

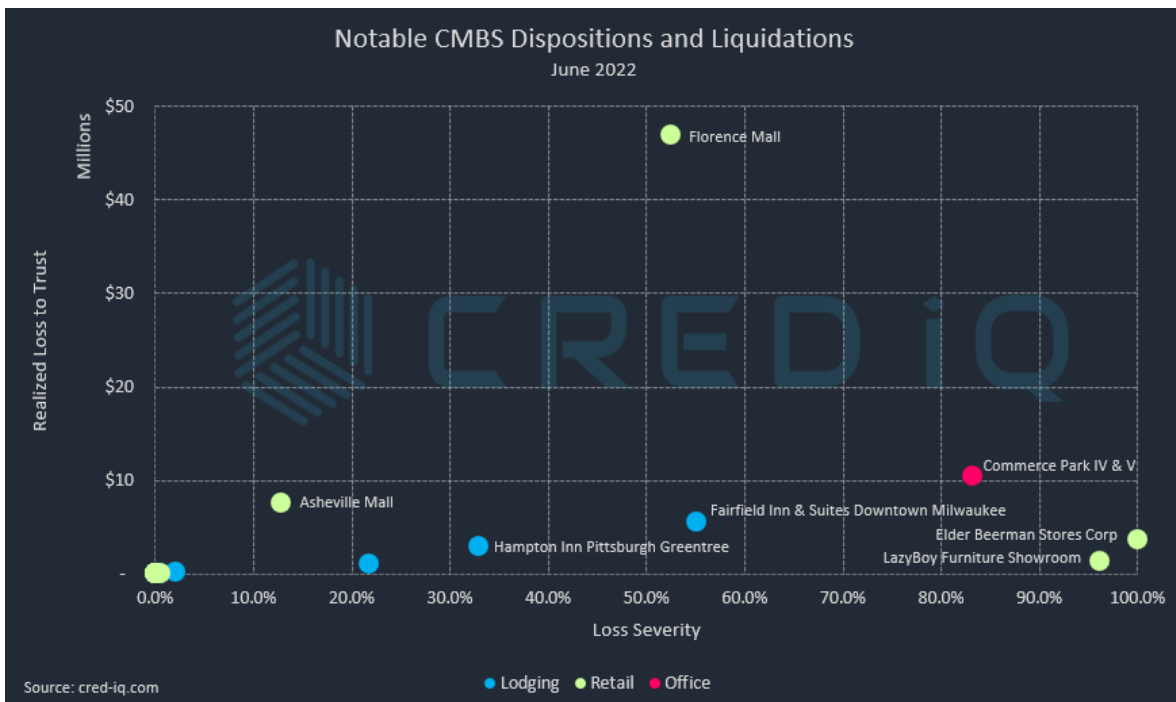
## June 2022 Loan Dispositions and Payoffs

CMBS conduit and SBLL transactions incurred approximately \$80 million in realized losses during June 2022 through the workout of distressed assets. [CRED iQ](#) identified 21 workouts classified as dispositions, liquidations, or discounted payoffs in June 2022. Additionally, there were two distressed loans securitized in Freddie K transactions that needed workouts, though neither workout resulted in a principal loss to either trust. Of those 23 total workouts, there were 11 distressed assets that were resolved without a loss. Of the 12 workouts resulting in losses, severities for the month of June ranged from less than 1% to 100%, based on outstanding balances at disposition. In total, realized losses in June were significantly lower than May; although, May realized loss

totals were the outlier on the high end through year-to-date 2022. March and April 2022 realized loss totals averaged approximately \$80 million, in line with this month's total.

Retail and lodging properties accounted for 83% of the total number of distressed CMBS workouts this month. There were 10 retail workouts and nine lodging workouts. Approximately 75% of realized losses in June were associated with retail properties.

The liquidation of [Florence Mall](#) represented the largest loss, by dollar amount, among all distressed workouts this month. The property was formerly owned by Brookfield Property Partners but the firm agreed to a deed-in-lieu of foreclosure in January 2021 after the loan transferred to special servicing in July 2020. After a nearly two-year workout, the loan was resolved with a 52.5% loss severity, resulting



in \$47 million in principal losses to CMBS certificate holders.

