MORTGAGE OBSERVER WEEKLY

The Insider's Weekly Guide to the Commercial Mortgage Industry

The Fontainebleau Miami Beach

CREFC 2015: What Should Worry Us?

The LEAD

Often real estate professionals take an, ahem, optimistic view of the future. Interest rates won't be a problem, overleveraging won't come back and bite us, etc. But at the annual meeting of the **Commercial Real Estate Finance Council**, held at the **Fountainebleau** in Miami Beach, bankers and investors traditionally take the gloves off.

Likely for this reason, the event has a strict media policy and all quotes are attributed to unnamed sources. So readers will have to trust *Mortgage Observer* that the panelists, who were often candid about the perils facing the industry, were all highly credentialed.

We sat in on a number of panels at the event this week, and while rising prices and CMBS volume, in combination with low CMBS delinquency, were rightly cause for celebration in the CRE finance community, there were a number of issues still on the minds of the professionals in attendance.

Among the concerns: a need for increased transparency in bonds backed by real estate loans, the fate of non-gateway markets, risk retention, "edgy" underwriting and the erosion of appraisal standards.

At a panel called "Investor Perspective: Foot on the Gas or Step on the Brakes?" panelists admitted that even post 2008 financial meltdown, it's still hard for investors to see all the assets backing many loans in securitized products. A major B-piece buyer cautioned that many investors think if they see the biggest 10 or 15 loans in a repackaging, they've done their due diligence. But this is not the case, he said.

Of particular interest are packaged mezzanine loans, according to another executive. "We need way more transparency for mezz bonds," he said. The B-piece buyer suggested that more tiering in securitized loans would help assuage undue risks for investors.

Of course, not everyone in the industry is incentivized to want transparency. Demand for non-recourse, high leverage loans can push borrower and issuer alike to close loans quickly and less carefully.

"CMBS loans don't happen in a vacuum," offered one executive at a massive investment manager, hinting that issuers and borrowers simply want to get deals done, often—perhaps even at the expense of transparency.

And deals are getting done. CMBS issuance reached over $90 billion in 2014, according to CREFC estimates, and players in the securitization space admitted that the real estate

*See **CREFC..** continued on page 3*

In This Issue

"No one wants to be the one behind the next Stuy Town."

—Stuart Saft
From *Q&A* on page 11

Extell, Kushner Companies Close $132M in Financing on New Jersey Purchase

MOW EXCLUSIVE

A partnership between **Extell Development** and **Kushner Companies** closed a new take-out loan of $97 million while assuming $32 million in debt on a New Jersey multifamily building the pair purchased last November.

The duo bought **Pier Village**, a 492-unit mixed-use development at **One Chelsea Avenue** in Long Branch, for $180 million, with $51 million in bridge financing from **Capital One**. Now, they've finalized a $97 million long-term fixed-rate take-out with Fannie Mae, which retired the Capital One bridge loan, and assumed a $32

*See **Extell...** continued on page 5*

***CREFC....**continued from page 1*

industry's lobbying on behalf of the CMBS business has been very successful.

"The business operates exactly as it did in 1.0," the B-piece buyer said. ("1.0" refers to the wave of CMBS issuance pre-financial crash.)

Still, investors are worried about vintage losses from deals completed in 2006 to 2007, as well as risk retention.

"There are losses that could break into the double digits," said a principal with a hedge fund.

One managing partner with an investor in CMBS debt added that his firm has learned one lesson from the 2008 fiasco: not to lend on assets outside tried and true markets.

"We would rather have higher leverage than an asset in Tallahassee," he said.

The industry is also bracing itself for the onset of so-called "risk retention" rules, a provision of **The Dodd–Frank Wall Street Reform and Consumer Protection Act** that requires issuers to hold some loans on their books for five years after they're originated. The provisions should take effect on December 24, 2016.

"It will make it hard to do price discovery," one panelist said.

Others were less worried about the impending restrictions. "It will be a little inconvenient to figure out the rules of the road," said the B-piece buyer, but as a whole, he said he did not believe that the CMBS business would be disrupted.

But he did point to another major worry, which should give any observer of the real estate industry over the last seven years pause: the erosion of appraisal standards.

"You are seeing more bad appraisals. There is a grossing up of phantom cash flow," he said, meaning that appraisers are sometimes taking a wildly optimistic view of the assets they assess. "People are trying to hit the magical LTV."

