SPRING 2022 ISSUE

QUARTERLY DATA REVIEW

RISING INTEREST RATES AND COMMERCIAL REAL ESTATE – WHAT TO EXPECT?

CMBS SPREAD PERFORMANCE IN RECENT CRISIS

CRE DISTRESS

CMBS Delinquency and Special Servicing Volumes Continued to Decline in Q1

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Quarterly Data Review - 1Q 2022

Interest Rates and Commercial Real Estate: What to Expect?

Real estate capital flows should remain positive with both equity investors and lenders contributing capital. There may be some near-term volatility for the remainder of 2022, but higher rates will attract capital later in the year and beyond. Page 4.

CMBS Spreads Remain Relatively Firm During Latest Crisis

The spread widening in the CMBS market in the wake of Russia's invasion of Ukraine so far has been more subdued than the widening that followed previous crises. Page 8.

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Ellington's investment volume exceeded its total for all of last year. Meanwhile, KKR was the most-active buyer of horizontal risk pieces from conduits. Page 12.

Retail, Hotel Sectors Improve Sharply in 1Q, Pushing Special Servicing Volumes Lower

The overall volume of CMBS loans in special servicing fell by 13.76 percent to $32.83 billion, according to Trepp Inc. That's 5.67 percent of the entire CMBS universe. Page 14.

CMBS Delinquency Volume Declines by Less Than 2 Percent in March

Delinquency volumes have fallen in every month but one since June 2020. The improvement has been across all property types, particularly the hotel and retail sectors. Page 18.

CMBS Issuance Jumps 88 Percent in 1Q to $29Bln

Domestic, private-label CMBS issuance rose by more than 88 percent in the first quarter, to $29.02 billion. Single-borrower transactions played a role in the spike in issuance. Page 20.

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Interest Rates and Commercial Real Estate: What to Expect?

On March 16, the U.S. Federal Reserve raised interest rates by a quarter-point, the first increase since 2018.

The move was widely expected and had been communicated to markets well in advance. Notwithstanding the increase, market reaction was positive, with stock prices posting strong gains. The S&P 500 index increased by 2.2 percent, while REIT shares increased by 1 percent. Long-term interest rates increased as well. The yield on the 10-year Treasury note reached 2.19 percent, a 47-basis point increase since March 1.

The Fed also signaled that it expected to increase rates further this year. Wages and prices are growing at their most rapid paces in 40 years, impacted by both the re-emergence of restrictions put in place in effort to stem the coronavirus pandemic and continued supply chain disruptions. The recent oil price spike in response to the war in Ukraine has served to heighten concerns about energy prices, which were already surging.

Interest rate increases make credit more expensive, which will likely have a disproportionate impact on capital-intensive industries, such as real estate. More expensive credit also increases investors' return requirements, which is reflected in higher capitalization rates for property investments. Higher cap rates have a negative impact on prices, meaning that future appreciation will need to rely more heavily on rental income growth.

The Fed's interest rate increase last month is not likely to have a tremendous effect on its own, but as it follows through with additional increases, investors and lenders should prepare for slower commercial real estate price growth. Real inflation-adjusted returns will be close to zero or minimally positive, as inflation eats into nominal values. Even nominal, or non-inflation-adjusted, growth will likely be reduced by 300 to 500 bps when compared with the appreciation between 2019 and 2021.

Let's look at the relationship between interest rates, inflation and inflation returns.

Interest rates, inflation and commercial real estate price growth are positively correlated with each other, although some relationships are stronger than others. The table below shows correlations for interest rates and trailing 1-year growth in inflation and commercial real estate pricing, measured from 1954 to 2021.

Correlations - Interest Rates, Inflation and CRE Price Growth (3Q 1954 - 4Q 2021)

	Fed Funds Rate	10-Year T-Bond Yield	CPI (Total)	GDP Deflator	CRE Prices
Fed Funds Rate	1.000				
10-Year T-Bond Yield	0.915	1.000			
CPI (Total)	0.749	0.655	1.000		
GDP Deflator	0.735	0.659	0.930	1.000	
CRE Prices	0.269	0.108	0.370	0.427	1.000

Note: Trailing One-Year Change for CPI, GDP Deflator and CRE Prices
Sources: Federal Reserve, Bureau of Labor Statistics, Bureau of Economic Analysis, Trepp Inc.

- Interest rates are highly correlated across the maturity spectrum—the 10-year Treasury yield and Fed Funds rate are more than 90 percent correlated.

- Interest rates have a 65 percent to 75 percent correlation with the inflation rate.

- Commercial real estate prices show a moderate correlation with inflation (rates of 43 percent and 37 percent vs the Gross Domestic Product Deflator and Consumer Price Index, respectively) and weaker correlation with interest rates.

When general price levels rise, real estate rental income tends to increase as well. Hence real estate's reputation as an inflation hedge. So, despite

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Recent Performance - Economic and Financial Indicators

	Interest Rates**			Economic Indicators		Inflation*	
Year	CRE Price Growth*	Fed Funds	10-Year T-Bond	GDP Growth*	Unemployment Rate**	CPI (Total)	GDP Deflator
2019	7.7%	2.2%	2.1%	2.3%	3.7%	2.3%	1.6%
2020	5.1%	0.4%	0.9%	-3.4%	8.1%	1.3%	1.3%
2021	12.4%	0.1%	1.4%	5.7%	5.4%	7.1%	5.9%

**Annual Change*
***Annual Average*
Sources: Federal Reserve, Bureau of Labor Statistics, Bureau of Economic Analysis, Trepp Inc.

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negative impacts on the pricing of future cash flows, real estate tends to be somewhat shielded from the impacts of higher inflation, at least in nominal terms.

Recent CRE Price Performance

During the last two years, commercial real estate prices have benefited from a low interest-rate environment. When the pandemic hit in early 2020, the Fed boosted liquidity through lower interest rates as well as numerous lending programs. These actions helped support commercial real estate while the economy went through wrenching plunges in output and a surge in unemployment. Property prices posted a 5.1 percent gain in 2020, as liquidity was propped up by sharply lower interest rates.

Commercial real estate prices have held up even better as the economy has recovered. They increased by 12.4 percent last year as GDP grew, the unemployment rate retreated and interest rates remained low. Interest rates remained low despite higher inflation, as price increases were initially seen as "transitory."

Interest Rates and Growth in Property Prices

Recent experience has shown that low—and falling—interest rates support strong price growth for commercial real estate. Looking over a longer time horizon, from 1954 to 2021, and variety of interest rate environments during that time frame reveals that nominal, or non-inflation-adjusted real estate, returns perform well under a variety of rate environments, while real, or inflation-adjusted, returns are strongest during periods of stability. The table on the next page shows median subsequent one-, two- and five-year increases for commercial property prices following a given 12-month change in the Fed Funds rate. Price growth is shown in both nominal and real terms.

When looking at nominal returns:

- Both stable and rising rate environments are associated with higher near-term (one- and two-year) and longer-term (five-year) returns. With moderate rate drops (0 to -100 bps over a one-year period) or slight increases (of up to 50 bps), prices have increased by annual rates of nearly 4 percent to as much as 8.7 percent.

- Large increases in rates (200 bp or more) have been followed by strong property-price growth, with annual rate increases ranging from 8 percent to 11.4 percent. At first, this might seem surprising, since higher interest rates mean more expensive capital and higher capitalization rates. But higher interest rates also typically are a response to higher inflation that has a positive impact on real estate income growth and, therefore, prices. So, despite the negative short-term impacts on valuations from higher rates, prices tend to adjust over longer time frames, as higher rental inflation drives greater property income and eventually higher values.

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Fed Funds Rate Change and CRE Prices
(3Q 1954 - 4Q 2021)

	Annualized CRE Price Growth							
			Nominal			Real (Inflation-adjusted)		
	Fed Funds Change	Count	Next Year	Next 2 Years	Next 5 Years	Next Year	Next 2 Years	Next 5 Years
Decreases	< 300 bp	19	3.6%	3.1%	10.1%	-1.4%	0.1%	0.8%
	-200 to -300 bp	16	-2.8%	-1.9%	1.7%	-6.1%	-4.9%	-1.3%
	-100 to -200 bp	30	1.6%	2.7%	2.1%	0.1%	-0.2%	0.0%
	-50 to -100 bp	21	4.8%	7.5%	7.9%	0.9%	2.8%	2.3%
	0 to -50 bp	36	7.0%	8.7%	8.6%	2.6%	5.2%	5.2%
Increases	0 to 50 bp	46	3.8%	3.9%	5.5%	1.7%	1.9%	3.1%
	50 to 100 bp	33	2.9%	3.5%	3.0%	1.0%	1.1%	0.7%
	100 to 200 bp	32	5.2%	2.8%	2.9%	1.4%	0.0%	0.1%
	200 to 300 bp	21	8.3%	9.2%	8.0%	2.3%	2.1%v	-0.1%
	> 300 bp	12	11.0%	11.4%	9.3%	1.8%	2.6%	0.9%

Note: Trailing One-Year Change in Fed Funds and Median Annual CRE Price Growth
Sources: Federal Reserve, Bureau of Economic Analysis, Trepp Inc.

