

CTL Market

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Fidelman & Co.

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CTL Market 1

The total number of CTL loans was an estimated 43 in 2008, 26 in 2009, 43 in 2010, 57 in 2011, and 78 in 2012. The total volume of these loans was \$0.86 billion in 2008, \$0.53 billion in 2009, \$0.87 billion in 2010, \$1.14 billion in 2011, and \$1.56 billion in 2012. You'll find all of these values in the spreadsheet, and I've also included a deep dive of my research and methodology below.

findings

According to this [industry report](#), CTL loan volume is currently [\\$2-3 billion a year](#). To have one solid figure to work with, we'll call this \$2.5 billion. However, I couldn't find figures for other years requested in the spreadsheet, despite extensive searching through market research, industry reports, trusted media sites, publications from industry players, and other sources. Nor could I find any specifics on how this market has grown over time. Instead, I compared this loan volume to the volume of the NNN lease market, as you suggested. In 2017, the volume of this market was roughly [\\$55 billion](#), meaning that the [\\$2.5 billion](#) CTL loan volume represents 4.5% of this total market. If we assume this ratio holds true historically, we can estimate the total CTL volume for each year based on the [net lease sales volume](#) for that year (all dollar figures below are in billions USD):

2012: [\\$34.6](#) x 4.5% = \$1.56

2011: [\\$25.3](#) x 4.5% = \$1.14

2010: [\\$19.4](#) x 4.5% = \$0.87

2009: [\\$11.7](#) x 4.5% = \$0.53

2008: [\\$19.1](#) x 4.5% = \$0.86

Just to corroborate these calculations, I found [this source](#) which reports that the global 2011 CTL loan volume was [\\$5 billion](#), meaning that the U.S. represented about 20% of the global volume that year. You'll also see this list of values in column C of the [spreadsheet](#).

Despite extensive searching through industry and market reports, statistics, media coverage, and other sources, I could not find any specific figures on the number of CTL loans issued each year. Neither could I find any details on the number of NNN lease loans per year from which to derive a triangulation. However, I was able to make an assumption about the typical loan size in this industry based on available data. Based on a brief assessment of a few major providers of CTL financing, loans can range in size from [\\$1 million](#) to [\\$300 million](#). I'll provide some examples below to demonstrate this:

1. Prudential Capital Group: [\\$25 million to \\$100+ million](#)
2. Madera Financial: [\\$3 million to \\$300 million](#)
3. New York Life: [\\$25 million to \\$150 million](#)

4. Lendmark: [\\$1 million to \\$50+ million](#)

If we assume that most loans will be on the small end of this range, we can make a conservative guess that the average loan size is around \$20 million. Based on this, and the total loan volumes we triangulated above, we can estimate the number of loans issued each year. Here's one sample calculation from 2012, and you'll see all the values in column B of the [spreadsheet](#):

\$1.56 billion loan volume / \$20 million average loan size = 78 loans

conclusion

In conclusion, the total number of CTL loans issued each year changed from 43 in 2008 to 78 in 2012. The total volume of these loans changed from \$0.86 billion in 2008 to \$1.56 billion in 2012.

CTL Market 2

The total number of CTL loans was an estimated 106 in 2013, 117 in 2014, 143 in 2015, 120 in 2016, and 125 in 2017. The total volume of these loans was \$2.13 billion in 2013, \$2.34 billion in 2014, \$2.87 billion in 2015, \$2.41 billion in 2016, and \$2.5 billion in 2017. You'll find all of these values in the spreadsheet, and I've also included a deep dive of my research and methodology below.

findings

According to this [industry report](#), CTL loan volume is currently [\\$2-3 billion a year](#). To have one solid figure to work with, we'll call this \$2.5 billion. However, I couldn't find figures for other years requested in the spreadsheet, despite extensive searching through market research, industry reports, trusted media sites, publications from industry players, and other sources. Nor could I find any specifics on how this market has grown over time. Instead, I compared this loan volume to the volume of the NNN lease market, as you suggested. In 2017, the volume of this market was roughly [\\$55 billion](#), meaning that the [\\$2.5 billion](#) CTL loan volume represents 4.5% of this total market. If we assume this ratio holds true historically, we can estimate the total CTL volume for each year based on the [net lease sales volume](#) for that year (all dollar figures below are in billions USD):

2017: [\\$55.5](#) x 4.5% = \$2.5

2016: [\\$53.6](#) x 4.5% = \$2.41

2015: [\\$63.7](#) x 4.5% = \$2.87

2014: [\\$52.1](#) x 4.5% = \$2.34

2013: [\\$47.3](#) x 4.5% = \$2.13

You'll also see this list of values in column C of the [spreadsheet](#).