His point dovetailed with that of a prominent banker at another panel, entitled, "What is the New Normal in Balance Sheet Lending?" He said portfolio lenders found it hard to compete with CMBS lenders, and their book of business could shrink.

"People are saying 'O.K., I'll go elsewhere,' when portfolio lenders can't provide a non-recourse loan at 75 percent LTV," the lender said.

Indeed, the prevailing sentiment among portfolio lenders is simple, according to another banker on the panel: "We want to go back to 2010 and make all those loans again."

Portfolio lenders agreed that either pricing or volume is likely to be compromised in 2015.

"There is a point where portfolio lenders will just say, 'We don't want to play,' " he said. "Doing volume for volume's sake is not a goal."

—Guelda Voien

Two Chicago Office Properties Fully Defeased

When *Mortgage Observer Weekly* reported that defeasance provisions were "back in style" last October, we couldn't have called it more precisely.

MOW EXCLUSIVE

The owners of two large office properties at **222 South Riverside Plaza** and **353 North Clark Street** in Chicago fully defeased their securitized loans this month, remittance obtained by **Trepp** shows.

222 South Riverside Plaza

The loan on 222 South Riverside Plaza, part of the CMBS deal **GSMS 2006-GG8**, had an original securitized balance of $202 million with an existing balance of $193.5 million. The borrower is listed in the loan document as **Behringer Harvard South Riverside, LLC**.

The loan on 353 North Clark Street, part of the CMBS deal **DBUBS 2011-LC1A**, had an original securitized balance of $220 million with an existing balance of $213.9 million. The borrower is listed in the loan document as **Tishman Speyer Real Estate Venture VII, L.P.**

Those defeasances follow the news of two securitized loans backing Manhattan office towers at **530 Fifth Avenue** and **485 Seventh Avenue** that were fully defeased last month.

"With commercial real estate owners wary of rising interest rates, many are taking advantage of today's refinancing and sale terms by defeasing their existing debts," **Eitan Weinstock**, a senior analyst at **AST Defeasance**, which provides defeasance services to borrowers, told us back in October.

—Damian Ghigliotty


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Extell...continued from page 1

million Freddie Mac loan on the property originated by **PNC Bank**, according to representatives for both companies. The Freddie Mac loan was originated in mid-2013 and carries a seven-year term.

"We are thrilled to have completed the agency financings for our purchase of this incredible asset with Extell Development," said **Laurent Morali**, a managing director with Kushner Companies, in a statement provided exclusively to *MOW*. "Working with Capital One, Fannie Mae, PNC and Freddie Mac is a testament to the quality of the asset itself. We ... look forward to seeing Pier Village continue to thrive as a gem along the Long Branch coast."

The Pier Village community holds more than 100,000 square feet of retail—including restaurants, shops, and a fitness center—as well as apartments, along the Atlantic Ocean.

[Jared Kushner, CEO of Kushner Companies, is also the owner of Observer Media Group, which publishes *Mortgage Observer Weekly*.]

—Guelda Voien

RWN Provides $72M for Miami Beach Condo Development

MOW EXCLUSIVE

A trio of investors led by Milan-based **Bizzi & Partners Development** and South Florida's **Terra Group** secured a $72 million bridge loan to refinance existing debt and fund predevelopment costs for a condominium project in Miami Beach, sources familiar with the deal told *Mortgage Observer Weekly*.

The loan on **8701 Collins Avenue**, provided by New York-based **RWN Management**, carries a term of two years and a "competitive interest rate," according to RWN's portfolio manager **Jon Singer**, who worked on the deal.

New York-based **Cooper-Horowitz**'s **Richard Horowitz** brokered the short-term financing.

The sponsors, who also include **Vector Group**'s **New Valley**, are planning to demolish a **Howard Johnson** resort on the premises and build a waterfront luxury condo tower, a person with intimate knowledge of the project said.

The partnership acquired the 225-room **Howard Johnson Plaza Dezerland Beach and Spa** at 8701 Collins Avenue from New York-based **Dezer Properties** for $65 million in December 2013, as previously reported.

Representatives for Terra Group and Bizzi & Partners declined to comment for this story.