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When examining real returns:

- There is a "sweet spot" for real returns. Periods of interest rate stability—moderate declines or slight increases—are the best environments for real property price growth. Real returns over a five-year period have been strongest when interest rates have shown slight or no declines (ranging from 0 to -50 bps), with median annual growth of 5.2 percent. In periods of slightly greater rate declines (-50 to -100 bps) or slight rate increases (0 to 50 bps), real price growth still has been solid, with median annual growth of 2.3 percent and 3.1 percent, respectively.

- Periods of greater rate instability—either large declines or large increases in interest rates—have led to weaker long-term gains for commercial property prices. When interest rates are cut dramatically, that's normally a response to weak economic conditions, which weaken real estate market performance, in terms of occupancy rents. At the other end of the spectrum, when rates are increased rapidly to combat inflation, the surging inflation undermines real gains by devaluing nominal rental income growth.

How High Will Rates Go?

Market expectations have been volatile since the Fed's initial rate increase, but they have ranged between an increase of 125 to 150 bps in the coming year and a similar increase next year. That's up substantially from as recently as March 1, when expectations called for 80-bp increases this year and next.

The Fed is aiming to engineer a "soft landing" by bringing down inflation, while maintaining a strong economy. But the Fed's primary concern seems to be shifting to taming inflation, rather than concerns about sustaining the economy. In recent comments, Fed Chairman Jerome Powell described the economy as "very strong" and positioned to handle tighter monetary policy. He also said the Fed was prepared to respond more aggressively to inflation, with moves of more than 25 bps, if needed.

It is possible that the Fed will need to tighten interest rates further, beyond the 250 to 300 bps that are currently priced into financial markets. Real rates (the Fed Funds rate minus trailing inflation) are nearly -6 percent. That's the most negative they've been in 60 years.

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Inflation pressures have worsened with the war in Ukraine—oil prices have surged to as high as $137/barrel in early March—and it is hard to see how those pressures will be reduced in the near term. Trade disruptions, including restrictions on Russia, reduce supply and have already led to higher commodities prices. There will eventually be a massive amount of rebuilding needed in Ukraine—rough estimates are already in the hundreds of billions of dollars — which will spur further global demand for construction materials for years to come.

Real Fed Funds Rate

Sources: Federal Reserve, Bureau of Economic Analysis, Trepp Inc.

The Bottom Line

Interest rates will be on the rise for the next one to two years, by as much as 300 bps and possibly more. As previously noted, financial markets are already pricing in significant increases for the next two years, and the Fed has outlined its intention to move aggressively against inflation.

For investors, the strong appreciation of the last several years will be interrupted. Real returns will be flat, likely to 1 percent, compared to recent real growth rates of 5 percent to 6 percent. Nominal returns will fare somewhat better, driven by rental income growth, which will at least partially offset higher cap rates. Nominal returns will likely be in the 3 percent to 5 percent range, down from the recent 8.4 percent average of 2019-2021.

For debt markets, higher interest rates will mean higher costs for borrowers. Debt-service coverage ratios on existing floating-rate loans will decline, making these loans riskier. New debt will become more expensive, which will have a near-term depressing effect on demand.

Over a somewhat longer time frame—beyond the one-year outlook—higher rental income will boost property net operating income and nominal price growth will improve DSCR and loan-to-value ratios on existing fixed-rate loans. So, while floating-rate loans will become riskier with higher rates, fixed-rate mortgages will become less risky.

Overall, real estate capital flows should remain positive with both equity investors and lenders contributing capital. There may be some near-term volatility for the remainder of the year, but higher rates will attract capital later in the year and beyond.

The still-positive nominal returns from commercial real estate will provide continued investment opportunities, while fixed-income investments, like bonds, are falling in value. For lenders, higher interest rates mean increased income. And with the prospect of longer-term income and appreciation, loans made today will seem less risky in the years to come. ■

CMBS Spreads Remain Relati

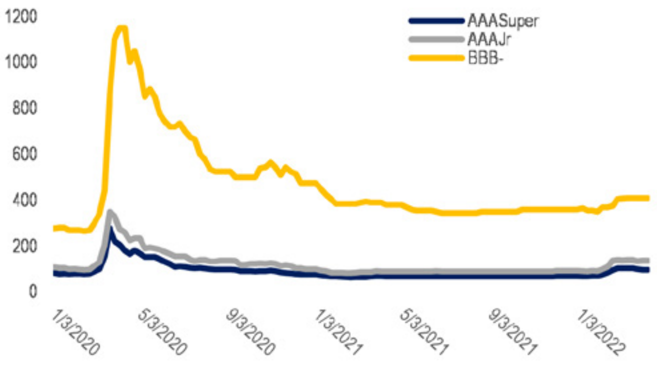
Last fall, commercial property owners and lenders may have felt like they were due for some more favorable weather.

The previous 18 months had seen a pandemic that prompted the shutdown of most parts of the United States economy. Record-high CMBS delinquency rates for hotel and retail loans revealed the enormity of the damage to those segments of the market. Then, just as it appeared the U.S. was about to emerge from 15 months of seclusion, the country was hit by the Delta variant, which kept many offices closed and led to the question of whether demand for office space would ever recover.

Property owners and lenders would soon learn that calmer seas were not immediately forthcoming.

The Omicron variant of the coronavirus late last year threatened to once again shut down the U.S. economy. Meanwhile, rapidly accelerating inflation numbers and Russia's invasion of Ukraine emerged as new risks, leading to greater overall market volatility.

CMBS Spreads 2020-2022



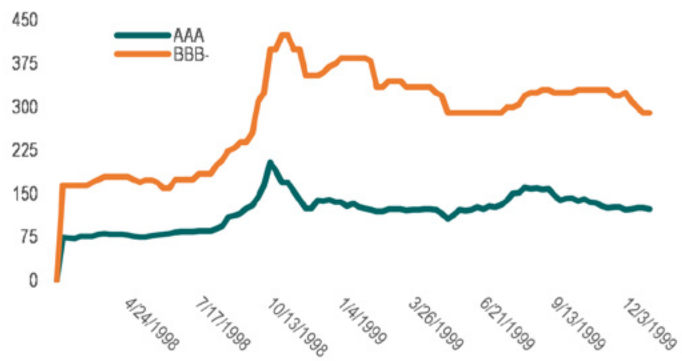
Sources: Trepp Inc.

But the CMBS market reaction has been remarkably orderly. Even as reports emerged of margin calls in the nickel and oil markets and the price of oil topped $130 a barrel, there was never any sign of panic. Spreads did widen, but there was no indication of panic selling. The spread widening was contained.

Most importantly, CMBS lenders continued to make loans. In fact, five CMBS conduit deals were announced between the start of the war in Ukraine and the end of the first quarter.

This last point is noteworthy, particularly as it pertains to some of the reported margin calls in the commodity markets. In mid-March, it was reported that a big Chinese nickel producer was on the wrong side of a huge bet on nickel prices, with as much as $10 billion in paper losses, with some U.S. banks as counterparties.

CMBS Spreads 1998-1999



Sources: Trepp Inc.

In past crises, a headline such as that would have had traders and money managers racing for the exits. Rumors of large losses from hedge funds or other financial institutions would have led to the markets seizing up. That hasn't happened yet.

As a case in point, during the Long-Term Capital Management implosion of the late 1990s, CMBS spreads widened enormously, lending stopped and CMBS issuers took huge losses on their warehouse lines.

During the run up to the Global Financial Crisis, spreads on the most-senior CMBS bonds with 10-year average lives spiked to 1,350 basis points more than swaps from 25 bps.

