MORTGAGE OBSERVER WEEKLY

The Insider's Weekly Guide to the Commercial Mortgage Industry

Rabsky Group Takes $95M TD Bank Loan for Leonard Pointe

TD Bank provided a $95 million mortgage to refinance existing debt on the **Rabsky Group**'s recently completed **Leonard Pointe** development in Williamsburg, Brooklyn, city records show. The loan replaces construction financing provided by **PNC Bank** in October 2013.

TD Bank's **Brian Terry**, a senior vice president for the suburban New York and Long Island area, originated the new debt, according to the loan documents.

Brooklyn-based Rabsky Group acquired the site for $18 million in June 2012 and began construction on the multifamily rental property at **395 Leonard Street**, which formerly went by the address **88 Richardson Street**, in 2013. The previous owner of the site is listed in records as **Michael Riccotta**.

The seven-story property, just south of **McCarren Park**, houses 188 units. The building opened on Jan. 1.

The LEAD

Durukan Design drew up the plans for the massive U-shaped development located on the former lot of the once-popular **Meeker Flea Market.** The design of the 139,702-square-foot building was inspired by Brooklyn's industrial past, according to previous news stories.

The property, which contains a community room with pool tables, screening theater, pet grooming area and a yoga studio and gym, is 60 percent occupied, according to a **Fiddler Realty**, which handles the property's leasing.

Studio apartments at Leonard Pointe start at $2,600, one-bedroom units start at $3,250 and two-bedroom units start at $4,335.

Representatives for the Rabsky Group were not immediately available for comment. A TD Bank spokesperson declined to comment. —*Damian Ghigliotty*

In This Issue

"Declining underwriting in new CMBS deals has been a concern of ours for the last couple of years"

—Stephanie Petosa From *Q&A* on page 10

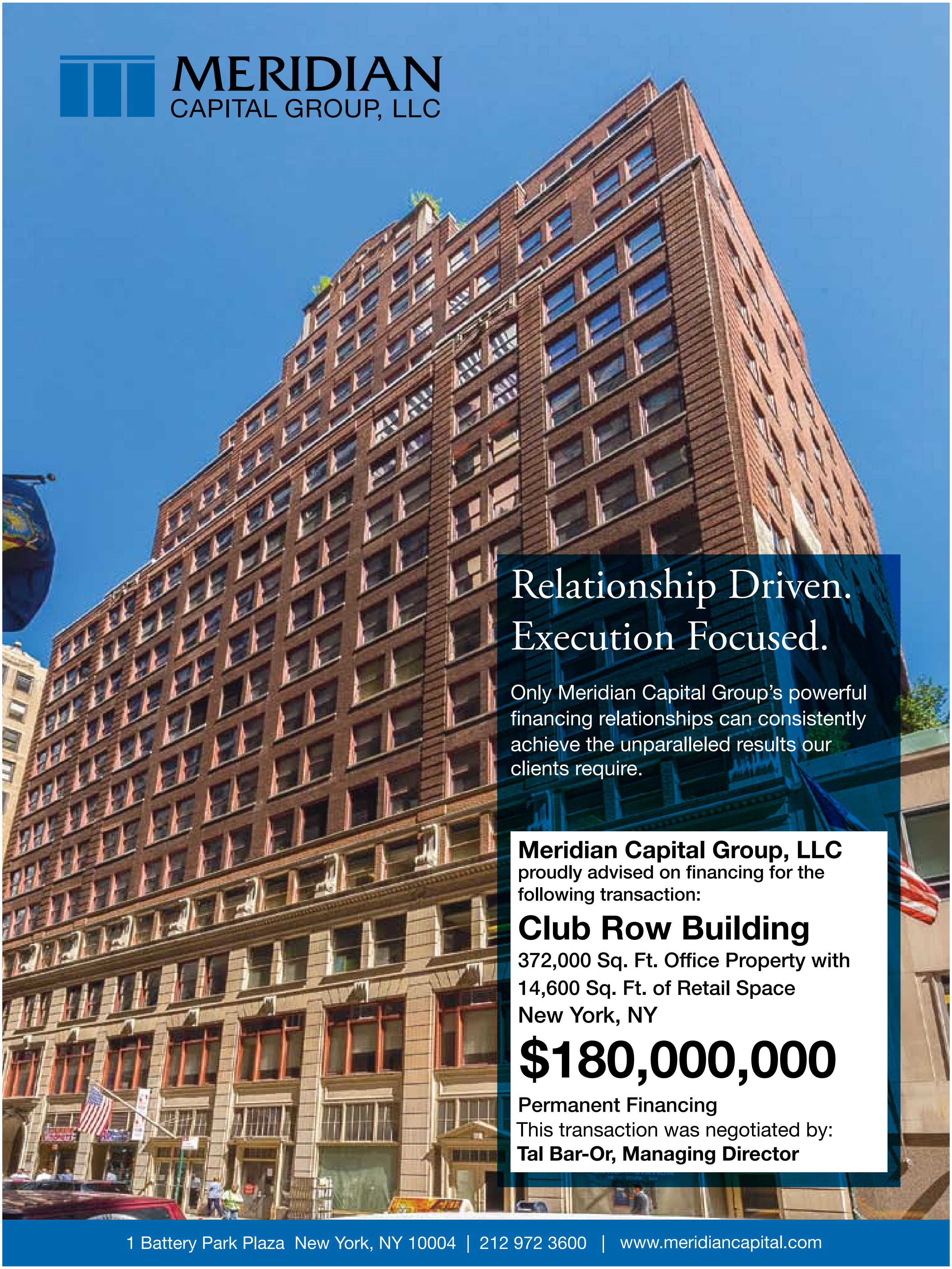
Lever House Loan Goes to Special Servicer

