

Irepp

CMBS Research

CMBS Issuance Explodes in 2021, Hits Levels Not Seen in 14 Years

Key Highlights

- The private-label CMBS market came back to life with a vengeance in 2021. Total domestic issuance reached \$109.12 billion.
- The issuance bonanza was indicative of the market's liquidity and investors' hunger for yield.
- The issuance deluge came courtesy of large, single-borrower deals. Conduit issuance, on the other hand, was essentially flat.

The private-label CMBS market came back to life with a vengeance in 2021. Total domestic issuance reached \$109.12 billion, a whopping 95% more than was issued in the pandemic-interrupted prior year.

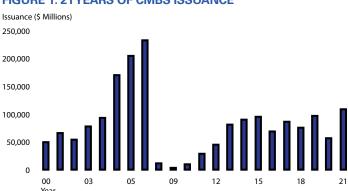


FIGURE 1: 21 YEARS OF CMBS ISSUANCE

The issuance deluge — the year's volume was the most since 2007, when \$230.5 billion was issued — came courtesy of large, single-borrower deals. A total of 107 such deals totaling \$77.68 billion were sold this year, up more than double the \$23.95 billion issued in 2020 and nearly double the \$46.36 billion issued in 2019.

Conduit issuance, on the other hand, was essentially flat. A total of 30 deals totaling \$30.46 billion priced in 2021, up just more than 3% from the \$29.46 billion issued in 2020. In contrast, \$49.15 billion was issued in 2019.

Those numbers don't even take commercial real estate collateralized loan obligations (CRE CLOs) into account. A total of 51 deals totaling \$45.44 billion were issued — more than four times 2020's volume and the highest annual tally ever.

Source: Commercial Real Estate Direct

FIGURE 2: DEAL TYPES GRAPH – DOMESTIC, PRIVATE-LABEL CMBS AND CRE CLO ISSUANCE

		2021					
DEALTYPE	#DEALS	VOL \$MLN	MKT SHR%	#DEALS	VOL \$MLN	MKT SHR%	YOY CHG%
Conduit	30	30,455.67	27.91	34	29,463.23	52.65	3.37
Single-borrower	107	77,678.49	71.19	48	23,946.82	42.79	224.38
Other	2	985.09	0.90	3	2,547.69	4.55	-61.33
CRE CLO	51	45,436.62		12	8,312.18		446.63
Total CMBS	139	109,119.25		85	55,957.74		95.00
Total Issuance	190	154,555.87		97	64,269.92		