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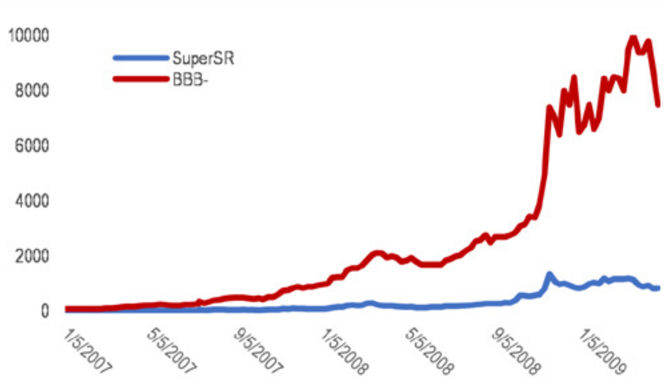
That meant super-senior bonds were trading for as little as 50 cents on the dollar. And traders generally stopped quoting prices for bonds just subordinate to those on the basis of spread. Those were regularly quoted at less than 30 cents on the dollar to just pennies on the dollar for lower-rated paper.

Issuers again faced big losses on warehouse lines and, unable to effectively price loans, lenders stopped lending. The CMBS conduit market went into a deep freeze for 21 months, from 2008 to 2010.

In 2013, when the Fed tried to end its bond buying program, investors had what is now known as the "taper tantrum." Again, during this period, spreads widened sharply. AAA conduit spreads climbed about 35 basis points and BBB- spreads spiked about 150 bps. This was not enough to force CMBS lenders into hibernation.

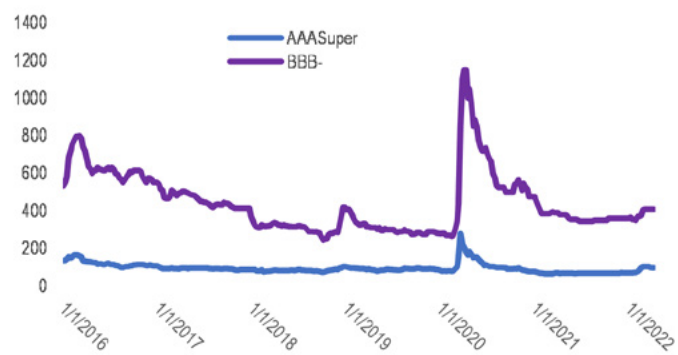
In early 2016, when oil fell below $30/barrel, there was concern that a rash of energy companies would file for bankruptcy. Prices for energy-related loans collapsed. Credit concerns skyrocketed. The spread widening spilled over into other credit markets, including CMBS. This led to another pull back by CMBS issuers. Few CMBS deals were issued during the first half of that year.

CMBS Spreads 2007-2009



Sources: Trepp Inc.

CMBS Spreads 2016-2022



Sources: Trepp Inc.

The situation was the same soon after the pandemic struck as spreads again blew out. Those for benchmark bonds widened to nearly 300 bps more than swaps from what had been about 80 bps. Bonds rated BBB- widened even more—to a median of 1,500 bps more than swaps from what had been 265 bps. Needless to say, lenders stopped writing loans.

But the crisis was relatively short-lived, as the Federal Reserve quickly restarted its Term Asset-Backed Loan Facility program, which provided liquidity to banks. Extraordinary federal spending helped the markets stabilize quickly.

When Russia invaded Ukraine in late February, spreads for benchmark CMBS had widened by roughly 30 bps, to about 105 bps more than swaps. Spreads for BBB- bonds widened by about 40 bps, to a median of 410 bps more than swaps. They've since retreated.

While the widening may sound meaningful, it pales in comparison with previous crises.

But the cost to borrowers has been more notable as Treasury yields have increased, with the 10-year note up 120 bps from the start of the year. As a result, rates that borrowers are now facing are much higher than they were just four months ago. Those who were counting on refinancing into lower-rate loans may now find no savings at all. ■

Work-From-Home Threatens Loans on

As work-from-home has become more commonplace among office-using companies, the risk in the office property sector has increased.

If tenants decide to reduce their footprints, demand for space could weaken, resulting in lower rents and increasing vacancies. That could pressure properties with near-term mortgage maturities.

The volume of office space available for sublease nationwide had peaked at 146.3 million square feet in the second quarter of 2021, according to Cushman & Wakefield. While it has retreated to 138.1 million sf, the question is whether that will continue to improve.

The increasing work-from-home trend is reflected in data from Kastle Systems, which in early April noted that the average actual occupancy rate in the 10 office markets it tracks was only 42.8 percent. The outlier was the San Jose, Calif., area, with a 31.8 percent occupancy rate. San Francisco wasn't far off, with a 34.6 percent rate. New York City's occupancy rate was 37.1 percent. That compares with an actual office occupancy rate of 79 percent, according to Cushman.

Kastle makes security systems for buildings and tracks actual occupancy through card swipes. The low office usage rates could prompt some office-using companies to reduce their space requirements when their leases come up for renewal.

Meanwhile, a total of 90 percent of respondents to the Trepp CRE Sentiment Survey conducted last August predicted that effective office rents and economic occupancy would remain below pre-pandemic levels over the near term. If their predictions hold, that could result in added risk to CMBS deals. And Barclays Capital has predicted that demand for office space could decline by up to 20 percent in the long term because of the work-from-home trend.

Office Loans with More Than 25 Percent of Leases Expiring

Within 1 Year		Between 1 - 2 Years		Between 2 - 3 Years	
Subtype	Bal $mln	Subtype	Bal $mln	Subtype	Bal $mln
Medical Office	192.15	Medical Office	162.04	Medical Office	88.54
Flex / R&D	35.75	Flex/R&D	25.60	Government Office	48.92
Suburban Office	874.25	Suburban Office	718.32	Suburban Office	491.41
Urban Office	1,956.93	Urban Office	605.80	Urban Office	607.95
Mixed Use	1.36	Government Office	60.60	--	--

Source: Trepp Inc.

Roughly $36 billion of CMBS loans backed by office properties are slated to mature through September 2024. A total of $5.87 billion of that volume is backed by properties facing the rollover of at least a quarter of their tenant rolls during that time period. And $3 billion of that is backed by properties with such large rollovers within the next year.

In addition, another $3.2 billion of loans are against properties facing the expiration of leases totaling between 15 percent and 25 percent of their space within the next year.

So, 17 percent of CMBS loans against office properties that mature within the next year face the rollover of leases governing more than 15 percent of their space. And nearly a quarter face the expiration of leases governing 25 percent or more of their space.

Loans against properties in California face the greatest near-term risk, as $956 million of CMBS loans are backed by office properties with more than a quarter of their tenant rolls maturing within the next year. New York and Texas is home to nearly $592 million and $403 million, respectively, of loans against properties facing the same rollover risk.

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Offices with Near-Term Lease Rollovers

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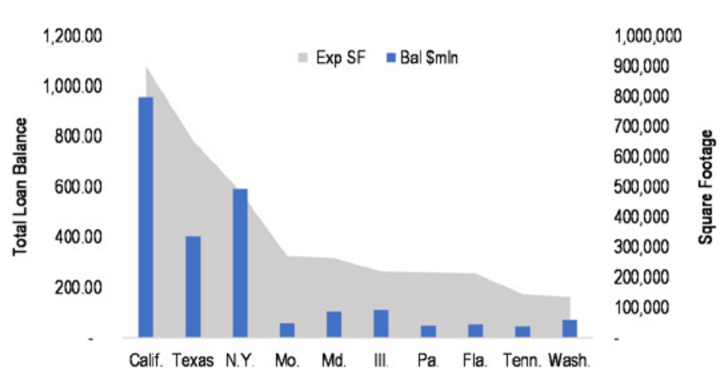
An example of a loan at risk: The $8.5 million mortgage against the 113,208-square-foot Executive Park at East Gate in Mount Laurel, N.J., that's in COMM, 2014-CCRE19. The property is 99 percent leased, but three tenants that occupy nearly 90 percent of the building had faced the near-term maturity of their leases. ■

Office Loans with More Than 25 Percent Tenant Lease Expiration by State: < 1 Year



Source: Trepp Inc.