—Damian Ghigliotty

Park Place

Normandy Refinances New Jersey Office Park

MOW EXCLUSIVE

HFF arranged a $65.5 million loan from **First Niagara Bank** and **Principal Real Estate Investors** for a four-building office park in Florham Park, N.J., totaling 351,684 square feet, *Mortgage Observer Weekly* has learned.

The three-year, floating-rate loan to **Normandy Real Estate Partners** will be used to retire existing debt and upgrade amenities at the property, called **Park Place**, to meet "best in class" standards and fund leasing costs for new tenants, according to the brokerage firm.

The property is located on a 30-acre site at **200-230 Park Avenue** along the Route 24 corridor, about 30 miles West of Manhattan. The office park contains an on-site cafeteria, fitness center and 70-seat conference center, in addition to the three-story corporate buildings and parking for 1,405 vehicles.

The office space is leased to **Fairleigh Dickinson University**, **M&T Bank**, **Sun Bank** and several state law firms.

The four buildings were almost completely reconstructed from their steel frames in 2000 and 2001, a Normandy spokesperson told *MOW*.

Senior Managing Director **Jon Mikula** and Associate Director **Mike Lachs** led the HFF debt placement team on behalf of the borrower.

"We were excited to be a part of the Normandy team to help re-introduce Park Place to the market," Mr. Mikula said. "By partnering First Niagara with Principal, we were able to provide a creative cost-effective solution."

—Damian Ghigliotty

Hotel Giraffe Refinanced With CCRE Loan

MOW EXCLUSIVE

Boutique lodge **The Hotel Giraffe** refinanced with a $39 million CMBS loan from **CCRE** negotiated by **HKS Capital**, *Mortgage Observer Weekly* has learned.

The 39-key hotel is owned by self-described "indie hotelier" **Henry Kallan**, a client of HKS' Jerry Swartz for more than a decade.

Mr. Swartz fondly recalled helping broker with an initial loan for Mr. Kallan to purchase the land at **365 Park Avenue South**—then the site of an unseemly SRO—when the Flatiron area was not the tony neighborhood it is today.

"Fifteen years ago I said the area was emerging," Mr. Swartz said. "And he said, 'Ehh...' " But in the end he convinced Mr. Kallan to build The Hotel Giraffe, one of many that now make up his mini empire, **The Library Hotel Collection**. (Mr. Kallan's signature property is the **Library Hotel**, on 37th Street.)

The latest loan is the fourth that Mr. Swartz has negotiated for the property, at 26th Street. The 10-year loan has a 4.3 percent interest rate.

"It makes sense because the rates are low now and the loan was coming due," said Mr. Swartz, who also convinced the ownership to take more money out. I convinced them to take more because being able to pull out additional tax-free dollars ... It just made sense. There will be a lot of opportunity coming up in the next year or two."

Mr. Swartz worked with colleague **Ayush Kapahi** to negotiate the loan.

—Guelda Voien

COMMERCIAL OBSERVER

INVITES YOU TO ATTEND

A BREAKFAST PANEL DISCUSSING THE FAST PACE OF COMMERCIAL REAL ESTATE ACTIVITY HAPPENING DOWNTOWN WITH CHRISTOPHER CURRY, JONATHAN RESNICK, STEPHEN SIEGEL, NORMAN STURNER AND JONATHAN MECHANIC.

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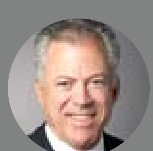
From the recent flurry of leasing activity at 1 New York Plaza and 199 Water Street to the sale of 180 Maiden Lane from SL Green to MHP Real Estate Services / Clarion Partners and the rebirth of South Street Seaport, Downtown East has emerged as a prime destination for the new tenants of New York. Creative companies have flocked south to take advantage of incomparable architectural landmarks, attractive rental rates and superior transit access. Join us for our spring breakfast panel to discuss major topics and trends in the area.

PANELISTS & MODERATOR



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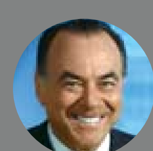

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NORMAN STURNER
PRESIDENT & CEO, MHP REAL ESTATE SERVICES

JONATHAN MECHANIC
CHAIRMAN OF FRIED FRANK'S REAL ESTATE DEPARTMENT, FRIED FRANK

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Ullico Lends on L.A. Fine Arts Building

Union Labor Life Insurance Company provided a $22.1 million loan to **Sorgente Group of America Corp.** to refinance the iconic **Fine Arts Building** in Los Angeles, *Mortgage Observer Weekly* has learned.

