



## 2017 CMBS Award Winners

### Goldman Sachs Takes Top Honors Among CMBS Bookrunners, Lenders

Goldman Sachs contributed an industry-leading \$11.7 billion of commercial mortgages to CMBS deals last year, which was instrumental in it taking the top spot among CMBS bookrunners.

The investment bank handled bookrunner duties on 18 transactions totaling \$11.8 billion, or 13.7% of the year's \$86.4 billion of issuance. That figure is up substantially from 2016, when it participated as bookrunner on 11.1% of that year's issuance volume.

JPMorgan Securities was well behind Goldman in both the ranking of bookrunners and loan contributors. JPM had contributed \$10.1 billion of loans to the market and received bookrunner credit for 15 deals totaling \$11 billion, or 12.7% of issuance.

The bookrunner ranking only counts private-label CMBS deals, or transactions backed solely by non-agency mortgages. The ranking divvies up credit proportionally among all of a deal's bookrunners, based on information gleaned from offering materials.

Goldman was the sole loan contributor and bookrunner on four conduit deals that totaled \$4.1 billion. It also contributed \$7.6 billion of loans to a total of 22 single-borrower transactions. In eight of those deals, it was the sole loan contributor and bookrunner.

Among the big-ticket deals Goldman participated in was Cold Storage Trust, 2017-ICE3, a \$1.3 billion deal which allowed Lineage Logistics to refinance debt against a portfolio of 54 cold-storage properties. (JPMorgan also participated in the deal.) Goldman also contributed the lion's

CHART 1: TOP MANAGERS OF DOMESTIC, PRIVATE-LABEL CMBS

2017 RANK	INVESTMENT BANK	2017			2016		
		BAL (\$MLN)	MKT SHR (%)	# DEALS	BAL (\$MLN)	MKT SHR (%)	# DEALS
1	Academy Securities	30,876.20	35.70	34	30,982.70	45.30	39
2	Citigroup	29,346.20	34.00	34	20,525.90	30.00	26
3	Deutsche Bank	26,822.90	31.00	33	19,714.00	28.80	27
4	Morgan Stanley	23,267.60	26.90	27	13,057.70	19.10	17
5	JPMorgan Securities	23,045.00	26.70	27	15,120.20	22.10	22
6	Drexel Hamilton	21,929.60	25.40	22	25,009.10	36.60	31
7	Wells Fargo Securities	19,798.10	22.90	26	13,654.40	20.00	20
8	Goldman Sachs	18,563.90	21.50	26	14,388.10	21.10	19
9	Barclays Capital	16,441.30	19.00	19	9,799.00	14.30	14
10	BofA Merrill Lynch	15,752.10	18.20	18	9,634.90	14.10	14
11	Natixis	11,442.10	13.20	16	6,186.70	9.10	9
12	UBS Securities	10,495.50	12.10	14	7,080.00	10.40	9
13	Credit Suisse	5,858.00	6.80	13	3,539.20	5.20	6
14	Cantor Fitzgerald	4,637.50	5.40	6	6,820.00	10.00	9
15	KeyBank	4,035.50	4.70	5	5,307.60	7.80	7
16	CIBC World Markets	2,676.00	3.10	3	2,747.80	4.00	3
17	Jefferies	916.50	1.10	1	3,660.10	5.40	4
18	CastleOak	644.70	0.70	1	4,010.80	5.90	5

Source: Full Credit to Every Manager on a Deal  
Source: Commercial Real Estate Direct

share of a \$705 million loan against Manhattan’s Worldwide Plaza office. That loan was securitized through Worldwide Plaza Trust, 2017-WWP.

Goldman’s dominant participation in the large-loan business skewed the average size — \$79.8 million — of the loans it contributed to the CMBS market. Only Credit Suisse and JPMorgan had a larger average loan size — \$108.1 million and \$86 million, respectively.

On the other end of that spectrum was C-III Commercial Mortgage, with an average loan size of \$4.9 million, and NCB FSB, with an average loan size of \$3.3 million.