Office Properties with Near-Term Lease Expirations

Property	Location	Size (SF)	Bal $mln	Deals	Tenant	Space (SF)	Maturity	% of SF
245 Park Ave.	Manhattan	1,723,993	852.00	CSAIL 2017-CX9; DBJPM 2017-C6; UBSCM 21017-C3; JPMDB 2017-C7; PRKAV 2017-245P; JPMCC 2017-JP7; CD 2017-CD5; UBSCM 2017-C2; WFCM 2017-C38; CSAIL 2017-C8; CGCMT 2017-P8; JPMCC 2017-JP6; UBSCM 2017-C4; WFCM 2017-C39	JPMorgan Office of Baseball Angelo, Gordon & Co.	787,785 220,565 136,659	10/31/2022 10/31/2022 5/31/2026	45.70 12.79 7.93
Midtown I & II	Atlanta	794,110	124.30	WFRBS 2013-C14	AT&T	794,110	4/30/2024	100.00
Moffett Towers - Buildings E,F,G	Sunnyvale, Calif.	676,598	46.80	BMARK 2018-B8	Amazon.com	676,598	2/29/2024	100.00
Pentagon Center	Arlington, Va.	911,818	210.00	GSMS 2017-GS5; BANK 2017-BNK4; MSBAM 2017-C33; GSMS 2017-GS6	GSA	558,187 353,631	4/30/2023 9/14/2025	100.00
Merrill Lynch Drive	Hopewell, N.J.	553,841	100.06	BBCMS 2017-C1; WFCM 2017-RB1; BANK 2017-BNK4	Merrill Lynch	553,841	11/30/2024	100.00
909 Third Ave.	New York City	1,350,756	100.97	NYC 2021-909; BANK 2021-BN33	USPS	987,375	10/10/2023	73.10
Bishops Gate I & II	Mount Laurel, N.J.	483,896	45.30	COMM 2012-CR3	PHH Mortgage	483,896	12/31/2022	100.00
Millennium Corporate Park	Redmond, Wash.	537,046	132.00	BMARK 2021-B24 BMARK 2021-B23	Microsoft Golder Associates Inc. Quantarium LLC	479,193 36,965 11,798	5/31/2022 3/31/2024 7/31/2024	89.23 6.88 2.20
UHG Optum Health Campus	Eden Prairie, Minn.	473,325	26.60	MSC 2020-HR8	United HealthCare	473,325	12/31/2023	100.00
Wells Fargo Roanoke	Roanoke, Va.	443,181	20.22	COMM 2015-CR22	Wells Fargo Bank	443,181	9/30/2024	100.00
3000 Post Oak Blvd.	Houston	441,523	80	BMARK 2020-B17 BMARK 2020-B18 DBJPM 2020-C9	Bechtel Oil, Gas and Chemicals Inc.	436,651	7/31/2024	98.90

Source: Trepp Inc.

Ellington Tops List of CMBS B-Piece Buyers in 1Q; KKR Top Risk Retainer

Ellington Management acquired the most subordinate bonds, or B-pieces, of two CMBS conduit deals totaling $2.95 billion, giving it nearly 30 percent of the share of the first-quarter's conduit issuance.

The company's investment volume exceeded its total for all of last year, when it invested in two deals totaling $2.38 billion, or 7.8 percent of volume.

Right behind it were Eightfold Real Estate Capital and KKR Real Estate Credit Opportunity Partners, each of which invested in two deals. Eightfold's deals had a $2.12 billion balance, while KKR's had a $2.01 billion balance. While B-piece buyers invest in the most-subordinate bonds of transactions, they're not necessarily retaining that risk for the long haul, unless the bonds they buy are from deals structured with horizontal risk retention.

When it comes to conduit transactions, only three of the first quarter's nine deals had horizontal risk-retention structures—two of those also included a vertical structure.

KKR had purchased the horizontal risk-retention bonds of one transaction. That involved its purchase of $99.82 million of bonds. Rialto Capital Advisors and Starwood Property Trust bought the horizontal bonds of two others, with Rialto taking $46.10 million of one deal and Starwood $21.38 million of another. Those two deals included vertical risk bonds, which were acquired by Barclays Bank, Bank of Montreal and KeyBank.

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Most-Active CMBS B-Piece Buyers

	1Q2022			1Q2021			FY2021		
Buyer	#Deals	Vol $Mln	Mkt Shr%	#Deals	Vol $Mln	Mkt Shr%	#Deals	Vol $Mln	Mkt Shr%
Ellington Management	2	2,948.15	29.73				2	2,378.18	7.81
Eightfold Real Estate Capital	2	2,115.76	21.34	1	1,159.33	19.33	3	3,567.96	11.72
KKR Real Estate Credit	2	2,012.60	20.30	1	793.80	13.23	4	3,365.35	11.05
Sabal	1	1,122.01	11.32				1	988.04	3.24
Rialto Capital Advisors	1	1,031.30	10.40	1	904.78	15.08	6	6,906.21	22.68
LNR Securities	1	685.39	6.91				1	817.06	2.68
Prime Finance				2	2,491.09	41.52	6	6,372.09	20.92
Argentic Securities							3	2,216.48	7.28
3650 REIT				1	650.09	10.84	2	1,568.68	5.15
Basis Investment Group							1	1,323.32	4.35
Blackstone Group							1	952.30	3.13
TOTALS	9	9,915.21		6	5,999.09		30	30,455.67	

Source: Commercial Real Estate Direct

Risk-Retention Structures

	1Q2022									1Q2021			FY2021		
	Total			Conduit			Single-Borrower			Total			Total		
	#Deals	Bal $mln	Mkt Shr%	#Deals	Bal $mln	Mkt Shr%	#Deals	Bal $mln	Mkt Shr%	#Deals	Bal $mln	Mkt Shr%	#Deals	Bal $mln	Mkt Shr%
Horizontal	23	16,228.28	126.90	1	926.80	9.35	21	14,812.18	79.59	15	7,997.10	51.84	91	71,007.08	38.55
Vertical	11	11,071.22	86.58	6	7,271.72	73.34	5	3,799.50	20.41	9	6,777.90	43.94	38	29,504.13	43.89
Hybrid	2	1,716.69	13.42	2	1,716.69	17.31	0	0.00	0.00	1	650.09	4.21	10	8,608.04	17.57
TOTAL	13	12,787.91		9	9,915.21		26	18,611.68		25	15,425.09		139	109,119.25	

Source: Commercial Real Estate Direct

Most-Active Retainers of CMBS Risk

	1Q2022							1Q2021		
Investor	Vert#	Vert Amt $mln	Hor#	Hor Amt $mln	Total#	Total Amt $mln	Mkt Shr%	Total#	Total Amt $mln	Mkt Shr%
KKR Real Estate Credit			2.00	130.39	2.00	130.39	8.51	3.00	127.72	14.92
AustralianSuper			1.00	121.50	1.00	121.50	7.93			
KSL Capital Partners			2.00	112.00	2.00	112.00	7.31			
Oxford Properties			1.00	104.83	1.00	104.83	6.84	1.00	34.75	4.06
Wells Fargo	1.51	101.35			1.51	101.35	6.61	0.59	26.61	3.11
Prima Capital			3.00	94.45	3.00	94.45	6.16	2.00	34.75	4.06
Bank of America	0.43	25.27	2.00	63.00	2.43	88.27	5.76	1.60	63.65	7.44
Goldman Sachs	1.20	78.55			1.20	78.55	5.13	1.70	60.97	7.12
Brookfield Asset Management			1.00	70.00	1.00	70.00	4.57			
JPMorgan Chase	1.38	68.97			1.38	68.97	4.50	0.67	44.70	5.22
Rialto Capital Management			2.00	55.59	2.00	55.59	3.63	1.00	11.15	1.30
Citigroup	0.87	50.82			0.87	50.82	3.32	1.23	63.40	7.41
Deutsche Bank	0.86	48.57			0.86	48.57	3.17	0.30	7.16	0.84
Morgan Stanley	0.77	45.42			0.77	45.42	2.96	1.41	49.00	5.72
Arbor Realty Trust			1.00	43.40	1.00	43.40	2.83			
Starwood/LNR	0.65	18.40	1.00	21.38	1.65	39.78	2.60			
Rockwood Capital			3.00	38.54	3.00	38.54	2.52			
Sabal Financial	0.03	36.35			0.03	36.35	2.37			
FS Credit			1.00	30.00	1.00	30.00	1.96			
DoubleLine Capital			1.00	26.25	1.00	26.25	1.71			
Blackstone Group			1.00	24.10	1.00	24.10	1.57	2.00	47.50	5.55
NYSTRS			1.00	18.00	1.00	18.00	1.17			
Argentic Securities			1.00	17.75	1.00	17.75	1.16			
Greystar Real Estate			1.00	17.30	1.00	17.30	1.13			
CPPIB			1.00	16.49	1.00	16.49	1.08	2.00	115.38	13.48
Delaware Life			1.00	13.34	1.00	13.34	0.87			
SIP V RA REIT Rockefeller			1.00	11.11	1.00	11.11	0.73			
Barclays Bank	1.20	29.50			0.65	10.06	0.66	0.80	15.58	1.82
Prime Finance	0.35	9.91			0.35	9.91	0.65			
Bank of Montreal	0.59	17.69			0.35	9.24	0.60	0.30	3.75	0.44
KeyBank	0.22	7.69								
3650 REIT								3.00	87.08	10.17
PCSD PR Capital								2.00	38.76	4.53
Oaktree Capital								1.00	19.95	2.33
Societe Generale								0.40	4.09	0.48
TOTAL					**37.04**	**1,532.33**		**26.00**	**855.95**	

Source: Commercial Real Estate Direct

Retail, Hotel Sectors Improve Sharply in 1Q, Pushing Special Servicing Volumes Lower

A sharp increase in the resolution of troubled CMBS loans against retail and hotel properties during the first quarter helped reduce the overall volume of loans in special servicing by 13.76 percent, to $32.83 billion, according to Trepp Inc.

