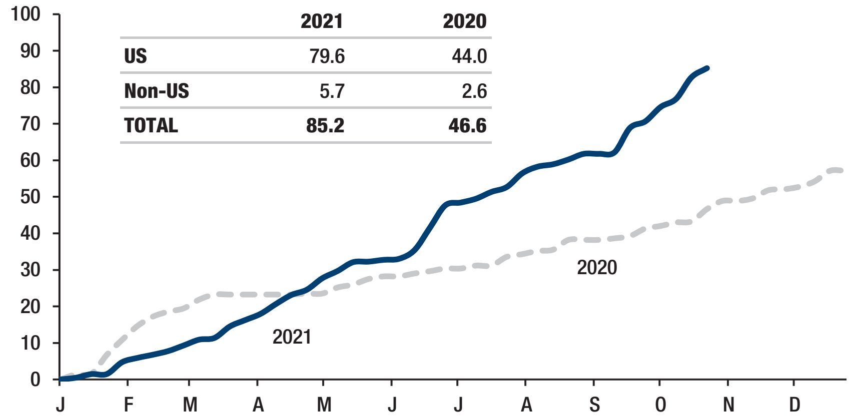
This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

MARKET MONITOR

WORLDWIDE CMBS

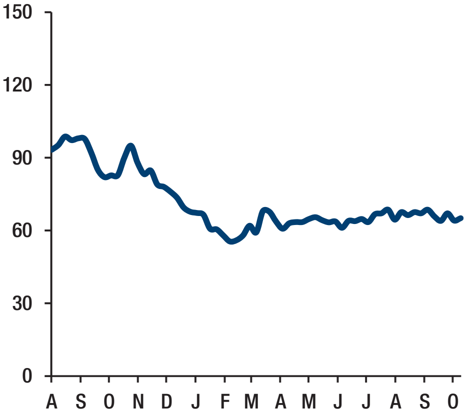
Year-to-date volume ($Bil.)

	2021	2020
US	79.6	44.0
Non-US	5.7	2.6
TOTAL	**85.2**	**46.6**



CMBS SPREADS

RECENT-ISSUE SPREAD OVER SWAPS

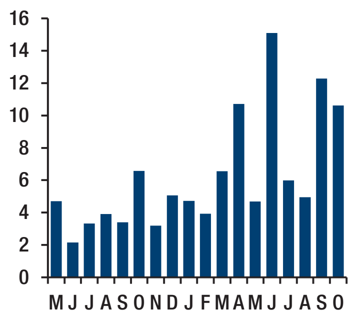


Recent Fixed Rate (Conduit)	Avg. Life	Spread (bps) 10/20	Week Earlier	52-wk Avg.
AAA	5.0	S+43	S+43	49
AAA	10.0	S+65	S+64	67
AA	10.0	S+110	S+110	110
A	10.0	S+150	S+147	160
BBB-	10.0	S+328	S+329	372

Markit CMBX 6	Dollar Price 10/20	Week Earlier	52-wk Avg.
AAA	100.2	100.2	100.4
AS	99.9	99.9	99.4
AA	96.9	96.9	98.5
A	89.6	89.7	91.4
BBB-	71.8	71.4	72.7
BB	55.1	55.4	55.1

Source: Trepp, Markit

US CMBS



CMBS TOTAL RETURNS

As of 10/20	Life	Total Return (%) Month to Date	Year to Date	Since 1/1/97
Inv. Grade	5.5	-0.5	-0.8	286.9
AAA	5.5	-0.5	-1.4	264.7
AA	5.4	-0.6	0.4	143.4
A	5.0	-0.4	4.8	132.2
BBB	5.2	-0.4	6.9	160.0

Source: Barclays

LOAN SPREADS

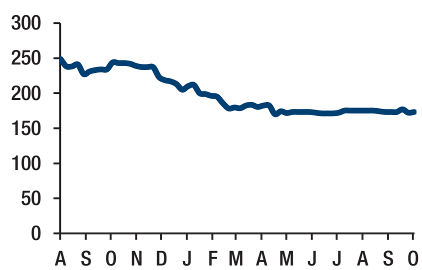
ASKING SPREADS OVER TREASURIES

10-yr loans with 50-59% LTV

	10/15	Month Earlier
Office	173	173
Retail	170	170
Multifamily	143	145
Industrial	146	146

Source: Trepp

ASKING OFFICE SPREADS



AGENCY CMBS SPREADS

FREDDIE K SERIES	Avg. Life	Spread (bps) 10/14	Week Earlier	52-wk Avg.
A1	5.5	S+9	S+13	14
A2	10.0	S+16	S+16	20
AM	10.0	S+24	S+24	37
B	10.0	S+130	S+130	152
C	10.0	S+160	S+160	181
X1	9.0	T+65	T+65	99
X3	10.0	T+260	T+260	289
K Floater		SOFR+19	SOFR+19	

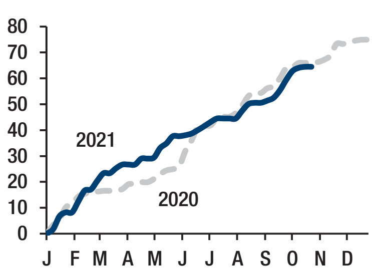
FANNIE DUS

10/9.5 TBA (60-day settle)	S+27	S+25	27
Fannie SARM	SOFR+23	SOFR+24	30

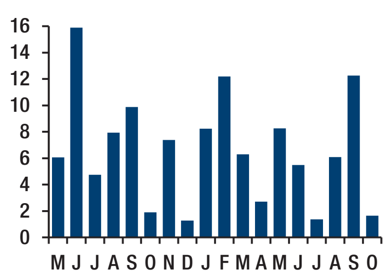
Source: J.P. Morgan

REIT BOND ISSUANCE

UNSECURED NOTES, MTNs ($Bil.)