A $98.8 million CMBS loan on **390 Park Avenue**, owned by **RFR Holding**, has been sent to special servicing with the note facing imminent maturity default, according to a **Trepp** report based on recent servicer data. **CWCapital Asset Management** is listed as the special servicer.

The news comes despite the fact that the 234,240-square-foot building known as **Lever House** is 96 percent occupied with its debt service coverage ratio at 1.33x, the property's latest financials show.

The loan is the largest remaining asset backing the **CSFB 2005-C2** CMBS deal and

*See **Lever House...** continued on page 3*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Lever House...continued from page 1

represents more than 17 percent of the loan pool's remaining collateral.

"The CSFB deal has been one of the weakest performers among the 2005 conduit vintage," according to the Trepp report. Losses on the deal have totaled 15.2 percent.

When the loan was originated in March 2005, **Aby Rosen**, **Michael Fuchs** and **Harry Lis** were listed as the primary investors in the property. The 10-year loan, which carried an original balance of $110 million, is slated to mature in March 2015.

Alcoa, a global lightweight metals manufacturer, occupies about 33 percent of the building on seven floors under a lease that expires in 2020, one person with knowledge of the property told *Mortgage Observer Weekly*.

Alcoa occupies 71,400 square feet in 390 Park Avenue and is subleasing two additional floors to another tenant until June 2015. The company's total square footage in the building at the time of the loan securitization was 92,405 square feet, according to Trepp.

The downsizing of the Alcoa lease is a factor in the loan troubles, according to servicer watch list notes.

The office building at the corner of 54th Street was constructed in 1952.

Mr. Rosen declined to comment through a spokesperson.

—Damian Ghigliotty

Lever House

145 West 45th Street

Meridian Brokers 145 West 45th Street Buy

Meridian Capital Group secured a $40 million loan for the acquisition of an office property at **145 West 45th Street** on behalf of a partnership led by the New York-based **Aini** family, *Mortgage Observer Weekly* has learned.

MOW EXCLUSIVE

The new owners acquired the property from Queens-based **Samson Management** for an undisclosed amount, according to a person familiar with the transaction. **New York Community Bank** originated the debt, that person said.

The five-year loan carries a fixed-rate of 3.5 percent with interest-only payments for the full term, according to the broker.

Meridian Senior Managing Director **Rael Gervis** and Senior Vice President **David Hayum** negotiated the deal.

"Meridian leveraged our long-standing relationship with the lender to obtain full-term interest-only financing, which frees up a substantial amount of cash flow, giving our client flexibility to reposition the building," Mr. Hayum said.

The 12-story office property, located next to Times Square, totals 90,000 square feet. The Aini family owns several additional properties throughout the city, including the **Refinery Hotel** in Midtown. The new owners could not be reached for comment. *—Damian Ghigliotty*

Southern California

Berkeley Point Capital Provides $354M Credit Facility For Massive SoCal Portfolio Buy

TruAmerica Multifamily, in conjunction with institutional investors including **The Guardian Life Insurance Company of America** and **Allstate**, has acquired a 14-property multifamily portfolio in Southern California for $482 million, according to an announcement this week.