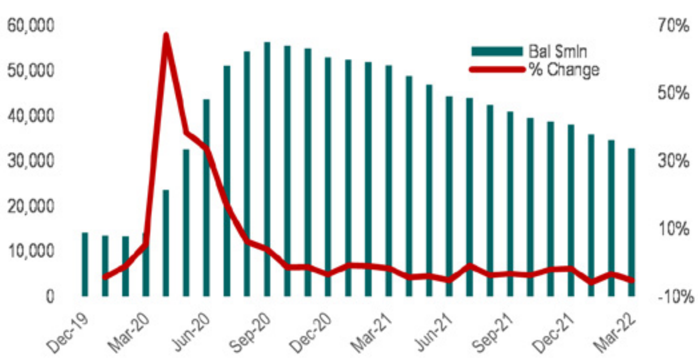
That volume amounts to 5.67 percent of all CMBS loans. Volumes had peaked in September 2020, when $56.37 billion of loans, or 10.48 percent of the CMBS universe, were in special servicing.

CMBS Loans in Special Servicing

	1Q2022				Year-End 2021				
Prop Type	#Loans	Bal $mln	%of Total	%of Prop	#Loans	Bal $mln	% ofTotal	% ofProp	Chg%
Retail	410	13,741.93	41.93	10.90	441	15,870.37	41.69	12.73	-13.41
Hotel	438	10,110.11	30.85	10.88	530	12,242.42	32.16	13.72	-17.42
Office	158	5,174.80	15.79	3.15	155	5,238.23	13.76	3.23	-1.21
Other	118	2,685.76	8.20	2.37	129	3,477.83	9.14	3.19	-22.77
Multifamily	54	881.48	2.69	1.66	60	1,069.62	2.81	2.11	-17.59
Industrial	12	177.25	0.54	0.62	12	167.25	0.44	0.6	5.98
TOTAL	1,196	32,827.16			1,327	38,065.72			-13.76

Source: Trepp Inc.

CMBS Loans in Special Servicing



Source: Trepp Inc.

During the first quarter, the volume of retail loans in special servicing declined by 13.41 percent to $13.74 billion. That $2.13 billion reduction amounted to just more than 40 percent of the overall reduction in special servicing volumes.

The CMBS sector continues to recover from actions put in place to stem the coronavirus pandemic. But loans continue to slip into high-

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Investors are required to keep their risk-retention bonds effectively for their life and aren't allowed to leverage or hedge them. But vertical slices include relatively short-term bonds and most are comprised of the highest-rated bonds. Horizontal bonds, on the other hand, typically don't carry credit ratings and often have average lives of 10 years or slightly more.

A ranking of risk retainers had KKR at the top, with $130.9 million of volume. It had purchased the horizontal bonds of the conduit and a $611.45 million single-borrower transaction that funded a mortgage against the American Copper Building, a 761-unit apartment property in Manhattan's Kips Bay neighborhood. KKR stood atop a similar ranking a year ago, when it had retained $127.72 million of risk bonds.

Just behind KKR in the latest quarter was AustralianSuper, an Australian investment manager, one of 500 that invest on behalf of Australia's superannuation, or company pension plan system. It took down the 5 percent horizontal risk piece of BX Commercial Mortgage Trust, 2022-LP2, a $2.43 billion single-borrower transaction that funded a loan against a portfolio of 166 industrial properties owned by affiliates of Blackstone Group. ■

Largest Loans to Transfer to Special Servicing Since Start of This Year

Prop Name	Location	Prop Type	DealID	Bal $mln	Reason	Special Servicer
Walden Galleria	Cheektowaga, N.Y.	RET	JPMCC 2012-WLDN	236.73	Imminent maturity default	KeyBank
Sunbelt Portfolio	Various	OFF	JPMBB 2015-C30; JPMBB 2015-C31	128.91	Payment default	LNR Partners
Chicago Ridge Mall	Chicago Ridge, Ill.	RET	COMM 2012-CR2	80.00	Imminent maturity default	Trimont Real Estate Advisors
Bellis Fair Mall	Bellingham, Wash.	RET	GSMS 2012-GCJ7	76.50	Imminent maturity default	CWCapital Asset Management
Writer Square	Denver	MIX	GSMS 2017-GS5	59.66	Imminent default	Rialto Capital Advisors
TEK Park	Breinigsville, Pa.	OFF	MSBAM 2016-C31; CFCRE 2016-C6; SGCMS 2016-C5	59.38	Imminent default	Rialto Capital Advisors
545 & 555 North Michigan Ave.	Chicago	RET	HAMLET 2020-CRE1	55.37	Imminent default	Situs Asset Management
Princeton South Corporate Center	Trenton, N.J.	OFF	MSBAM 2016-C28	46.71	Imminent default	Greystone Servicing Co.
55 Green St.	San Francisco	OFF	COMM 2019-GC44	36.60	Imminent default	Rialto Capital Advisors
Park at Caldera	Midland, Texas	APT	MSBAM 2014-C19	33.21	Payment default	Rialto Capital Advisors
Aviare Place Apartments	Midland, Texas	APT	MSBAM 2015-C23; BACM 2015-UBS7	25.38	Payment default	LNR Partners
California Corporate Center	Bakersfield, Calif.	OFF	CSAIL 2015-C2	22.92	Non-monetary default	Rialto Capital Advisors
Belvedere Plaza	Bakersfield, Calif.	OFF	COMM 2012-CR5	15.71	Payment default	Midland Loan Services
Homestead TownePlace Suites	Homestead, Fla.	HOT	CD, 2018-CD7	13.89	Imminent default	Rialto Capital Advisors

Source: Trepp Inc.

Continued from page 14

risk territory. In March alone, for instance, 16 loans with a balance of $668.31 million had transferred. And that list included five retail loans with a balance of $461.13 million.

The biggest of the loans to transfer during the latest quarter was the $236.73 million mortgage against the Walden Galleria shopping center near Buffalo, N.Y., that's owned by Pyramid Cos. of Syracuse, N.Y. The loan, securitized through JPMorgan Chase Commercial Mortgage Securities Corp., 2012-WLDN, previously had spent a stint with special servicer KeyBank in April 2020, after the pandemic hit and Pyramid sought debt-service relief. That was granted, but Pyramid still has to make $1.34 million of principal and interest payments that were advanced.

The loan matures in May and Pyramid has requested its term be extended by five years. That request is being evaluated.

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Continued from previous page

Nearly one-third of the universe in special servicing is comprised of loans securitized in 2014 and 2015. That hasn't changed much since the beginning of the year and shouldn't be a surprise as those two years, until 2019, saw the heaviest issuance since after the Global Financial Crisis.

Every vintage, except for 2012, has seen a decline in volume in special servicing. A total of 68 loans with a balance of $2.58 billion that were securitized in 2012 are now in special servicing. That's up 16.6 percent from the $2.21 billion volume at the end of last year and could be explained in part by the transfer of some large mall loans. Besides the Walden Galleria loan, others include the $80 million loan against the Chicago Ridge Mall in suburban Chicago and the $76.5 million loan against the Bellis Fair Mall in Bellingham, Wash.

Rialto Capital Advisors continues to sit atop a ranking of most-active special servicers, as it's handling 26.56 percent of all loans in special servicing. The $8.72 billion of loans it's handling declined by 1.36 percent from the end of last year. It's followed by LNR Partners, which actively handles $6.45 billion of loans, and CWCapital Asset Management, with a $4.29 billion portfolio.

