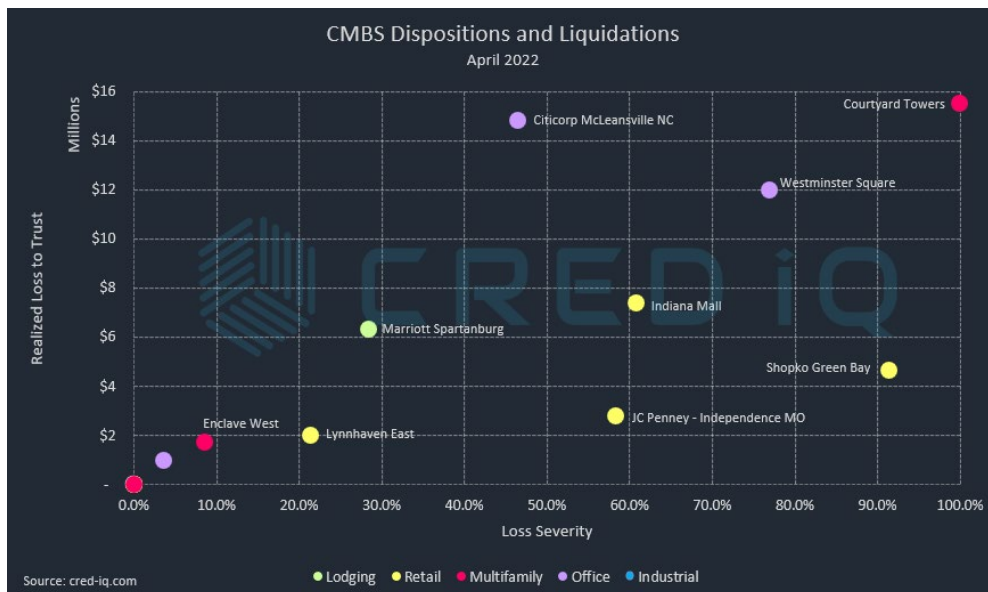


April 2022 Loan Dispositions and Payoffs

CMBS conduit transactions incurred approximately \$60 million in realized losses during April 2022 through the workout of distressed assets. Additionally, a \$15.5 mortgage securitized in a Freddie K-Deal securitization, [Courtyard Towers](#), was liquidated with a loss severity of 100%. [CRED iQ](#) identified 19 workouts classified as dispositions, liquidation, or discounted payoffs in April 2022. Of those 19 workouts, there were eight distressed assets that were resolved without a loss. One resolution – [Portofino Inn & Suites – Anaheim CA](#) – resulted in excess proceeds available to the trust after the REO asset was sold. The sales price for the asset, which was reportedly north of \$62 million, was significantly greater than its total exposure, equal to the unpaid balance, servicer advances, and liquidation expenses. Loss severities for the month of April ranged from 4% to 100%, based on

outstanding balances at disposition. Total realized losses in April represented a decline compared to March’s realized loss totals of approximately \$84.4 million.

Courtyard Towers represents the largest loss, by total amount and severity, among all distressed workouts this month. For historical context, the loan, which was securitized in the FREMF 2018-KX03 transaction, incurred the largest individual loss for any Freddie K-Deal securitization to date. Prior to the workout of Courtyard Towers, there had been 13 resolutions of loans that resulted in realized losses to Freddie K-Deal securitizations. Courtyard Towers is a 175-unit assisted living facility located in Mesa, AZ. The property had been with the special servicer since October 2018. Several prior sale agreements fell out of contract and the property was ultimately sold for \$4.85 million, which was significantly below the loan’s \$15.5 million outstanding balance at disposition. After liquidation expenses and amounts due



to the servicer, the result was a full loss for the loan.

The largest distressed loan, by balance at disposition, to be resolved was the \$48.9 million [Plaza At Harmon Meadow](#) loan. The loan had transferred to special servicing in April 2020 due to maturity default. After nearly two years in special servicing, the loan was resolved without incurring a loss.