Source: Commercial Real Estate Direct



FIGURE 3: 2021 CONDUIT ISSUANCE

PRICE DATE	DEAL NAME	AMT	AAA JR. LVL %	RISK RETENTION TYPE	VERT- SIZE	HORSIZE (OF PAR)	RISK RETENTION PARTY	UW/ DSC	PRICE 10 AAA SR.	PRICE JR. AAA	PRICE BBB-	10YRT YIELD
1/28/21	BANK 2021-BN31	905.19	19.00	Vertical	5%		WF/MS/BoA	3.25	61	78	300	1.07
1/29/21	BMARK 2021-B23	1,585.90	18.75	Vertical	5%		Citi/JPMGS	3.14	63	83	330	1.11
2/18/21	BBCMS 2021-C9	793.80	21.63	Horizontal		11.70%	KKR	2.28	62	85		1.29
3/4/21	BMARK 2021-B24	1,159.33	22.13	Vertical	5%		Citi/JPM/GS	2.75	65	84	305	1.54
3/16/21	BANK 2021-BN32	904.78	22.00	Vertical	5%		BoA/MS/WF	3.46	69	90	305	1.62
3/23/21	CSAIL 2021-C20	650.09	20.88	Hybrid	2.21%	7.75%	3650REIT	2.51	83	108	365	1.63
4/16/21	BMARK 2021-B25	1,377.00	19.88	Vertical	5%		GS/Citi/DB/JPM	2.68	69	95	345	1.59
4/22/21	WFCM 2021-C59	826.05	23.13	Hybrid	4.18%	5.03%	Argentic	2.36	75	100	370	1.57
4/29/21	MSC 2021-L5	817.06	21.25	Hybrid	4.28%	3.59%	Starwood	2.43	73	95	325	1.65
5/7/21	BANK 2021-BN33	1,004.95	18.75	Vertical	5%		BoA/WF/MS	3.57	67	90	285	1.60
5/13/21	BMARK 2021-B26	983.32	21.00	Vertical	5%		DB	3.18	68	88	295	1.66
6/14/21	BANK 2021-BN34	1,033.35	23.00	Vertical	5%		WF/MS/BoA	3.43	64	77	260	1.51
6/18/21	BMARK 2021-B27	1,093.91	23.25	Hybrid	3.70%	5%	KKR	2.82	65	77	265	1.45
6/25/21	BBCMS 2021-C10	846.78	20.75	Hybrid	4.06%	4.68%	Barc/SocGen	2.27	67	85	300	1.54
6/30/21	MSC 2021-L6	765.33	21.00	Hybrid	4.06%	3.96%	Argentic	2.99	70	100	330	1.45
7/16/21	WFCM 2021-C60	748.63	22.25	Horizontal		12.26%	KKR	2.32	72	92		1.31
7/28/21	BANK 2021-BN35	1,394.86	19.25	Vertical	5%		MS/BoA/WF	3.36	69	86	300	1.26
8/3/21	BMARK 2021-B28	1,375.28	22.13	Vertical	5%		JPM/Citi	2.61	70	90	310	1.19
9/15/21	BBCMS 2021-C11	988.04	21.25	Hybrid	3.58%	4.77%	Sabal	2.49	66	87	325	1.31
9/17/21	BMARK 2021-B29	1,120.90	23.00	Vertical	5%		GS/JPM/Citi/DB	2.94	65	87	320	1.37
9/24/21	BANK 2021-BN36	1,276.05	21.13	Vertical	5%		BoA/MS/WF	3.43	66	88	340	1.47
9/30/21	MSC 2021-L7	921.19	24.13	Hybrid	2.93%	5.10%	Prime Finance	2.55	71	90	365	1.52
10/28/21	BMARK 2021-B30	952.3	21.38	Vertical	5%		DB/Citi	2.72	67	87	330	1.57
11/5/21	3650R 2021-PF1	918.59	24.75	Horizontal		10.45%	2650	2.69	72	97		1.45
11/12/21	BANK 2021-BN37	1,323.32	18.63	Vertical	5%		WF/BoA/MS	3.93	67	90	350	1.58
11/17/21	BBCMS 2021-C12	1074.49	21.63	Hybrid	3.60%	4.94%	Barc/Key/BMO/Prime	2.44	69	90	385	1.60
11/22/21	WFCM 2021-C61	764.42	26.75	Horizontal		11.60%	Prime Finance	2.15	75	95	390	1.63
12/9/21	BMARK 2021-B31	1496.65	20.00	Vertical	5%		Citi/DB	2.89	73	95	375	1.49
12/14/21	BANK 2021-BN38	729.01	20.00	Vertical	5%		MS/BoA/WF	4.00	69	92	355	1.44
12/16/21	GSMS 2021-GSA3	625.1	24.50	Hybrid	3.35%	5.32%	Argentic	2.36	80	105	415	1.44

Source: Trepp



CMBS Research

The issuance bonanza was indicative of the market's liquidity and investors' hunger for yield. Bond investors were drawn to CMBS because of the generous risk-adjusted yields; the property-sales market took off, as witnessed by the recordbreaking \$614.21 billion of sales volume recorded through November, and interest rates remained low, prompting property owners to tap the lending markets.

The sales volume also helped drive the **CRE** CLO market — as did the favorable rates the market afforded alternative lenders — as buyers often turn to short-term financings to execute their business plans.



Looking for more Trepp content? Subscribe to **Trepp**Talk[™] for free.

TreppTalk, Trepp's daily blog, leverages our market expertise and proprietary data sets in structured finance, commercial real estate, and banking.

For more information about Trepp's commercial real estate data, contact info@trepp.com. For inquiries about the data analysis conducted in this research, contact press@trepp.com or 212-754-1010.

About Commercial Real Estate Direct

Founded in 1999, Commercial Real Estate Direct, a product of Trepp, currently delivers news to more than 10,000 individuals throughout every business day via its <u>CREnews.com</u> site and weekly through its emailed newsletter publication. CRE Direct provides the most up-to-date market intelligence on the mortgage business, equity raising, investment sales, and CMBS sectors. Subscribers, which include investors, lenders, brokers, investment banks, and others, gain access to daily in-depth news and information through the Property Sales Database, CMBS Pricing Matrix, and CMBS Pipeline.

About Trepp

Trepp, founded in 1979, is the leading provider of data, insights, and technology solutions to the structured finance, commercial real estate, and banking markets. Trepp provides primary and secondary market participants with the solutions and analytics they need to increase operational efficiencies, information transparency, and investment performance. From its offices in New York, San Francisco, and London, Trepp serves its clients with products and services to support trading, research, risk management, surveillance, and portfolio management. Trepp subsidiary, Commercial Real Estate Direct, is a daily news source covering the commercial real estate capital markets. Trepp is wholly owned by Daily Mail and General Trust (DMGT).

The information provided is based on information generally available to the public from sources believed to be reliable.