In total, 29 lenders contributed loans to CMBS deals last year, down from 38 in 2016. Among those that quit the CMBS market last year were Walker & Dunlop, which found that its clients weren’t clamoring for conduit loans. It was also prompted to leave by the increased capital that would be needed to play a role in the post-risk retention climate.

The reduction in the number of active lenders in the market was expected, as several smaller players quit in late 2016 because of their inability to consistently profit from originating loans for securitization. The risk retention rules contributed to some exits.

Others that didn’t contribute loans in 2017 after doing so the prior year included Prudential Financial. Prudential and Perella Weinberg Partners’ Asset Based Value Strategy created the Liberty Island Group conduit-lending venture, but it was dissolved in mid-2016.

Meanwhile, a ranking that gives full credit (not proportional like the bookrunner ranking) to every manager on a deal had Academy Securities at the top of the list, with 34 deals totaling \$30.9 billion, or 35.7% of the year’s issuance. That compares with 39 deals in 2016, when Academy’s market share was a whopping 45.3%. It took top honors that year, as well.

**CHART 2: TOP BOOKRUNNERS DOMESTIC, PRIVATE-LABEL CMBS**

2017 RANK	INVESTMENT BANK	2017			2016		
		BAL (\$MLN)	MKT SHR (%)	# DEALS	BAL (\$MLN)	MKT SHR (%)	# DEALS
1	Goldman Sachs	11,819.34	13.68	18	7,563.72	11.07	10
2	JPMorgan	10,968.11	12.70	15	10,350.16	15.14	15
3	Citigroup	10,012.71	11.59	12	8,061.79	11.80	11
4	Wells Fargo	9,936.06	11.50	14	9,513.96	13.92	13
5	Deutsche Bank	9,879.74	11.44	13	9,926.60	14.52	14
6	Morgan Stanley	9,536.77	11.04	13	5,091.85	7.45	7
7	Bank of America	5,910.78	6.84	9	4,257.04	6.23	7
8	Barclays Capital	5,269.62	6.10	7	3,096.56	4.53	5
9	UBS	4,203.40	4.87	6	2,432.68	3.56	3
10	Credit Suisse	3,807.42	4.41	9	3,224.51	4.72	5
11	Natixis	1,960.81	2.27	4	125.80	0.18	1
12	Cantor Fitzgerald	1,324.29	1.53	2	3,019.53	4.42	4
13	Societe Generale	1,274.72	1.48	2	1,622.18	2.37	3
14	Jefferies	486.65	0.56	1	0.00	0.00	0
15	CIBC	0.00	0.00	0	0.00	0.00	0
16	Scotia Bank	0.00	0.00	0	0.00	0.00	0
17	KeyCorp	0.00	0.00	0	55.70	0.08	0
	<b>Total</b>	<b>86,390.43</b>	<b>100.00</b>	<b>122</b>	<b>68,342.07</b>	<b>-</b>	<b>99</b>

Source: Commercial Real Estate Direct

Academy is a disabled veteran-owned institution that was founded in 2009 by Chance Mims, a former U.S. Naval officer. Its president is Phil McConkey, a graduate of the U.S. Naval Academy who is perhaps best known for his years as a wide receiver for the New York Giants. JPMorgan is Academy's mentor under the Treasury Department's Mentor-Protégé Program, which is designed to help improve the competitive capabilities of minority-, women- and veteran-owned businesses.

Citigroup was just behind Academy in that ranking as it managed 34 deals totaling \$29.3 billion, or 34% of the year's volume. It was followed by Deutsche Bank, with 33 deals totaling \$26.8 billion, or a 31% share.