The 10-year loan carries a fixed interest rate, according to Ullico Senior Regional Manager **Matthew Downs**, who provided the permanent financing on behalf of the Washington, D.C.-based life insurance lender. **Richard Horowitz** of **Cooper-Horowitz** brokered the deal.

"It's a great opportunity for us to work with an established international real estate client that's focused on value-add historical properties in the U.S.," Mr. Downs said.

The loan's proceeds will be used for base improvements, according to Sorgente Group of America President **Veronica Mainetti**.

The 12-story office building at **811 West 7th Street** was designed by Los Angeles architects **Albert Walker** and **Percy Eisenbuilt** and completed in 1927.

The Fine Arts Building

New York-based **WeWork**, a shared office space provider for start-ups, inked a 15-year lease for 44,500 square feet on more than six floors of the property in late 2014, bringing the Fine Arts Building to 95 percent occupancy. WeWork signed its lease for $34 a square foot in yearly rent, Ms. Mainetti told *The Los Angeles Times* in November.

The landlord is now putting finishing touches on the preparation of that space for the incoming tenant. WeWork plans to move into the renovated space this summer, Ms. Mainetti confirmed.

"Sorgente is proud to offer the space to WeWork that will provide the Los Angeles community a unique and iconic place for networking, and an atmosphere for creativity," she said in a written statement sent to *MOW*.

Sorgente, which specializes in acquiring and upgrading historic properties, also owns the **Clock Tower** office building in downtown Santa Monica and the **Flatiron Building** on Fifth Avenue in New York.

"When we purchased The Fine Arts Building, we made a commitment to influence the growth and expansion of the downtown Los Angeles community," said **Brian Isaacson**, Sorgente Group of America's general counsel.

—Damian Ghigliotty

Changes Could Be Afoot for EB-5 Program

The popular **EB-5** investor program, which provides non-U.S. residents with visas in exchange for investments in job-creating projects, is due to sunset in September of this year, meaning some projects might need to look elsewhere for cheap cash.

At a panel on EB-5 investment at the annual **CREFC** conference in **Miami Beach**, experts warned that the program, which has helped fund many real estate projects in New York City and beyond in recent years, could face political obstacles to reauthorization. While Congress has renewed EB-5 the last nine times it came back to them for approval, the political climate has changed markedly since the last go-round.

The newly Republican-controlled Congress is likely to be less friendly to the program, not to speak of the fact that Sen. Patrick Leahy of Vermont, a fervent supporter of EB-5, is no longer chairman of the influential **Senate Judiciary Committee**.

The new judiciary committee head is Iowa **Sen. Chuck Grassley**, a long-serving Republican who has made his opposition to EB-5 quite clear. He criticized the program on his website just last month, charging, "There appear to be some major flaws that need fixing." He went on to say the program might aid Iranian operatives looking to infiltrate the country, citing an internal memo at **U.S. Immigration and Customs Enforcement** that he said mentioned vulnerabilities in the EB-5 program.

As a result, there will likely be some negotiation when EB-5, first authorized in 1990, comes up for its 10th renewal.

The program currently allows 10,000 visas to be approved each year, a number which some might want to decrease. There are other options for tweaking the program, too.

"Do you leave the definitions as they are or do you change [the annual limit parameters] to investment volume?" is one question that will likely be considered, said one panelist, an executive at a firm that has sourced EB-5 funds.

Another lingering issue is that of the **Targeted Employment Areas**. If a project takes place in a TEA, the threshold for investment is half that of the standard EB-5 minimum investment, which is $1 million. Projects in TEAs, requiring $500,000 at least from an immigrant investor, are not merely more popular with would-be participants, but are generally the only ones getting funding, another panelist said.

The process of certifying an area as a TEA may also come under scrutiny. "Do you federalize [the process] or leave it to the states?" asked the first panelist.

The program has been tapped increasingly in recent years because it offers nearly interest-only non-recourse money to developers. Many projects in the New York City region, such as **Silverstein Properties' 30 Park Place** and two Manhattan rentals by **The Durst Organization**, have used the funds to help projects pencil out. Even smaller projects, like a planned hotel in Baltimore, have used the funds to fill the gaps.