The acquisition was leveraged with a $354 million FannieMae Credit Facility from **Berkeley Point Capital**, which was originated by Senior Managing Director **Mitch Clarfield**. The facility was able to finance the entire portfolio and used both fixed and floating rate debt trusts.

A spokeswoman for Berkeley Point Capital could not immediately be reached.

Mark Enfield, the chief administrative officer of TruAmerica Multifamily, emphasized that both the fixed-rate and floating-rate debt are extraordinarily low. The year-one interest rate is 2.59 percent, he said.

Mr. Enfield said the seller, Newport Beach, Calif.-based **JH Real Estate Partners**, is exiting the multifamily business. TruAmerica Multifamily had a relationship with the seller and was able to configure a transaction in an off-market deal, he added.

It was a significant project underwriting all the properties across different markets in Southern California. Mr. Enfield said 45 percent of the properties are located in Los Angeles County, 25 percent are in San Diego County and 30 percent are in the Inland Empire. Collectively, the 14 properties include 2,669 units and each property was underwritten individually.

TruAmerica Multifamily will invest an additional $40 million in its execution of a repositioning strategy that will include upgrades to physical structures, common areas, unit interiors, pool areas, barbecue areas, fitness centers, leasing offices and landscaping.

According to a spokesman for TruAmerica Multifamily, this is the largest multifamily transaction the company has ever completed and one of the largest multifamily transactions ever in Southern California.

—Danielle Schlanger

Productions of New York Real Estate TV, LLC

The Stoler Report airs 8 times a week in New York City on CUNY TV. Each new broadcast debuts on Tuesday 2 AM, & 11 PM, Wednesday, 8:30 AM, 2:30 PM & 10:30 PM, Friday, 5:30 AM, Saturday 12 Midnight & Sunday 10:30 AM.

Building New York-NY Life Stories airs 8 times a week in New York City on CUNY TV. Each new broadcast debuts on Monday at 10:30 AM, 4:30 PM & 10:30 PM, Wednesday at 5:30 AM, Thursday at 11:30 PM, Saturday 12 Noon, Sunday at 12:30 AM & 10:30 AM. The show also airs around the nation of Tuesday evenings on JLTV, Channel 469 in Metro New York and DirecTV channel 366.

These programs are hosted by Michael Stoler, President of New York Real Estate TV, LLC, Managing Director of Madison Realty Capital, real estate commentator for 1010 WINS AM.

"The Stoler Report-NY's Business Report" Celebrating its 14th anniversary is a lively panel discussion hosted by Michael Stoler. More than 1600 individuals have participated on the lively panel discussion.

www.thestolerreport.com
www.michaelstolertelevision.com
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Building New York-New York Life Stories with Michael Stoler profiles lives of individuals from the region. The show which is currently in its 12th season has profiled the lives of more than 225 individuals.

www.buildingnewyork.nyc
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All past broadcasts can be viewed on "The Stoler Report App" for Iphone/ipad at Apple App Store Android Devices at Google Play

Chetrit Refinances Suspenders Building

The Soho mixed-use building known as the **Suspenders Building** has been refinanced to the tune of about $70 million, according to records filed with the city this week.

The cast-iron building at **428 Broadway** is owned by the **Chetrit Group**, which bought the six-story property for $22.5 million in 2005.

Greenwich, Conn.-based lender **Jeffries LoanCore** provided the $70.5 million mortgage. The most recent loan appears to replace a 2012 note from **PB Capital**.

The $57.9 million PB Capital loan was backed by five Chetrit-owned properties and was transferred to **Union Bank** when PB's commercial real estate unit was sold off to the bank in 2013, records show.

The brick and limestone loft building sits at the corner of Howard Street and offers retail and office space.

Chetrit representatives were not available to comment.

—*Guelda Voien*

The Suspenders Building

Workforce

Former **Ischus Capital Management** President and Chief Investment Officer **Andrew Shook** joined **A10 Capital**, a leading non-bank middle-market commercial real estate lender based in Boise, Idaho, as senior executive vice president, *Mortgage Observer Weekly* has learned.

"Andrew is a significant addition to our senior leadership team," said **Jerry Dunn**, A10 Capital's CEO in a written statement. "He brings a new level of diversity of experience to our organization as he has originated, managed, structured and traded tens of billions of dollars of real estate whole loans, CMBS, and securitizations over the course of his career."

Mr. Shook has over 20 years experience in real estate finance with much of his work focused on loan growth through customer development and new marketing approaches. He also worked in originating, managing, structuring and trading a variety of real estate loans, CMBS, securitized assets, and derivatives, according to an A10 Capital spokesperson.