Despite extensive searching through industry and market reports, statistics, media coverage, and other sources, I could not find any specific figures on the number of CTL loans issued each year. Neither could I find any details on the number of NNN lease loans per year from which to derive a triangulation. However, I was able to make an assumption about the typical loan size in this industry based on available data. Based on a brief assessment of a few major providers of CTL financing, loans can range in size from [\\$1 million](#) to [\\$300 million](#). I'll provide some examples below to demonstrate this:

1. Prudential Capital Group: [\\$25 million to \\$100+ million](#)

2. Madera Financial: [\\$3 million to \\$300 million](#)

3. New York Life: [\\$25 million to \\$150 million](#)

4. Lendmark: [\\$1 million to \\$50+ million](#)

If we assume that most loans will be on the small end of this range, we can make a

conservative guess that the average loan size is around \$20 million. Based on this, and the total loan volumes we triangulated above, we can estimate the number of loans issued each year. Here's one sample calculation from 2012, and you'll see all the values in column B of the [spreadsheet](#):

$\$1.56 \text{ billion loan volume} / \$20 \text{ million average loan size} = 78 \text{ loans}$

conclusion

To wrap up, the total number of CTL loans issued each year changed from 106 in 2013 to 125 in 2017. The total volume of these loans changed from \$2.13 billion in 2013 to \$2.5 billion in 2017.

Part 1 Sources

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3) Credit Tenant Lease (CTL) Bond Financing | Taxable Bonds

<https://www.madera.com/credit-tenant-lease-financing/>

4) Credit Tenant Lease

<https://www.newyorklife.com/privatecapitalinvestors/credit-tenant-lease>

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<http://lendmarkbrokerage.com/commercial/credit%20tenant%20lease.html>

6) SPREADSHEET: CTL loans

<https://docs.google.com/spreadsheets/d/1Lkgot1ulaGHFQgSs5ZaRpr8SkK2m9Z0C1j2myxl5Cts/edit?usp=sharing>

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<https://firstoxford.com/capital-markets/ctl-financing/>

8) 2011: \$5 billion CTL Loan volume

http://lesmarkcap.com/uploads/LesMark_Commercial___CTL_Programs_Package__April_2011_.pdf

9) Real Estate's Triple Play: Single-tenant, triple-net leased assets are a relatively safe way for investors to access real estate without taking on management and operating costs | Institutional Real Estate, Inc.

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<https://www.cbre.us/-/media/cbre/countryunitedstates/media/files/services/corporate%20capital%20markets/us%20netlease%20market%20trends%20report.pdf>

3) SPREADSHEET: CTL loans

<https://docs.google.com/spreadsheets/d/1Lkgot1ulaGHFQgSs5ZaRpr8SkK2m9Z0C1j2myxl5Cts/edit?usp=sharing>

4) CTL Financing - First Oxford Corporation

<https://firstoxford.com/capital-markets/ctl-financing/>

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<https://irei.com/publications/article/real-estates-triple-play-single-tenant-triple-net-leased-assets-relatively-safe-way-investors-access-real-estate-without-taking-management-operating-costs/>

6) Credit Tenant Lease

<http://lendmarkbrokerage.com/commercial/credit%20tenant%20lease.html>

7) Credit Tenant Lease

<https://www.newyorklife.com/privatecapitalinvestors/credit-tenant-lease>

8) Credit Tenant Lease (CTL) Bond Financing | Taxable Bonds

<https://www.madera.com/credit-tenant-lease-financing/>

9) Lease Finance | Prudential Capital Group

<http://borrower.prudentialcapitalgroup.com/credit-tenant-lease-finance-pages-1087.php>