**CHART 3: TOP LOAN CONTRIBUTORS**

2017 RANK	LOAN CONTRIBUTORS	2017		2016	
		VOL (\$MLN)	MKT SHR (%)	VOL (\$MLN)	MKT SHR (%)
1	Goldman Sachs	11,719.30	13.60	7,288.40	11.20
2	JPMorgan Chase Bank	10,114.10	11.80	8,965.80	13.70
3	Deutsche Bank	9,690.00	11.30	6,604.10	10.10
4	Morgan Stanley	8,539.80	9.90	4,083.90	6.30
5	Citigroup	8,088.20	9.40	5,512.20	8.40
6	Wells Fargo Bank	6,071.50	7.10	3,572.30	5.50
7	Bank of America	5,165.50	6.00	3,240.30	5.00
8	Barclays Bank	4,917.40	5.70	2,959.80	4.50
9	Credit Suisse	3,079.80	3.60	1,530.20	2.30
10	Natixis	2,507.90	2.90	1,895.30	2.90
11	UBS Real Estate Securities	2,497.40	2.90	2,432.00	3.70
12	Rialto Mortgage Finance	1,658.70	1.90	1,932.20	3.00
13	Starwood Mortgage Finance	1,534.10	1.80	1,739.00	2.70
14	Ladder Capital Finance	1,476.10	1.70	1,349.50	2.10
15	Cantor Commercial	1,326.20	1.50	3,212.50	4.90
16	Societe Generale	1,269.70	1.50	1,083.80	1.70
17	Argent Real Estate Finance	1,263.60	1.50	771.40	1.20
18	KeyBank	921.70	1.10	758.10	1.20
19	Benefit Street Partners	777.00	0.90	1,241.20	1.90
20	Lonestar/Relius	758.80	0.90	506.30	0.80

2017 RANK	LOAN CONTRIBUTORS	2017		2016	
		VOL (\$MLN)	MKT SHR (%)	VOL (\$MLN)	MKT SHR (%)
21	Jefferies LoanCore	486.80	0.60	1,110.20	1.70
22	Principal Commercial	460.60	0.50	478.70	0.70
23	RAIT RBS	342.40	0.40	21.40	0.00
24	CIBC World Markets	318.10	0.40	273.70	0.40
25	Bancorp Bank	314.40	0.40	367.00	0.60
26	NCB FSB	288.40	0.30	444.80	0.70
27	C-III Commercial Mortgage	217.00	0.30	367.70	0.60
28	Blackstone Mortgage Trust	100.00	0.10	0.00	0.00
29	Basis Real Estate Capital	74.30	0.10	156.00	0.20
30	Bank of New York	0.00	0.00	488.40	0.70
31	A10 Capital	0.00	0.00	251.60	0.40
32	MC-Five Mile	0.00	0.00	182.70	0.30
33	Bank of China	0.00	0.00	110.00	0.20
34	KGS-Alpha Real Estate	0.00	0.00	74.70	0.10
35	Redwood Mortgage Trust	0.00	0.00	72.20	0.10
36	Liberty Island Group	0.00	0.00	67.90	0.10
37	Prudential Financial	0.00	0.00	65.00	0.10
38	Walker & Dunlop	0.00	0.00	55.90	0.10
39	Freedom Commercial	0.00	0.00	9.50	0.00

Source: Commercial Real Estate Direct

## Rialto Keeps B-Piece Crown; KKR Tops Risk-Retention Ranking

Rialto Capital Management maintained its position as the most-active buyer of B-pieces from CMBS conduit transactions last year. It bought into 14 deals totaling \$12.9 billion, or 27.2% of the year's issuance.

But only six of Rialto's investments were subject to the risk retention rules that went into effect in late 2016. The rest of the deals it bought into had vertical risk retention structures, where issuers retained 5% slices of each tranche.

KKR Real Estate Credit Opportunity Partners was just behind Rialto in the B-piece ranking, buying into 12 deals totaling \$10.9 billion, or 23% of the year's conduit issuance. However, all of KKR's investments contributed to meeting the deals' risk retention requirements, so it topped a ranking of B-piece buyers whose investments were subject to risk retention rules.

The rules were implemented with the idea that issuers would remain disciplined if they kept some of what they originate. Risk retention requires issuers to keep a 5% slice — by face value — of their deals. However, they could sell off 5% of a deal's subordinate bonds — by market value. They also could blend those two approaches by keeping a piece and selling another.

