

Cadwalader Retains Top Law-Firm Slot

Cadwalader again topped the list of law firms advising issuers on commercial mortgage securitizations in the U.S. in the first half of the year, winning the issuer-counsel title for nonagency CMBS while taking second place for agency deals and handling no CRE CLOs.

The firm served as issuer counsel on 33 of the 65 nonagency CMBS deals that priced during the first six months. Cadwalader has led the issuer-counsel league table since 2000.

All firms on the list benefited from a sharp increase in first-half nonagency issuance, which surpassed all of last year's output, according to **Commercial Mortgage Alert's** CMBS Database.

Sidley Austin moved up a notch to second with credit for 19 transactions after losing its perennial spot last year to **Orrick Herrington**, which slipped to third with nine assignments. **Dechert** picked up four assignments, landing in fourth place after appearing as issuer counsel on no offerings during the first half of 2023.

Sidley once again led the race for underwriter counsel with

credit for 34 issues, while Cadwalader was in second with 15. Dechert (eight), Orrick (four), **Katten Muchin** (three) and **Nelson Mullins** (one) rounded out the ranking.

In the CRE CLO market, where issuance was a paltry \$3.13 billion, Dechert was issuer counsel on three of the four deals, while Sidley picked up one. In the underwriter-counsel category, Cadwalader was first with three assignments, followed by Sidley (one).

Cleary Gottlieb edged out Cadwalader as top issuer-counsel for agency assignments with a dominant showing in **Ginnie Mae** deals, taking 28 of the 35 assignments. Cadwalader was in second on the strength of its work for **Freddie Mac**, with 21 of the 25 assignments, followed by **Morgan Lewis** (five Ginnie transactions), Katten Muchin (four **Fannie Mae** offerings), Orrick (two Freddie issues) and **K&L Gates** (two Ginnie deals).

In the competition for agency underwriter assignments, Cleary also took first with a mix of Fannie, Freddie and Ginnie transactions (33). Cadwalader was in second (21 Freddie offerings), followed by Morgan Lewis (five Ginnie issues), K&L Gates (two Ginnie deals and one Fannie transaction) and Orrick (two Freddie offerings).

Dechert also served as loan-seller counsel on 19 Freddie K

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Issuer Counsel for CMBS

	1H-24		1H-23	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader	33	\$23,633.7	13	\$7,740.0
2 Sidley Austin	19	10,848.2	4	2,515.9
3 Orrick Herrington	9	7,035.8	8	6,238.9
4 Dechert	4	2,652.0	0	0.0
TOTAL	65	44,169.7	25	16,494.8

Underwriter Counsel for CMBS

	1H-24		1H-23	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Sidley Austin	34	\$25,297.5	13	\$7,967.8
2 Cadwalader	15	9,150.7	6	3,772.4
3 Dechert	8	4,926.2	4	3,074.6
4 Orrick Herrington	4	2,102.0	2	1,680.0
5 Katten Muchin	3	1,750.0	0	0.0
6 Nelson Mullins	1	943.3	0	0.0
TOTAL	65	44,169.7	25	16,494.8

Issuer Counsel for CRE CLOs

	1H-24		1H-23	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Dechert	3	\$2,703.4	1	\$534.2
2 Sidley Austin	1	425.0	0	0.0
OTHERS	0	0.0	3	1,580.1
TOTAL	4	3,128.4	4	2,114.3

Underwriter Counsel for CRE CLOs

	1H-24		1H-23	
	No. of Deals	Issuance (\$Mil.)	No. of Deals	Issuance (\$Mil.)
1 Cadwalader	3	\$2,450.0	1	\$534.2
2 Sidley Austin	1	678.4	3	1,580.1
TOTAL	4	3,128.4	4	2,114.3

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and small-balance transactions, as well as one Q-Deal, according to partner **Devin Swaney**. In 10 cases, it also prepared securitization documents. Those assignments are not captured by the CMBS Database.

Dechert additionally topped the issuer-counsel table for single-family rental offerings, where production picked up to \$4.22 billion in the first half from \$3.55 billion last year, according to a separate database maintained by sister publication **Asset-Backed Alert**. Dechert had five assignments, followed by **Goulston & Storrs** (one) and Mayer Brown (one). On the underwriter-counsel side, Sidley Austin led with four deals, followed by **Hunton Andrews**, Dechert and **Dentons** (one apiece).