KeyBank, meanwhile, saw a nearly 28 percent reduction in its actively managed portfolio during that period, to $1.31 billion. Wells Fargo Bank's active portfolio also shrunk sharply, by just more than 23 percent, to nearly $827 million. ■

CMBS Loans in Special Servicing

	1Q2022			Year-End 2021			
Vintage	#Loans	Bal $mln	Mkt Shr%	#Loans	Bal $mln	Mkt Shr%	Chg%
2014	168	5,805.50	17.69	193	6,190.91	16.26	-6.23
2015	223	4,333.15	13.20	247	5,607.50	14.73	-22.73
2017	138	4,294.46	13.08	151	5,314.43	13.96	-19.19
2013	109	3,681.47	11.21	122	4,019.96	10.56	-8.42
2018	104	3,121.71	9.51	126	4,472.59	11.75	-30.20
Legacy Loans	126	2,716.97	8.28	135	2,974.61	7.81	-8.66
2016	140	2,600.34	7.92	153	2,773.12	7.29	-6.23
2012	68	2,579.08	7.86	67	2,211.83	5.81	16.60
2019	78	1,846.97	5.63	85	2,075.19	5.45	-11.00
2011	30	1,407.55	4.29	35	1,840.49	4.84	-23.52
2020	8	337.04	1.03	8	431.82	1.13	-21.95
2010	3	98.43	0.30	4	148.77	0.39	-33.84
2021	1	4.5	0.01	1	4.50	0.01	0.00
TOTAL	1,196	32,827.17		1,327	38,065.72		-13.76

Source: Trepp Inc.

CMBS Special Servicers

	1Q2022			Year-End 2021			
Special Servicer	#Loans	Bal $mln	Mkt Shr%	#Loans	Bal $mln	Mkt Shr%	Chg%
Rialto Capital	452	8,717.47	26.56	468	8,837.62	23.22	-1.36
LNR Partners	258	6,448.00	19.64	279	7,080.28	18.60	-8.93
CWCapital Asset Management	102	4,288.91	13.07	126	4,717.90	12.39	-9.09
Midland Loan Services	173	4,261.25	12.98	211	5,662.58	14.88	-24.75
SitusAMC	19	1,826.72	5.56	20	1,928.17	5.07	-5.26
OTHERS	66	1,706.41	5.20	85	3,502.18	9.20	-51.28
Greystone	58	1,453.35	4.43	60	1,459.13	3.83	-0.40
Trimont Real Estate Advisors	23	1,434.56	4.37	24	1,389.36	3.65	3.25
KeyBank	29	1,311.29	3.99	34	1,807.41	4.75	-27.45
Wells Fargo Bank	3	826.86	2.52	3	1,076.53	2.83	-23.19
Torchlight Loan Services	13	552.33	1.68	17	604.57	1.59	-8.64
TOTAL	1,196	32,827.15		1,327	38,065.73		-13.76

Source: Trepp Inc.

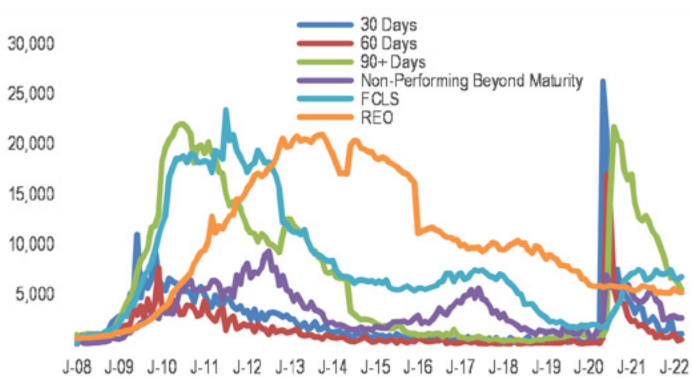
CMBS Delinquency Volume Declines by Less Than 2 Percent in March

The volume of CMBS loans that are more than 30 days delinquent declined in the first quarter by $4.11 billion to $21.63 billion, continuing a nearly steady improvement in delinquency since June 2020, when volumes had peaked at $54.29 billion.

Delinquency volumes declined for 20 of the last 21 months since June 2020. The improvement has been across all property types, particularly the hotel and retail sectors, which were hardest hit by actions aimed at stemming the coronavirus pandemic.

A total of 299 hotel loans with a balance of $6.41 billion, or 6.98 percent of that cohort, are now delinquent. That's down from $7.85 billion, or 8.79 percent, at the end of last year.

CMBS Delinquency Volumes

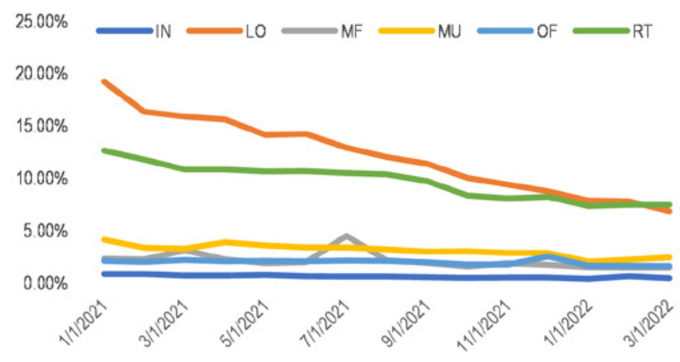


Source: Trepp Inc.

And 337 retail loans, with a balance of $9.43 billion, or 7.71 percent of all CMBS retail loans, are delinquent. That compares with $10.31 billion, or 8.28 percent of all CMBS retail loans, at the end of last year.

The greatest improvement during the quarter involved the office sector, which saw a 34 percent reduction in the volume of delinquencies, to 104

Property Type Delinquency Rate



Source: Trepp Inc.

loans with a balance of $2.72 billion from 123 loans totaling $4.11 billion at the end of last year.

The December number was inflated because of the addition of two loans totaling $1.365 billion tied to the bankruptcy of China's HNA Group. Those were the $1.125 billion senior loan against 245 Park Ave., a 1.8 million-square-foot office building in midtown Manhattan, and the $240 million loan against the 946,099-sf 181 West Madison Ave. office building in Chicago.

Those loans had been classified as being 30 days late at the end of last year. While they remain in special servicing, they're both now classified as being current.

Meanwhile, the legacy universe continues to dwindle in size and now amounts to 337 loans with a balance of only $6.55 billion. A total of 125 loans with a balance of $2.56 billion, or 39 percent of that total, are delinquent, with the largest chunk—114 loans with a balance of $2.13 billion—classified as being real estate-owned.

The legacy delinquencies are heavily weighted with retail-backed loans, as 79 loans with a balance of $1.39 billion are more than 30 days late. All but one of those, with a balance of $6.96 million, are more than 90 days late. A total of 73 loans with a balance of $1.1 billion are either in foreclosure or already are classified as REO. ■

CMBS Issuance Jumps 88 Percent in 1Q to $29Bln

Domestic, private-label CMBS issuance ballooned by more than 88 percent in the first quarter, to $29.02 billion, driven by single-borrower transactions.

Of course, issuance last year was just getting restarted after lenders held back during much of 2020 because of uncertainties surrounding the coronavirus pandemic.

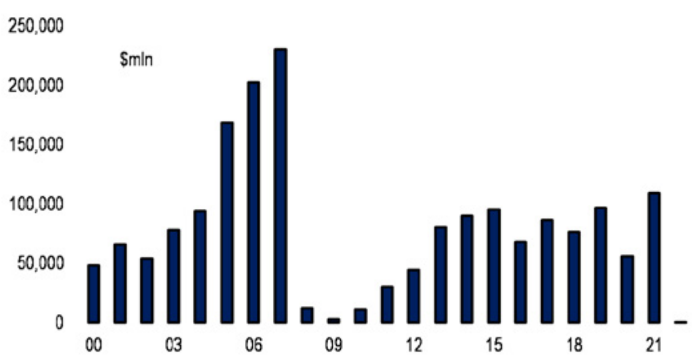
Domestic, Private-Label CMBS and CLO Issuance

Deal Type	1Q2022 #Deals	1Q2022 Vol $mln	1Q2022 Mkt Shr%	1Q2021 #Deals	1Q2021 Vol $mln	1Q2021 Mkt Shr%	1Q2021 YoY Chg%	Full Year 2021 #Deals	Full Year 2021 Vol $mln	Full Year 2021 Mkt Shr%
Conduit	9	9,915.21	34.17	6	5,999.09	25.27	65.28	30	30,344.67	19.65
Single-borrower	26	18,611.68	64.14	19	9,426.00	39.71	97.45	107	77,678.49	50.30
Other	1	489.30	1.69	0	0.00	0.00	0.00	2	985.09	0.64
CLO	13	15,268.75		11	8,312.18		83.69	51	45,436.62	
Total CMBS	**36**	**29,016.19**		**85**	**15,425.09**		**88.11**	**139**	**109,008.25**	
Total Issuance	**49**	**44,284.94**		**96**	**23,737.27**		**86.56**	**190**	**154,444.87**	

Source: Commercial Real Estate Direct

But issuance of conduit transactions still remains tepid. While volume jumped by 50 percent to $9 billion when compared with the same period a year ago, it's still down significantly from the $16.67 billion of issuance in the fourth quarter of 2019, before the pandemic struck.