The buyer of a horizontal slice is restricted from leveraging, hedging, or selling their investment for at least five years. That makes the risk retention ranking more significant. Effectively, KKR must retain the \$947.1 million of bonds it bought for at least five years, and likely for the deals' duration. Last year, it had raised \$1.1 billion of equity commitments for a fund, giving it the type of long-term capital needed for its investments. Those were priced to yield from 14.15% to 18.25%, depending on how high up a deal's capital stack it went.

CHART 4: TOP BUYERS OF CMBS CONDUIT B-PIECES

2017 RANK	BPCE BUYER	2017			2016		
		BAL (\$MLN)	MKT SHR (%)	# DEALS	BAL (\$MLN)	MKT SHR (%)	# DEALS
1	Rialto Capital Advisors	12,925.70	27.20	14	13,477.70	28.60	16
2	KKR Real Estate Credit	10,897.50	23.00	12	1,026.80	2.20	1
3	Argentica Real Estate	5,648.20	11.90	6	0.00	0.00	0
4	Prime Finance	4,810.80	10.10	5	2,614.30	5.60	3
5	Eightfold Real Estate	4,640.50	9.80	5	7,911.60	16.80	9
6	LNR Securities	2,471.20	5.20	2	2,946.90	6.30	3
7	MassMutual	1,854.50	3.90	2	0.00	0.00	0
8	BlackRock Realty	977.10	2.10	1	2,910.90	6.20	3
9	NorthStar Real Estate	959.00	2.00	1	0.00	0.00	0
10	Jefferies LoanCore	916.50	1.90	1	890.70	1.90	1
11	Resource Capital Corp.	705.40	1.50	1	0.00	0.00	0
12	C-III Capital Partners	637.60	1.30	1	3,148.60	6.70	4
13	Torchlight	0.00	0.00	0	3,342.40	07.10	4
14	Ellington	0.00	0.00	0	2,682.30	5.70	4
15	Och Ziff	0.00	0.00	0	1,867.40	4.00	2
16	Seer	0.00	0.00	0	1,509.80	3.20	2
17	Basis	0.00	0.00	0	1,022.90	2.20	1
18	World Class	0.00	0.00	0	955.00	2.00	1
19	Raith	0.00	0.00	0	771.00	1.60	1
	<b>Total</b>	<b>47,443.80</b>	<b>-</b>	<b>51</b>	<b>47,078.00</b>	<b>-</b>	<b>55</b>

Source: Commercial Real Estate Direct

Six of the deals the company invested in were structured with horizontal risk retention slices, where KKR would buy roughly 10.5% — by par value — of deals' most subordinate bonds. The other six had hybrid structures, where a horizontal and vertical was each carved out to meet the risk retention requirement. In those cases, KKR would buy 6.3% to 8.3% of a deal's most junior bonds, while its issuer would retain a vertical slice equal to 1.9% to 2.8%.

Well behind KKR in the conduit risk retention ranking was Argentic Real Estate Finance, which invested in five deals totaling \$515.2 million. All of its deals had horizontal risk retention structures.

**CHART 5: BUYERS OF CMBS CONDUIT HORIZONTAL RISK-RETENTION PIECES**

2017 RANK	INVESTOR	FACE AMT. OF BONDS BOUGHT (\$MLN)	MKT SHR (%)	# DEALS
1	KKR Real Estate Credit	947.10	36.10	12
2	Argentic Real Estate Finance	515.20	19.70	5
3	Rialto Capital Advisors	429.00	16.40	6
4	MassMutual	188.80	7.20	2
5	Prime Finance	169.80	6.50	2
6	LNR Securities	112.00	4.30	1
7	NorthStar Real Estate Income Trust	102.60	3.90	1
8	Jefferies LoanCore	96.20	3.70	1
9	Eightfold Real Estate Capital	59.90	2.30	2
	<b>Total</b>	<b>2,620.70</b>	<b>100.00</b>	<b>32</b>