There was only one distressed workout of an office property in June, but the disposition was notable. [Commerce Park IV and V](#) consisted of two REO office buildings located in suburban Cleveland, OH. The properties had been in special servicing since January 2019 due to declines in occupancy. Occupancy issues did not improve in subsequent years and the buildings became REO in March 2021. Outstanding debt for the properties totaled approximately \$12.5 million at disposition and Commerce Park IV and V were liquidated with a \$10.4 million principal loss to CMBS certificate holders, equal to an 83% severity.

Excluding defeased loans, there was approximately \$7.8 billion in securitized debt

that was paid off or liquidated in June, which was higher than \$5.2 billion in May 2022. In June, 5% of the loan resolutions were categorized as dispositions, liquidations, or discounted payoffs, which was significantly lower than the prior month. An additional 10% of the loans paid off with prepayment penalties.

By property type, lodging had the highest total of outstanding debt pay off in June. The high volume of lodging payoffs was driven by the retirement of a \$1.38 billion mortgage secured by the 3,027-key [Cosmopolitan of Las Vegas](#). Blackstone sold the resort and casino in May 2022 for \$5.65 billion in a transaction that allows the firm to retain partial ownership and transfers operations to MGM Resorts, among other details.

**June 2022 Distressed CMBS Workouts**


Deal Name	Property Name	Property Type	Balance Prior to	Realized Loss	Loss Severity	Time to Resolution <sup>1</sup>
			Disposition (millions)	to Trust (millions)		
CSFB 1998-C1	Elder Beerman Stores Corp	Retail	\$3.7	\$3.7	100.0%	40
HCC 2007-1	LazyBoy Furniture Showroom	Retail	\$1.5	\$1.4	96.1%	63
WFRBS 2012-C6	Commerce Park IV & V	Office	\$12.5	\$10.4	83.2%	41
CGCMT 2016-P6	Fairfield Inn & Suites Downtown Milwaukee	Lodging	\$9.9	\$5.5	55.1%	23
WFRBS 2012-C7	Florence Mall	Retail	\$89.4	\$47.0	52.5%	23
COMM 2014-CR14	Hampton Inn Pittsburgh Greentree	Lodging	\$8.9	\$2.9	32.9%	16
SBALR 2020-RRI	Wingate Arlington Heights	Lodging	\$4.6	\$1.0	21.7%	24
JPMCC 2011-C5	Asheville Mall	Retail	\$58.4	\$7.5	12.9%	23
MSBAM 2015-C24	Holiday Inn Express West Chester	Lodging	\$5.5	\$0.1	2.1%	24
COMM 2012-CR5	Belvedere Plaza Shopping Center	Retail	\$15.6	\$0.1	0.5%	24
MSC 2017-H1	Courtyard Burlington	Lodging	\$6.3	\$0.0	0.5%	20
COMM 2012-CR3	Holiday Inn Express Conyers	Lodging	\$4.6	\$0.0	0.4%	39
UBSBB 2012-C4	Visalia Mall	Retail	\$74.0	\$0.0	0.0%	25
LBUBS 2006-C7	Weatherford Marketplace	Retail	\$19.3	\$0.0	0.0%	69
LCCM 2017-LC26	455 Plaza Drive	Other	\$14.5	\$0.0	0.0%	3
WFRBS 2012-C7	Adagio RT	Retail	\$10.6	\$0.0	0.0%	24
WFRBS 2011-C4	Hamilton Crossing & Expansion	Retail	\$7.7	\$0.0	0.0%	18
JPMBB 2014-C21	Princess Anne Marketplace	Retail	\$5.1	\$0.0	0.0%	9
FRESB 2017-SB26	Highland Glen Apartments Erie Road	Multifamily	\$4.2	\$0.0	0.0%	17
GSMS 2012-GCJ7	Motel 6 - Anchorage	Lodging	\$4.1	\$0.0	0.0%	24
GSMS 2012-GCJ7	Comfort Inn Ship Creek - Anchorage	Lodging	\$3.4	\$0.0	0.0%	24
GSMS 2012-GCJ7	Microtel Inn And Suites - Anchorage	Lodging	\$3.4	\$0.0	0.0%	24
FRESB 2017-SB26	Highland Glen Apartments Mariano	Multifamily	\$2.6	\$0.0	0.0%	17

<sup>1</sup>Number of months since most recent transfer to special servicer

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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