CMBS Issuance



Source: Commercial Real Estate Direct

Issuance of single-borrower transactions, meanwhile, ballooned by nearly double, to $18.61 billion. That's nearly two-thirds of the total issuance during the quarter.

On top of that, 13 collateralized loan obligations with a balance of $15.27 billion were issued during the first quarter, up 84 percent from the $8.3 billion of issuance during the same period a year ago.

Bond spreads from single-borrower transactions had remained quite stable in January, but started widening in February as volume had increased. Spreads for the most-senior bonds from floating-rate deals are now roughly 100 basis points wider than they were at the start of the year. The last fixed-rate deal to price took place in early March. The pricing spread for its most-senior bonds were wider by 50 to 60 bps than at the start of the year.

Wider spreads have hit conduits as well, but not as severely. A deal that priced this month saw its most senior bonds price at a spread of 128 bps more than SOFR swaps. That's 28 bps wider than a deal that priced at the start of the year.

Citigroup has jumped into the early lead in a ranking of bookrunners, with credit for 5.17 deals totaling $5.57 billion, or 19.2 percent of the market. Well behind it was Barclays Capital, with a 13 percent share of the market, and JPMorgan Securities, with a 12.8 percent share. Meanwhile, BMO Capital Markets took fourth place, with a 10.5 percent market share. That was driven by its lending activity.

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Citibank also was the most-active contributor of loan collateral to the market during the period, with a 19.16 percent share of the market. It also was followed by Barclays Bank, with a 13 percent share of the market.

A newcomer in a ranking of loan contributors was Bank of Montreal, which contributed nearly 40 loans with a balance of $2.55 billion, or nearly 9 percent of all securitized mortgages. It didn't participate in the market during the same period a year ago. It contributed to conduit deals—and even floated a deal off its own shelf, BMO Commercial Mortgage Securities Inc., 2022-C1—as well as single-borrower transactions. ■

Top Bookrunners Domestic, Private-Label CMBS

	1Q2022				1Q2021		
Investment Bank	Total Credit	Bal $mln	#Deals	Mkt Shr%	Total Credit	Bal $mln	Mkt Shr%
Citigroup	5.17	5,568.42	11	19.19	2.25	1,772.51	11.49
Barclays Capital	5.97	3,779.42	10	13.03	4.54	2,310.40	15.44
JPMorgan Securities	5.35	3,712.71	9	12.80	3.54	1,926.65	12.88
BMO Capital Markets	4.29	3,048.42	11	10.51	0.30	75.00	0.49
Wells Fargo Securities	3.73	2,708.37	7	9.33	2.89	1,783.96	11.92
BofA Securities	2.79	2,392.16	7	8.24	1.60	1,273.06	8.25
Morgan Stanley	2.39	2,217.28	8	7.64	2.81	1,330.05	8.89
Deutsche Bank	2.47	2,135.24	6	7.36	2.81	2,087.02	13.53
Goldman Sachs	1.66	1,637.13	6	5.64	2.71	1,997.36	12.95
UBS	1.09	747.28	5	2.58	0.13	83.21	0.56
KeyCorp	0.40	424.72	2	1.46	0.09	68.27	0.46
Societe Generale	0.45	420.04	3	1.45	0.57	218.33	1.46
Credit Suisse	0.25	225.00	1	0.78	0.77	499.27	3.34
TOTAL	36	29,016.19			25	15,425.09	

Source: Commercial Real Estate Direct

Top Loan Contributors Domestic, Private-Label CMBS

	1Q2022				1Q2021	
Lender	#Loans	Bal $mln	Avg Bal $mln	Mkt Shr%	#Loans	Bal $mln
Citibank	66.54	5,559.17	83.54	19.16	44.4	1,756.96
Barclays Bank	46.70	3,395.87	72.72	11.70	20.3	1,921.15
JPMorgan Chase Bank	19.85	3,223.17	162.38	11.11	21.7	1,911.94
Wells Fargo Bank	37.45	2,630.53	70.24	9.07	27.3	1,749.06
Bank of Montreal	39.64	2,549.22	64.31	8.79	0	0
Bank of America	16.85	2,365.71	140.43	8.15	25.9	1,231.63
Deutsche Bank	30.21	2,144.65	70.99	7.39	18.89	2,130.58
Morgan Stanley	58.30	1,879.10	32.23	6.48	42.1	1,286.81
Goldman Sachs	24.95	1,637.70	65.64	5.64	19.21	1,984.31
UBS Real Estate Securities	6.02	747.00	124.17	2.57	6	83.26
Starwood Mortgage Finance	40.00	670.88	16.77	2.31	7	85.01
Arbor Realty	30.00	489.30	16.31	1.69	NA	NA
KeyBank	24.00	424.70	17.70	1.46	7	67.92
Societe Generale	14.25	420.07	29.48	1.45	4.9	218.54
Credit Suisse	0.25	225.00	900.00	0.78	3	100
Lennar Mortgage Finance	14.00	178.08	12.72	0.61	17	163.13
National Cooperative Bank	38.00	152.86	4.02	0.53	35	119.56
Sabal	24.00	147.37	6.14	0.51	0	0
Benefit Street Partners	3.00	75.86	25.29	0.26	5	141.25
Natixis	3.00	52.16	17.39	0.18	0	0
Argentic Real Estate Finance	5.00	47.74	9.55	0.16	0	0
3650 REIT	0.00	0.00	0.00	0.00	18	398.98

Source: Commercial Real Estate Direct

Most-Active Special Servicers, Private-Label CMBS

	1Q2022									1Q2021		
	Total			Conduit			Single-Borrower/Other			Total		
Servicer	#Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%
Situs	10	6,886.73	23.73				10	6,886.73	36.05	6	3,769.40	24.44
KeyBank	8	6,542.33	22.55	1	1,774.83	17.90	7	4,767.50	24.96	6	3,475.69	22.53
Midland Loan Services	5	5,543.35	19.10	2	2,012.60	20.30	3	3,530.75	18.48	4	1,838.00	11.92
CWCapital Asset Management	4	3,287.33	11.33	2	2,295.33	23.15	2	992.00	5.19	3	2,535.90	16.44
LNR Partners	3	2,801.15	9.65	3	2,801.15	28.25						
Rialto Capital Advisors	3	1,819.30	6.27	1	1,031.30	10.40	2	788.00	4.13	2	1,127.68	7.31
Brookfield Asset Management	1	1,400.00	4.82				1	1,400.00	7.33			
Berkadia	1	381.00	1.31				1	381.00	1.99			
Argentic	1	355.00	1.22				1	355.00	1.86			
3650 REIT										2	1,120.09	7.26
Greystone										1	1,159.33	7.52
Wells Fargo Bank										1	399.00	2.59
TOTAL	**36**	**29,016.19**		**9**	**9,915.21**		**27**	**19,100.98**		**25**	**15,425.09**	

Source: Commercial Real Estate Direct

Most-Active CMBS Master Servicer Ranking

	1Q2022									1Q2021		
	Total			Conduit			Single-borrower/Other			Total		
Servicer	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%
KeyBank	14	13,094.74	45.13	2	2,036.84	20.54	12	11,057.90	57.89	12	6,505.40	42.17
Midland Loan Services	8	6,871.67	23.68	5	5,504.12	55.51	3	1,367.55	7.16	8	5,925.32	38.41
Wells Fargo Bank	6	5,070.75	17.48	2	2,374.25	23.95	4	2,695.50	14.11	5	2,994.37	19.41
Berkadia	8	3,979.03	13.71				8	3,979.03	20.83			
TOTAL	**36**	**29,016.19**		**9**	**9,915.21**		**27**	**19,099.98**		**25**	**15,425.09**	