Source: Commercial Real Estate Direct

**CHART 6: SPECIAL SERVICER RANKING – 2017**

2017 RANK	SERVICER	2017									2016		
		TOTAL			CONDUIT			SINGLE-BORROWER			TOTAL		
		VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS
1	Midland Loan Services	18,090.20	20.90	21	15,666.20	33.00	17	2,021.80	5.60	3	12,139.80	17.8	15
2	Rialto Capital Advisors	12,925.70	15.00	14	12,925.70	27.20	14	-	0.00	-	13,477.70	19.7	16
3	KeyBank	11,677.30	13.50	15	3,132.70	6.60	3	8,025.50	22.00	11	5,158.20	7.5	9
4	LNR Partners	10,431.20	12.10	11	9,476.20	0.20	10	955.00	2.60	1	5,948.50	8.7	7
5	Aegon USA Realty Advisors	9,793.60	11.30	23	-	-	-	9,793.60	26.90	23	6,349.80	9.3	13
6	Wells Fargo Bank	9,635.50	11.20	17	-	0.00	-	9,635.50	26.50	17	6,926.30	10.1	12
7	CWCapital Asset Management	4,900.00	5.70	5	4,900.00	10.30	5	-	0.00	-	7,265.70	10.6	9
8	Trimont Real Estate	4,107.90	4.80	6	-	0.00	-	3,585.00	9.80	4	1,474.50	2.2	3
9	Cohen Financial	1,580.00	1.80	5	-	0.00	-	1,580.00	4.30	5	-	-	-
10	C-III Asset Management	1,342.90	1.60	2	1,342.90	2.80	2	-	0.00	-	3,919.50	5.7	5
11	Strategic Asset Services	805.00	0.90	1	-	0.00	-	805.00	2.20	1	264.00	0.4	1
12	Hudson Advisors	758.80	0.90	1	-	0.00	-	-	0.00	-	506.30	0.7	1
13	RAIT Financial Trust	342.40	0.00	1	-	0.00	-	-	0.00	-	-	-	-
14	Torchlight Loan Services	-	-	-	-	-	-	-	-	-	3,504.40	5.1	5
15	Talmage LLC	-	-	-	-	-	-	-	-	-	1,155.00	1.7	2
	<b>Total</b>	<b>86,390.40</b>	-	<b>122</b>	<b>47,443.80</b>	-	<b>51</b>	<b>36,401.40</b>	-	<b>65</b>	<b>68,089.70</b>	-	<b>98</b>

Source: Commercial Real Estate Direct

**CHART 7: MASTER SERVICER RANKING - 2017**

2017 RANK	SERVICER	2017									2016		
		TOTAL			CONDUIT			SINGLE-BORROWER			TOTAL		
		VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS
1	Wells Fargo Bank	54,478.90	63.10	76	31,332.40	66.00	34	21,671.20	59.50	40	44,196.40	64.70	61
2	Midland Loan Services	15,989.00	18.50	18	14,397.20	30.30	15	1,591.80	4.40	3	11,711.10	17.10	16
3	KeyBank	15,371.70	17.80	26	1,714.20	3.60	2	13,138.40	36.10	23	12,182.20	17.80	21
4	RAIT Financial Trust	342.40	0.40	1	-	0.00	-	-	0.00	-	-	-	-
5	Trimont Real Estate Advisors	208.50	0.20	1	-	0.00	-	-	0.00	-	-	-	-
	<b>Total</b>	<b>86,390.40</b>	<b>100.00</b>	<b>122</b>	<b>47,443.80</b>	<b>100.00</b>	<b>51</b>	<b>36,401.40</b>	<b>100.00</b>	<b>65</b>	<b>68,089.70</b>	-	<b>98</b>

Source: Commercial Real Estate Direct

### Fitch Tops Moody's in CMBS Rating Agency Ranking

Newsflash: Moody's Investors Service was not last year's most-active rating agency in the CMBS sector. While it rated an enviable 62.6% of all transactions, it was topped by Fitch Ratings which rated two of every three deals issued last year, including all 51 conduit transactions.