Mr. Shook was on the founding management team of **Resource Capital Corporation**, a specialty finance mortgage REIT, and in March 2006 rang the opening bell of the **New York Stock Exchange** to commemorate RSO's initial public offering.

Before joining Ischus, he ran a multi-billion dollar real estate portfolio for **HSBC Bank USA**. He has also held senior positions at **Bank of America** in the U.S. and Europe. He holds a bachelor's degree in business management from **North Carolina State University** and a master's degree in banking and finance from the **University of Alabama**.

"I've followed A10's remarkable progress over the last few years in the commercial real estate markets," Mr. Shook said in a written statement. "I look forward to driving A10 to a multi-billion-dollar middle-market commercial mortgage originator in the next 24-36 months.

"As A10's growth accelerates, we will add significant staff to the origination team," he added.

CBRE Group has appointed **Mark Bratt** as a senior managing director at **CBRE Capital Markets** to lead its retail investment practice in the Americas, according to a company press release.

Based in both Denver and New York, Mr. Bratt will oversee more than 100 retail investment professionals throughout North and South America, nearly 30 of which focus on institutional trades. He will report to **Brian McAuliffe**, executive managing director of CBRE Capital Markets, who holds responsibility for the firm's institutional sales platform in the U.S.

Mr. Bratt has more than 28 years of experience in acquisitions, dispositions, joint ventures, asset management, project management and development, according to the release. He holds an M.B.A. and B.S. in Civil Engineering from the **University of California**.

"Mark is highly regarded in the industry and his extensive experience—particularly in retail acquisitions and dispositions—will provide significant value to our clients and support our future growth plans," Mr. McAuliffe said in a prepared statement. "Expanding our retail capital markets practice remains a priority and we are confident that under Mark's leadership we will continue to increase our strong market position."

COMMERCIAL OBSERVER

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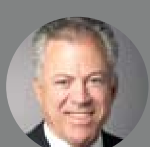

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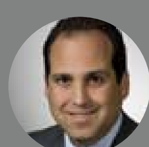

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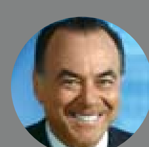

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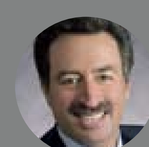

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The Takeaway

"Trepp's CMBS delinquency rate dropped slightly in December, ending the year down 168 basis points at 5.75," said Joe McBride, an analyst with Trepp. "Part of the improvement came from the liquidation of The Pier at Caesars, an $80.5 million Atlantic City casino loan that took a 128 percent loss. Looking back over 2014, $14.4 billion in CMBS loans were disposed with losses, up 1.84 percent from 2013 while loss severity increased 4 percentage points to 49.67 percent. As property values continue upward, losses on distressed loans may trend downward but the upcoming glut of maturities may add pressure as loans on the edge fall into the distressed category at maturity."