Source: Commercial Real Estate Direct

Most-Active CMBS Trustees

				1Q2022						1Q2021		
	Total			Conduit			Single-borrower/Other			Total		
Trustee	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%
Wilmington Trust	32	27,498.66	94.77	9	9,915.21	100.00	23	17,583.45	92.06	11	7,821.27	50.70
Computershare	4	1,517.53	5.23				4	1,517.53	7.94			
Wells Fargo Bank										14	7,603.82	49.30
TOTAL	**36**	**29,016.19**		**9**	**9,915.21**		**27**	**19,100.98**		**25**	**15,425.09**	

Source: Commercial Real Estate Direct

Most-Active CMBS Certificate Administrators

				1Q2022						1Q2021		
	Total			Conduit			Single-borrower/Other			Total		
Certificate Admin	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%
Computershare	31	13,344.18	69.83	9	9,915.21	100.00	22	13,335.18	69.81			
Citigroup	5	5,765.80	30.17				5	5,765.80	30.19	3	2,185.90	14.17
Wells Fargo Bank	0	0.00								22	13,239.19	85.83
TOTAL	**36**	**19,109.98**		**9**	**9,915.21**		**27**	**19,100.98**		**25**	**15,425.09**	

Source: Commercial Real Estate Direct

Most-Active CMBS Rating Agencies

				1Q2022						1Q2021		
	Total			Conduit			Single-borrower/Other			Total		
Rating Agency	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%	# Deals	Bal $mln	Mkt Shr%
Moody's Investors Service	24	20,733.56	71.46	4	4,988.36	50.31	20	15,745.20	82.43	11	7,153.27	46.37
DBRS	16	13,424.02	46.26	3	2,216.57	22.36	13	11,207.45	58.67	12	8,618.58	55.87
Fitch Ratings	12	12,210.96	42.08	9	9,915.21	100.00	3	2,295.75	12.02	8	6,831.29	44.29
Standard & Poor's	10	7,912.58	27.27	5	4,926.85	49.69	5	2,985.73	15.63	9	6,604.12	42.81
Kroll Bond Rating Agency	6	5,520.12	19.02	5	5,174.09	52.18	1	346.03	1.81	6	4,380.61	28.40
TOTAL	**36**	**29,016.19**		**9**	**9,915.21**		**27**	**19,100.98**		**25**	**15,425.09**	

Source: Commercial Real Estate Direct

Top Managers of Domestic, Private-Label CMBS

	1Q2022		1Q2021	
Investment Bank	#Deals	Vol $mln	#Deals	Vol $mln
Citigroup	11	12,416.26	6	5,825.23
Drexel Hamilton	13	11,431.67	5	5,250.20
Academy Securities	11	9,982.96	6	5,999.09
Morgan Stanley	8	7,961.44	5	2,846.97
JPMorgan Securities	9	7,786.21	5	3,926.83
BofA Securities	7	7,744.25	4	3,003.97
Barclays Capital	10	7,060.63	7	3,855.20
Deutsche Bank	6	6,404.67	8	7,297.32
Goldman Sachs	6	6,220.46	6	6,511.43
Wells Fargo Securities	7	5,070.75	5	4,468.77
UBS	5	2,952.83	1	650.09
KeyBanc	2	2,153.31	1	793.80
Bancroft Capital	2	1,716.69	2	1,488.80
Siebert Financial	2	1,173.32		
Natixis	1	926.80		
Mischler Financial	1	926.80		
Credit Suisse	1	900.00	1	650.09
AmeriVet Securities	1	685.39		

Source: Commercial Real Estate Direct

Commercial Real Estate CLO Issuance

	1Q2022			1Q2021			
Investment Bank	#Deals	Bal $Mln	Mkt Shr%	#Deals	Bal $Mln	Mkt Shr%	Chg%
Wells Fargo Securities	4.73	4,483.44	29.36	1.46	1,224.72	13.77	266.08
JPMorgan Securities	2.45	3,905.25	25.58	3.67	2,766.20	31.10	41.18
Goldman Sachs	2.29	2,217.89	14.53	1.34	1,056.24	11.87	109.98
Credit Suisse	1.10	2,072.50	13.57	0.50	595.00	6.69	248.32
Barclays Capital	0.93	1,089.16	7.13	0.67	558.38	6.28	95.06
Morgan Stanley	1.01	995.56	6.52	1.02	878.61	9.88	13.31
UBS Securities	0.15	167.24	1.10				
Deutsche Bank	0.10	113.50	0.74	0.83	534.61	6.01	-78.77
MUFG Securities	0.09	85.00	0.56				
KKR Capital Markets	0.09	85.00	0.56				
Amherst Pierpont	0.05	27.34	0.18				
BofA Securities	0.03	26.88	0.18	0.17	208.25	2.34	-87.09
Citigroup				0.85	817.49	9.19	-100.00
Nomura				0.50	255.33	2.87	-100.00
TOTAL	**13.00**	**15,268.75**		**11.00**	**8,894.83**		**71.66**

Source: Commercial Real Estate Direct

CMBS Loan Disposition Activity

1Q2022					1Q2021				
Date	# Loans	Bal $mln	Loss $mln	Loss Severity%	Date	# Loans	Bal $mln	Loss $mln	Loss Severity %
January	16	234.92	111.96	47.66	January	29	464.94	394.31	84.81
February	17	323.37	194.72	60.22	February	22	237.02	179.54	75.75
March	13	189.91	84.94	44.72	March	7	37.72	26.14	69.31
TOTAL	46	748.20	391.62	52.34	TOTAL	58	739.68	599.99	81.12

1Q2022					1Q2021				
Prop Type	# Loans	Bal $mln	Loss $mln	Loss Severity%	Prop Type	# Loans	Bal $mln	Loss $mln	Loss Severity%
RT	12	332.49	208.41	62.68	RT	22	177.00	141.60	80.00
OF	6	134.92	101.65	75.34	OF	12	372.55	344.22	92.40
MF	2	35.33	14.23	40.28	MF	6	59.87	37.30	62.29
LO	24	221.77	66.95	30.19	LO	11	78.90	41.26	52.30
IN	-	0.00	0.00	0.00	IN	1	5.30	0.05	0.91
MU	1	22.63	0.36	1.59	MU	6	46.06	35.57	77.22
MH	1	1.07	0.01	1.00	MH	-	0.00	0.00	-
TOTAL	46	748.20	391.62	52.34%	TOTAL	58	739.68	599.99	81.12

Source: Trepp Inc.

Average Loss Severity by Loan Size

1Q20222				
Loan Size Bal $mln	# Loans	Bal $mln	Loss $mln	Loss Severity%
<= 5.00	4	12.86	4.57	35.51
5.00-15.00	28	241.44	96.48	39.96
15.00-25.00	9	167.19	56.41	33.74
> 25.00	5	326.71	234.16	71.67
TOTAL	46	748.20	391.62	52.34

1Q2021				
Loan Size Bal $mln	# Loans	Bal $mln	Loss $mln	Loss Severity%
<= 5.00	23	68.72	42.00	61.12
5.00-15.00	25	211.05	147.51	69.90
15.00-25.00	4	78.48	64.40	82.06
> 25.00	6	381.42	346.07	90.73
TOTAL	58	739.68	599.99	81.12

Source: Trepp Inc.

Loan Liquidation by Vintage Since 2000 (All U.S. Fixed-Rate Loans)

Vintage	#Loans	Bal $mln	Loss $mln	Loss Severity %
2000	474	2,294.44	852.76	37.17
2001	589	3,441.13	1,407.01	40.89
2002	435	2,563.74	1,181.75	46.09
2003	460	3,169.07	1,360.54	42.93
2004	720	6,285.93	2,796.04	44.48
2005	1,573	18,837.14	8,477.39	45.00
2006	2,560	33,125.52	16,317.70	49.26
2007	2,975	44,228.20	21,402.83	48.39
2008	252	3,261.63	1,706.03	52.31
2009	-	-	-	-
2010	6	153.48	54.20	35.32
2011	23	479.92	187.85	39.14
2012	29	394.00	209.02	53.05
2013	52	599.84	307.38	51.24
2014	92	1,323.32	755.28	57.08
2015	52	729.60	152.07	20.84
2016	39	454.34	107.48	23.66
2017	12	153.76	28.37	18.45
2018	11	56.14	14.69	26.16
2019	9	43.31	7.12	16.45
2020	-	-	-	-
TOTAL	10,846	124,156.82	58,724.02	47.30

Source: Trepp Inc.


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