MONTHLY ISSUANCE ($Bil.)



This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.

THE GRAPEVINE

... From Page 1

was at **Capital One** for eight years and **AIG** for nine years.

Lender **Stronghill Capital** added two senior originators. **Marcus Perry** joined last month and works out of Hoboken, N.J., for the Austin-based unit of **ArrowMark Partners. Luke Price** started this week in Denver. Both report to chief revenue officer **Eric Hillison.** Perry was previously a loan originator at **Brighton Capital Advisors,** while Price arrived from **Wells Fargo.** Stronghill, led by president **Jack Cohen,** originates loans of up to $10 million on stabilized properties.

StackSource brought on director **Robert Newstead** last month as a capital advisor in San Francisco, where he arranges commercial real estate loans for developers and investors nationwide. He reports to executive vice president **Richard Caldwell,** the online commercial mortgage broker's head of originations. Newstead came aboard from **Guardrail Finance,** a commercial real estate investment firm in Mountain View, Calif. Before founding Guardrail in 2013, he worked at **CBRE, Booz Allen Hamilton** and **Capmark Finance.**

Ralph Arpajian joined the real estate finance group at law firm **White and Williams** this week as a partner. He will work in Philadelphia and New York, with a focus on complex real estate transactions. Arpajian arrives from **Haynes and Boone,** where he also was a partner and had worked since 2010. He previously was at **Paul Hastings, Buchanan Ingersoll** and **Dewey & LeBoeuf.**

Lawyer **Robin Regan,** whose experience includes commercial real estate transactions, warehouse lending and CMBS, joined **Credit Suisse's** legal team as a director this week with a focus on loan syndications and asset-backed securities deals. She arrived from **Alston & Bird,** and previously worked at **Hunton Andrews.** Before that, Regan spent seven years at **KBRA,** where she led the legal team overseeing CMBS ratings.

Investment shop **Leste Group** added **Ricardo Gennari** on Oct. 4 as a senior associate in the Miami firm's newly opened New York office. He works on commercial and residential real estate debt investments, reporting to portfolio manager **Paulo Chi**. Gennari joined from **Morgan Stanley.**

Angela Gonzales joined **Mount Street's** U.S. special-servicing business this month as an executive director responsible for asset management. She arrived from **Trimont Real Estate Advisors,** where she had worked since 2018, and previously spent 16 years at **Midland Loan Services.** In late September, **Shawn Crosser** joined the Mount Street unit as a director in charge of surveillance after eight years at Midland. Both are based in Overland Park, Kan.

Pennybacker Capital wants to add an associate to its real estate debt team to work on underwriting. The recruit would be based in the Austin shop's New York office, reporting to head of credit **Alexander Zabik.** Candidates should have two to four years of experience, preferably in real estate finance. Email vice president **Sydney Mas** at smas@pennybackercap.com.

Questions about your current subscription?
Please contact your Account Manager
Call 949-640-8780 or
Email clientsupport@greenstreet.com

NOT YET A CLIENT?
CLICK HERE or scan below to subscribe:

COMMERCIAL MORTGAGE ALERT **Visit CMA Website**
Telephone: 949-706-8177

Richard Quinn	Managing Editor	201-234-3997	rquinn@greenstreetnews.com
Chad Weihrauch	Assistant Managing Editor	201-234-3988	cweihrauch@greenstreetnews.com
Steve Chambers	Senior Writer	201-234-3990	schambers@greenstreetnews.com
Bob Mura	Senior Writer	201-234-3978	bmura@greenstreetnews.com
Justin Zaremba	Senior Writer	201-839-3253	jzaremba@greenstreetnews.com
T.J. Foderaro	Editor-in-Chief	201-839-3233	tfoderaro@greenstreetnews.com
Ben Lebowitz	Executive Editor	201-839-3244	blebowitz@greenstreetnews.com
Moira Dickinson	Deputy Editor	201-839-3231	mdickinson@greenstreetnews.com
John Harrington	Deputy Editor	201-839-3230	jharrington@greenstreetnews.com
Jim Miller	Copy Editor	201-839-3246	jmiller@greenstreetnews.com
Michelle Lebowitz	Operations Director	201-839-3245	mlebowitz@greenstreetnews.com
Evan Grauer	Database Director	201-234-3987	egrauer@greenstreetnews.com
Jim Alexander	Database Manager	201-234-3993	jalexander@greenstreetnews.com
Mary E. Romano	Advertising Director	201-839-3250	mromano@greenstreetnews.com
Joy Renee Selnick	Layout Editor	201-839-3252	jselnick@greenstreetnews.com

Commercial Mortgage Alert (ISSN: 1520-3697), Copyright 2021, is published weekly by Green Street Advisors, LLC ("Green Street"), 5 Marine View Plaza, Suite 400, Hoboken, NJ 07030-5795. Commercial Mortgage Alert is published by an independent news business unit of Green Street and is unaffiliated with Green Street's advisory arm. Green Street maintains information barriers to ensure the independence of the news unit and the research and advisory services provided by the firm. 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.

This publication is intended for use by Alex Napoliello at Green Street (NA).
It may not be copied or disseminated to others without written permission.