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Wells Fargo, RBS Go to Market with New Retail-Lead CMBS Deal

Wells Fargo and the Royal Bank of Scotland have packaged a new commercial mortgage backed securities offering -- WFRBS Commercial Mortgage Trust 2011-C5 (WFRBS 2011-C5).

The deal is being publicly offered and includes a super-senior 'AAAsf' class with a 30% credit enhancement and a subordinate 'AAAsf' rated class A-S with 22.125% credit enhancement.

The 75 mortgage loans totaling \$1.1 billion in the pool are secured by 98 properties.

Retail properties represent the highest concentration of the pool at 46%. Additionally, office properties, inclusive of mixed use, represent 21%. Two of the top 10 loans, representing 26.5% of the pool, are sponsored by Simon Property Group.

Three of the top 10 loans, representing 25.5% of the pool, are secured by properties in Austin, TX.

Only two loans, representing 9.4% of the pool, have additional debt.

Wells Fargo will serve as master servicer; Midland Loan Services is special servicer.

The three largest loans in the pool are as follows.

The Domain \$207.55 million. The Domain is an 878,974-square-foot lifestyle center comprised of retail and office space in Austin. The property was built in two phases, completed in 2007 and 2010, and includes a residential portion as well, though the residences are not part of the collateral. The sponsor, Simon Property Group, will use proceeds from the \$208 million loan to refinance existing debt and a return of equity to the borrower.

The Puck Building \$85 million. The Puck Building is a 206,693-square-foot multiuse property in the SoHo neighborhood of Manhattan in New York City. The asset was previously used as an event and catering space and is currently under renovation in order to reposition the building as a commercial and residential space. The commercial portion of the building, comprised of 162,298 square feet of office space and 44,395 square feet of retail space, is the collateral for the subject loan. The Kushner Cos., the sponsor, used proceeds from the 10-year loan to refinance existing debt.

Arbor Walk and Palms Crossing Portfolio \$81.55 million. The loan is collateralized by two retail properties, Arbor Walk and Palms Crossing in Austin and McAllen, TX, respectively. The Sponsor, Simon Property Group, will use proceeds from the 10-year loan to repay existing debt of \$104 million. Currently, Arbor Walk and Palms Crossing are 95.4% and 100% occupied, respectively.

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