Source: Trepp

Date	Loan Count	Loan Balance	Realized Losses	Loss Severity
January-11	155	1,269,398,271	580,118,354	45.70
February-11	81	583,400,255	289,725,531	49.66
March-11	65	410,747,897	207,687,381	50.56
April-11	146	1,047,688,935	493,258,718	47.08
May-11	123	1,228,951,674	592,607,812	48.22
June-11	167	1,503,972,282	833,864,799	55.44
July-11	147	1,030,233,377	534,897,859	51.92
August-11	131	870,618,657	503,891,149	57.88
September-11	121	1,051,804,218	571,411,407	54.33
October-11	101	836,335,852	459,084,273	54.89
November-11	195	1,967,420,190	1,078,334,911	54.81
December-11	101	878,052,203	515,977,658	58.76
January-12	136	1,163,168,342	619,140,297	53.23
February-12	68	560,489,238	224,605,118	40.07
March-12	73	759,652,992	313,914,562	41.32
April-12	121	1,172,191,687	608,972,910	51.95
May-12	135	1,295,380,725	718,905,858	55.50
June-12	126	1,037,211,761	511,270,053	49.29
July-12	141	988,048,484	520,722,842	52.70
August-12	118	1,198,609,002	764,874,825	63.81
September-12	137	1,061,240,749	574,775,450	54.16
October-12	99	996,814,478	575,479,875	57.73
November-12	136	1,210,200,882	744,963,950	61.56
December-12	97	842,525,594	488,570,902	57.99
January-13	120	871,321,068	509,250,687	58.45
February-13	60	801,534,307	426,286,808	53.18
March-13	58	670,358,237	334,685,726	49.93
April-13	104	1,436,442,517	740,052,032	51.52
May-13	70	682,012,767	407,085,434	59.69
June-13	96	1,119,314,765	704,424,337	62.93
July-13	110	1,773,451,736	891,072,636	50.25
August-13	61	776,306,573	442,551,642	57.01
September-13	75	672,710,355	374,740,010	55.71
October-13	56	871,531,148	369,697,049	42.42
November-13	91	1,072,260,517	578,670,881	53.97
December-13	80	1,165,235,417	646,018,627	55.44
January-14	74	1,205,480,049	745,755,870	61.86
February-14	114	2,589,835,745	1,208,909,802	46.68
March-14	74	1,887,186,139	1,024,482,375	54.29
April-14	48	566,668,600	333,449,178	58.84
May-14	64	859,443,048	499,296,654	58.10
June-14	63	835,154,938	421,327,735	50.45
July-14	49	542,093,149	367,342,727	67.76
August-14	76	703,073,717	370,365,746	52.68
September-14	88	1,631,327,152	1,025,720,489	62.88
October-14	57	666,948,449	420,320,330	63.02
November-14	51	639,338,091	384,180,831	60.09
December-14	55	527,128,655	335,177,484	63.59
Year End 2013	981	11,912,479,407	6,424,535,868	53.93
Year End 2014	813	12,653,677,732	7,136,329,222	56.40
Grand Total	5,926	57,048,208,142	31,371,324,158	54.99

Q+A

Stephanie Petosa

Managing Director in Fitch Rating's Operational Risk Group

***Mortgage Observer Weekly:* How did you get started in your role at Fitch?**

Stephanie Petosa: I worked with Fitch as the credit rating agency liaison for GE Capital in Houston, Texas. My contact at Fitch was moving into a new position and asked if I had any interest in working for a credit rating agency and living in New York City. I was very interested in working for Fitch and since my whole family was located in New York the offer was very appealing. I flew [here] the next week to interview and moved within the next three weeks. I've been focused on operational risk since I started in 1998, working first with CMBS servicers and now with CMBS originators.

Stephanie Petosa

What are the biggest understated trends you're seeing in the CMBS market in the first month of 2015?

Behavior among CMBS originators will continue to be a primary focus for us in 2015. There are an increasing number of originators and B-piece buyers. Additionally, there is increased focus on oil-dependent markets and unique property types included in recent securitizations. Regulatory challenges for all market participants will continue.

What is your expectation for a further increase in CMBS issuance this year?

CMBS issuance should be at or slightly above levels seen last year.

Are you worried about a decline in credit quality as CMBS issuance continues to climb back to pre-crisis levels?

Declining underwriting in new CMBS deals has been a concern of ours for the last couple of years and is something we actively account for through higher credit enhancement. We also closely monitor credit quality and publish originator comparisons every six months. It is important to note, however, that credit metrics are stronger than those seen pre-crisis. These metrics may smooth out for the next quarter or two but credit quality will likely continue to decline overall as competition and number of originators increases.

What are your thoughts about the Terrorism Risk Insurance Act and Congress' vote to extend it for another six years?

TRIPRA is an important component of the CMBS market and has become common in many transactions. Therefore its renewal substantially alleviates our concern of CMBS servicers increasingly force-placing insurance coverage from their own carriers if the bill was not renewed. MOW

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MORTGAGE OBSERVER
2015 Calendar

Issue	Reservations	Materials	Issue Date
January 2015	12/23	12/29	1/7
Year in Review			
February 2015	1/15	1/19	1/28
CREFC, Life Companies			
March 2015	2/12	2/16	2/25
The 50 Most Important People in Commercial Real Estate Finance			
April 2015	3/30	4/1	4/8
Multifamily Lending			
May 2015	4/27	4/29	5/6
Developers & Construction			
June 2015	5/25	5/27	6/3
Retail/ICSC			
July	6/29	7/1	7/8
Mezzanine Finance Opportunities in Europe			
August 2015	7/27	7/29	8/5
September 2015	8/31	9/2	9/9
Lawyer's Issue			
October 2015	9/28	9/30	10/7
Hotel Lending Asia			
November 2015	10/26	10/28	11/4
Twenty on the Rise: Top 20 Brokers Under 35			
December 2015	11/23	11/25	12/2
CMBS			

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