The pickup in first-half dealflow has lawyers optimistic that production will be strong this year and robust in 2025, assuming interest-rate cuts finally occur.

"It looks like we'll be busy through the end of the year ... particularly for [single-borrower] and conduit [transactions]," said **Michael Gambro**, who co-heads Cadwalader's capital-markets practice with **Stuart Goldstein**. "I understand that there is an acceptance at this point from borrowers that they need financing, and from an investors' standpoint, it's attractive in terms of spread and rate environment. No one thinks rates are going up from here."

Cadwalader held on to its core group of attorneys during the two-year downturn, and is now hiring to handle the wave of new deals.

"Our group and the firm's finance practice as a whole [have] been very busy since the fourth quarter of 2023," said **Jonathan Nunes**, who leads Sidley Austin's CMBS practice alongside partners **Rob Kao** and **Giles Kelly**.

"The first half of the year was very active, with many market participants coming off the sidelines in both ... single-borrower and conduit" offerings, Kao said.

Janet Barbieri, a partner in Orrick's CMBS group, said she sees no sign of a market slowdown.

"Usually, the summer is slower and people don't want to announce deals in August, but I think all bets are off," she said. "Maybe the volume of deals will abate, but borrowers need to refi."

"I think there is still a decent amount of [single-borrower

Issuer Counsel for Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	1H-24 No. of Deals	1H-24 Total (\$Mil.)	1H-23 No. of Deals	1H-23 Total (\$Mil.)
1 Cleary Gottlieb	0	0	28	28	\$3,859.1	26	\$4,268.1
2 Cadwalader	0	21	0	21	12,896.2	21	16,019.1
3 Morgan Lewis	0	0	5	5	622.5	6	850.9
4 Katten Muchin	4	0	0	4	1,735.7	4	1,301.0
5 Orrick Herrington	0	2	0	2	488.3	2	236.1
5 K&L Gates	0	0	2	2	415.1	1	154.6
OTHERS	0	2	0	2	323.3	1	224.5
TOTAL	4	25	35	64	20,340.2	61	23,054.4

Underwriter Counsel for Agency CMBS

	Fannie No. of Deals	Freddie No. of Deals	Ginnie No. of Deals	1H-24 No. of Deals	1H-24 Total (\$Mil.)	1H-23 No. of Deals	1H-23 Total (\$Mil.)
1 Cleary Gottlieb	3	2	28	33	\$5,434.2	30	\$5,569.1
2 Cadwalader	0	21	0	21	12,896.2	22	16,243.6
3 Morgan Lewis	0	0	5	5	622.5	6	850.9
4 K&L Gates	1	0	2	3	899.1	1	154.6
5 Orrick Herrington	0	2	0	2	488.3	2	236.1
TOTAL	4	25	35	64	20,340.2	61	23,054.4

deals] that will come out in the second half," said **Laura Swihart**, co-head of Dechert's global finance and real estate practice. "There also is more other product, more conduit and CRE CLO."

In the CRE CLO market, where issuance dramatically slowed over the past two years, lawyers expect some pickup in the second half followed by a busy year next year.

"I'm very bullish on 2025," said **Stewart McQueen**, a Dechert partner focused on commercial real estate securitization and warehouse lending. "Laura [Swihart] and I are getting calls every day not only from seasoned issuers but from potential new ones."

Steven Kolyer, who oversees Sidley's CRE CLO practice, said new deals are starting to emerge as bridge lenders and borrowers attend to legacy loans.

"There are parallel market activities," he said. "While there is ongoing management of existing loans, there is increased focus on making new loans, and we are seeing stepped-up activity that includes creative financing approaches and movement towards new-issue CRE CLOs."

Still, Cadwalader's Goldstein said the market won't really hum until bridge lenders are producing more collateral.

"We'll see some pickup in the second half, but the real activity is still down the road," he said. "You have to see a return to a place where rents outpace interest rates to induce [borrowers] to buy properties and [lenders] to lend on them." ❖