—Guelda Voien

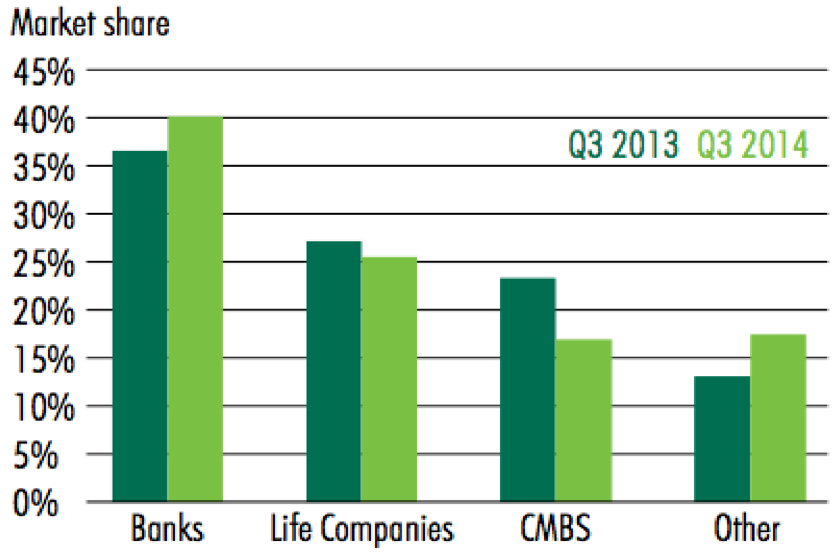
Retail Lending Surges as Investors Hunt Yield: CBRE

Lending on retail properties in the U.S. skyrocketed in the first three quarters of 2014, up more than 50 percent from the same period the year before, a new report from **CBRE** provided exclusively to *Mortgage Observer* shows.

Driving the trend was the appetite for yield, as low interest and cap rates drove the expedient investor away from the tried and true multifamily sector and into the arms of retail.

"While plentiful liquidity has contributed to these changes, the steady improvement in real estate fundamentals—which have spread well beyond the multifamily sector to the office, industrial and retail sectors—has contributed to increased risk-taking," the report, called **CBRE's U.S. Lender Forum**, reads.

Figure 4: Who's Lending on Commercial Properties?



Source: CBRE Research, Q3 2014

Lending on office and industrial assets also grew, up 20 percent and 30 percent, respectively, compared with 2013. The report tracks only deals completed by CBRE brokers, and so does not specify origination volume.

The multifamily sector was essentially on par, the report says, and office lending fell slightly.

"Capital remains attracted to multifamily housing, although growth appears to have leveled off as prime acquisition opportunities have become highly competitive," the report says.

Meanwhile, banks increased their already healthy chunk of non-agency commercial lending in late 2014, accounting for 40 percent of origination in the third quarter, up from 34 percent in the second quarter.

"We've seen how banks have increasingly offered longer-term financing that is competitive with life companies and conduits," said **Brian Stoffers**, global head of debt and structured finance, in the report. "It is interesting to note that among the permanent loan closings in Q3 2014, average bank LTVs were only slightly below conduit LTVs."

Floating rate loans also accounted for more transactions in the third quarter than in the second, rising to about 33 percent of all loans from 26 percent. Nearly half of bank lending was floating rate, the report says.

—Guelda Voien

Workforce

Cornerstone Real Estate Advisers, a unit of **Massachusetts Mutual Life Insurance**, promoted **Scott Brown** to CEO, Bloomberg News reported.

Brown, 51, replaced **David Reilly**, who will retire April 30 and remain vice chairman. Mr, Brown will aid in Cornerstone ramping up its business in Europe, where it plans to open three offices, in Paris, Milan and Madrid.

CBRE promoted **Brian McAuliffe** to executive managing director of CBRE Capital Markets.

"In his expanded role, Mr. McAuliffe will assume responsibility for CBRE's overall institutional sales platform in the U.S., while continuing his leadership of the firm's multifamily business with **Peter Donovan**," a statement from the firm reads.

Previously at **RREEF** (now known as **Deutsche Asset & Wealth Management**), Mr. McAuliffe rejoined CBRE in 2013.

Mr. McAuliffe has a bachelor's degree in Economics from the **University of Missouri, Columbia**.