Meanwhile, Moody's wasn't tapped to rate five of 2017's conduit deals. That's in contrast to the previous year, when it rated every one of the 55 conduit deals that were issued. To boot, Moody's has not been hired to rate all bonds in a transaction. Typically, issuers will only use its ratings up to a deal's junior-AAA class. Keep in mind that Moody's ratings are typically two notches lower than its competitors for those classes.

Another surprise in the CMBS universe last year was the comeback by Standard & Poor's. S&P rated 59 of the year's 122 deals, including 10 conduits, for a 42.3% share of the market. The firm dominated the single-borrower market with a sector-leading 72.7% market share.

S&P's overall market share in 2017 was up from a 22% share one year earlier, when the rating agency's one-year disbarment from the conduit sector was lifted. That year, it rated only three conduit deals.

Many investors — predominantly money managers and mutual funds — require the fixed-income securities they buy to have ratings from at least one of what many call the "major" rating agencies: Moody's, Fitch, and S&P. That paradigm has generally worked to the detriment of the remaining three agencies, DBRS, Kroll Bond Rating Agency, and Morningstar Credit Ratings. After all, issuers have only used Moody's ratings for the most senior classes of deals. However, every conduit deal issued last year had at least three rating agencies on it, and eight deals had four.

DBRS benefited the most from this change. The firm's 2017 market share increased sharply year-over-year from 25.4% to 30.4%, while Kroll's improved slightly.

**CHART 8: DOMESTIC PRIVATE-LABEL CMBS RANKINGS - RATING AGENCIES**

2017 RANK	RATING AGENCIES	TOTAL			CONDUIT			SINGLE-BORROWER			2016		
		VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS
1	Fitch	57,682.30	66.80	66	47,443.80	100.00	51	9,479.70	26.00	14	50,786.60	74.30	62
2	Moody's	54,090.30	62.60	62	43,864.70	92.50	47	8,810.10	24.20	12	57,065.30	83.50	72
3	Kroll	45,397.50	52.50	54	28,377.60	59.80	41	15,395.90	42.30	19	34,894.80	51.10	45
4	S&P	36,543.40	42.30	59	9,162.80	19.30	10	26,459.40	72.70	47	14,889.80	21.80	32
5	DBRS	26,299.70	30.40	35	17,856.30	37.60	19	7,924.30	21.80	15	17,353.70	25.40	25
6	Morningstar	11,138.50	12.90	22	2,020.90	4.30	2	8,715.40	23.90	19	13,687.40	20.00	22

Source: Commercial Real Estate Direct

**CHART 9: TRUSTEE RANKING**

2017 RANK	TRUSTEES	TOTAL			CONDUIT			SINGLE-BORROWER			2016		
		VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS	VOL (\$MLN)	MKT SHR (%)	# DEALS
1	Wilmington Trust	53,412.40	61.80	75	30,342.60	64.00	33	21,594.50	59.30	39	41,713.20	61.00	56
2	Wells Fargo Bank	27,170.60	31.50	36	15,134.30	31.90	16	11,174.80	30.70	18	15,834.50	23.20	27
3	Deutsche Bank	2,913.60	3.40	4	1,966.90	4.10	2	946.70	2.60	2	7,141.10	10.40	9
4	USBank	2,894.00	3.30	8	-	0.00	-	2,685.40	7.40	7	3,112.60	4.60	6
5	Citibank	-	-	-	-	-	-	-	-	-	540.00	0.80	1
	<b>Total</b>	<b>86,390.60</b>	<b>100.00</b>	<b>122</b>	<b>47,443.80</b>	<b>100.00</b>	<b>51</b>	<b>36,401.40</b>	<b>100.00</b>	<b>66</b>	<b>68,341.40</b>	-	<b>99</b>

Source: Commercial Real Estate Direct

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

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