Lodging and retail properties were the most common property types among this month's distressed workouts with five dispositions for each property type. Four out of five retail workouts resulted in a realized loss. Of those four retail dispositions resulting in a loss, the average loss severity was 58%. The highest loss severity for a retail asset was associated with the liquidation of the [Indiana Mall](#), a 457,199-sf regional mall located in rural Pennsylvania. The REO asset had an unpaid principal balance of \$12.1 million and its sale

resulted in a \$7.4 million loss, equal to a 61% severity.

Excluding defeased loans, there was approximately \$6.1 billion in securitized debt that was paid off or worked out in April, which was significantly higher than \$3.3 billion in March 2022. In April, 10% of the loan resolutions were categorized as dispositions, liquidations, or discounted payoffs, which was in line with the prior month. An additional 13% of the loans paid off with prepayment penalties.

By property type, mixed-use had the highest total of outstanding debt paid off in April. The high volume of mixed-use payoffs was driven by the retirement of a \$1.4 billion mortgage secured by [Ala Moana](#) — a mixed-use complex in Honolulu, HI comprising a super-regional mall and two office towers.

April 2022 Distressed CMBS Workouts


Deal Name	Property Name	Property Type	Balance Prior to Disposition (millions)	Realized Loss to Trust (millions)	Loss Severity	Time to Resolution ¹
FREMF 2018-KX03	Courtyard Towers	Senior Housing	\$15.5	\$15.5	100.0%	42
WFCM 2015-NXS2	Shopko Green Bay	Retail	\$5.1	\$4.7	91.4%	34
UBSCM 2012-C1	Westminster Square	Office	\$15.6	\$12.0	76.9%	30
GSMS 2013-GC14	Indiana Mall	Retail	\$12.1	\$7.4	60.9%	41
WBCMT 2006-C27	JC Penney - Independence MO	Retail	\$4.7	\$2.8	58.4%	33
LBUBS 2007-C2	Citicorp McLeansville NC	Office	\$31.9	\$14.8	46.5%	61
CD 2017-CD4	Marriott Spartanburg	Lodging	\$22.2	\$6.3	28.4%	21
CSAIL 2018-CX11	6-8 West 28th Street	Mixed Use	\$26.0	\$7.3	27.9%	22
CSAIL 2015-C2	Lynnhaven East	Retail	\$9.3	\$2.0	21.4%	23
COMM 2015-LC19	Enclave West	Multifamily	\$19.8	\$1.7	8.6%	33
WFCM 2016-C34	200 Precision & 425 Privet Portfolio	Office	\$27.0	\$1.0	3.6%	29
COMM 2015-PC1	The Plaza at Harmon Meadow	Mixed Use	\$48.9	\$0.0	0.0%	23
WBCMT 2007-C32	Portofino Inn & Suites - Anaheim CA ²	Lodging	\$36.8	\$0.0	0.0%	60
CSAIL 2017-CX9	Sheraton Garden Grove	Lodging	\$19.0	\$0.0	0.0%	23
WBCMT 2007-C30	Mercedes-Benz Central Parts Warehouse	Industrial	\$17.0	\$0.0	0.0%	71
WFRBS 2014-C19	Residence Inn Houston - Katy Mills	Lodging	\$13.2	\$0.0	0.0%	24
WFRBS 2012-C7	Odessa Hotel Portfolio	Lodging	\$9.1	\$0.0	0.0%	4
WFCM 2016-C36	Country Aire MHP	Manufactured Housing	\$4.2	\$0.0	0.0%	1
BSCMS 2006-PW13	Cary Hill Plaza Shopping Center	Retail	\$1.9	\$0.0	0.0%	3

¹Number of months since most recent transfer to special servicer

²Resolution resulted in excess proceeds available to the trust

Source: cred-iq.com

About CRED iQ

[CRED iQ](#) is a commercial real estate data, analytics, and valuation platform designed to unlock investment, financing, and leasing opportunities. CRED iQ provides real-time property, loan, tenant, ownership, and valuation data for over \$2.0 trillion of commercial real estate.

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