Morrison & Foerster announced that **Keith Print**, a real estate attorney in its New York office, has been named partner.

Mr. Print works on syndicated mortgage, mezzanine, subscription, and corporate/REIT credit facilities, as well as construction loan transactions, including large-scale credit enhancement for government-issued tax-exempt and taxable bonds, the proceeds of which are used to finance luxury multifamily projects in New York City.

He holds a J.D. from **Hofstra University School of Law**.

Berkadia announced the appointment of **Justin Wheeler** as CEO, effective immediately, earlier this week. Mr. Wheeler has served as the company's interim CEO since April 2014, when **Hugh F. Frater** stepped down and took the title of chairman.

"I am truly excited to link arms with the team at Berkadia," said Mr. Wheeler in a statement. "Over the previous 10 months, Berkadia has significantly strengthened its market position, brand and overall momentum and I look forward to working with our exceptional clients, employees and shareholders to further accelerate growth and leverage our unique platform."

Mr. Wheeler previously served as president and CEO of **American Investment Bank**, a wholly owned subsidiary of **Leucadia**.

Mr. Wheeler holds a Master of Business Administration in finance from **Brigham Young University** and a Bachelor of Arts from **Utah State University**.

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.

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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.

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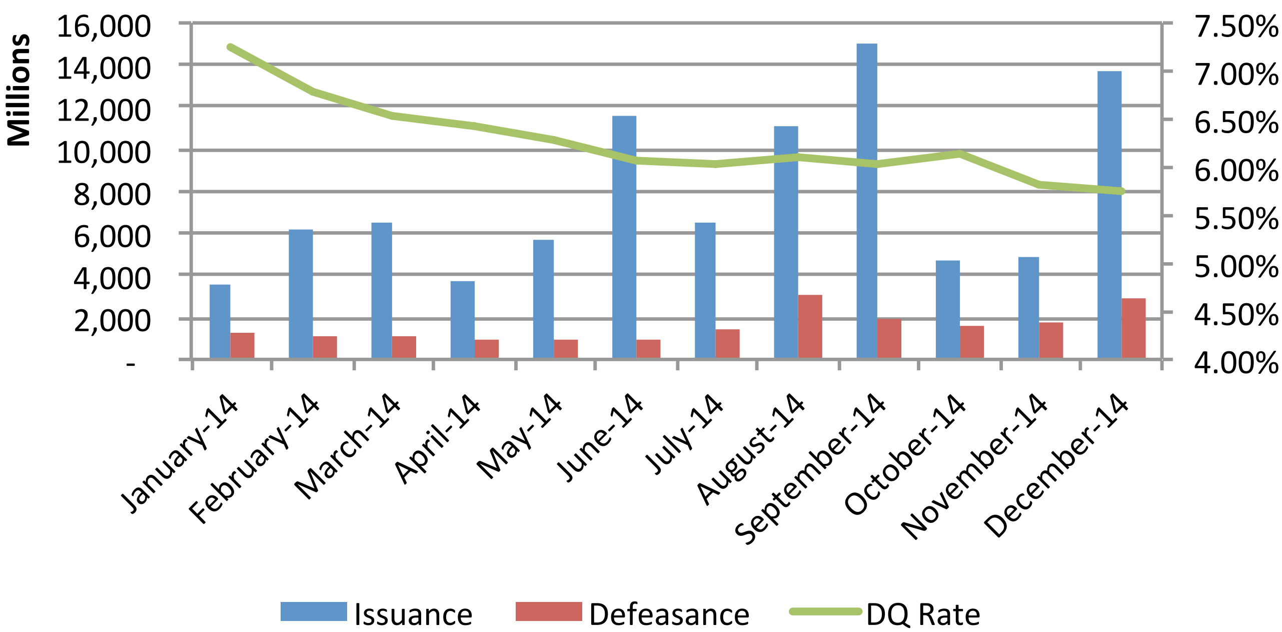
All past broadcasts can be viewed on "The Stoler Report App" for Iphone/ipad at Apple App Store Android Devices at Google Play

The Takeaway

"CMBS issuance ended 2014 just below the $100 billion mark," said Joe McBride, an analyst with Trepp. "After a slower than expected start, a strong fourth quarter pushed issuance more than 10 percent higher than 2013 and in line with the lower end of early predictions. Delinquencies steadily marched downward and a record amount of loans defeased as borrowers looked to lock in low rates well before their maturities in the next three years. The early 2015 pipeline is strong and now that everyone is back from the holidays and from the annual CREFC conference, all systems are go for the new year."

Source: Trepp

Month	Issuance	Defeasance	DQ Rate
January-14	3,510,880,506	1,275,598,833	7.25%
February-14	6,096,370,423	1,099,523,192	6.78%
March-14	6,485,963,440	1,168,459,098	6.54%
April-14	3,712,209,783	892,552,168	6.44%
May-14	5,697,692,606	879,250,132	6.27%
June-14	11,571,827,548	1,011,011,541	6.05%
July-14	6,545,032,684	1,495,025,882	6.04%
August-14	11,123,688,635	3,048,938,318	6.10%
September-14	14,970,170,094	1,922,825,270	6.03%
October-14	4,782,307,885	1,593,820,341	6.14%
November-14	4,889,788,948	1,784,563,788	5.80%
December-14	13,710,398,615	2,840,675,131	5.75%



Q+A

Stuart Saft

Partner and Real Estate Practice Group Leader, Holland & Knight

Stuart Saft

Mortgage Observer Weekly: **How did you get your start?**

Stuart Saft: After graduating from Columbia Law School I served in the Army, rising to the rank of captain before returning to New York to practice corporate law at a medium-sized Wall Street firm, Brauner Baron Rosenzweig Kligler & Sparber. During this period, I was asked to handle an extremely complex real estate transaction for a pension manager making a second mortgage loan on a shopping center in New Jersey. Within a year, I was doing real estate deals 100 percent of the time, representing high-profile clients like Aetna Life Insurance Company, Chase Manhattan Bank and others in financings and workouts throughout the U.S. I also completed my first co-op conversion in the late 1970s for a 120-unit building. It was an amazing time for a young lawyer.

What is the most interesting deal you've worked on recently?

Today, there are no simple deals, because the issues are so complex, the prices so high, and the competition strong. However, among the deals I did in 2014, there are two of which I am particularly proud. The first involved a development site where we acquired property and air rights in multiple grueling negotiations, after which the client negotiated to swap an additional adjacent site for a non-residential unit in the condominium that would be developed on the site. We spent months negotiating an exchange and development agreement where my client would prepare the adjacent owner's property so it would not be adversely affected by the portion that was going to be demolished. We also worked out the mechanics of an exchange of a development site now for a unit to be turned over in four years, and then structured and negotiated the condominium declaration and bylaws that would be used in the future development so that both sides knew exactly what their rights would be. The agreement wound up containing 400 pages, because it had to cover every possible contingency in order to prevent anything from interfering with the development. This deal was all about the kind of creativity that is essential for real estate lawyers in the 21st century.

The second involved a client that wanted to purchase a mixed-use building for redevelopment. We had only one month to do due diligence, negotiate the LOI and the contract, arrange senior debt and mezzanine financing, negotiate the operating agreement with the development and equity partners, close and prepare and submit an offering plan to the AG. Fortunately, I have a fabulous staff that dropped everything to get it all done. It was like a military operation and we made every deadline.

Can you tell us about any trends in financing for commercial properties in New York City at the moment that you are seeing?

Money is flowing into New York from all over the world due to the strength of the market as a global finance center, turmoil in many other locations of the world looking for a safe place to invest their money and the belief that our real estate is still undervalued. That puts tremendous pressure on everyone involved to make certain that we are acting cautiously while still closing deals. No one wants to be the one behind the next Stuy Town. However, for the first time in a very long time I am very optimistic about the future because the economic signs in the U.S., in general, and New York City, in particular, are positive. Who expected that we would be energy independent? Who expected that we would see very low interest rates and little inflation? Who expected to see unemployment below 6 percent?

MORTGAGE OBSERVER WEEKLY

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To receive a trial subscription to *Mortgage Observer Weekly*, please call 212-407-9371.

Correction:

In last week's Mortgage Observer Weekly, we indicated that Efram Friedman and Christina Ying, who were promoted to partners at Herrick Feinstein, had joined the firm recently. In fact, they were promoted from within the firm to the position of partner. Mortgage Observer regrets the error.

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	7/15	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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