

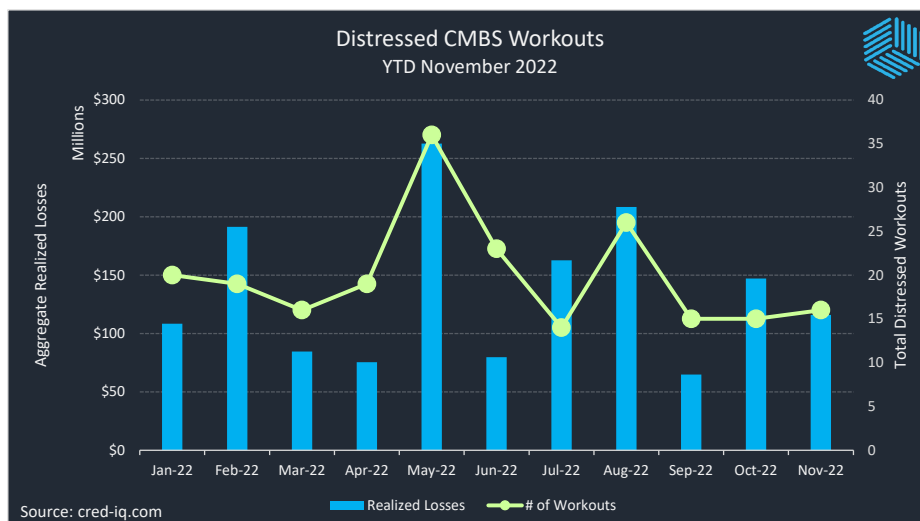
CMBS - November 2022 Loan Dispositions and Payoffs

CMBS conduit transactions incurred approximately \$116 million in realized losses during November 2022 via the workout of distressed assets. [CRED iQ](#) identified 16 workouts classified as dispositions, liquidations, or discounted payoffs in November 2022. Of the 16 workouts, seven were resolved without a loss. One resolution — [Ocean East Mall](#) — was reported as having excess proceeds available after its disposition. Of the nine workouts resulting in losses, severities for the month of November ranged from 12% to 89%, based on outstanding balances at disposition. Aggregate realized losses in November 2022 were approximately 20% lower than October despite a similar number of workouts. On a monthly basis, realized losses for CMBS transactions averaged approximately \$136.4 million year-to-date.

By property type, workouts were concentrated in retail, accounting for five of the 16 distressed resolutions. Lodging

properties accounted for the next highest number of distressed workouts with four. Distressed workouts for office properties had the highest total of aggregate realized losses (approximately \$70 million) and the highest average loss severity (50%) across all property types. The largest individual realized loss from CRED iQ’s observations was from the liquidation of two REO midwestern office properties with approximately \$72.9 million of outstanding debt prior to disposition. The properties were part of the nine-property [IRET Portfolio](#) and had been specially serviced since 2016. All nine properties became REO and were subsequently liquidated over a workout period that spanned more than eight years, including the final two liquidations in November. Losses from the resolution totaled \$64.7 million, equal to a loss severity of 89% based on the assets’ outstanding debt. The outstanding debt amount and loss severity from the IRET Portfolio were both the largest among this month’s distressed workouts.

The second-largest workout by outstanding debt amount was a note sale of a \$72 million

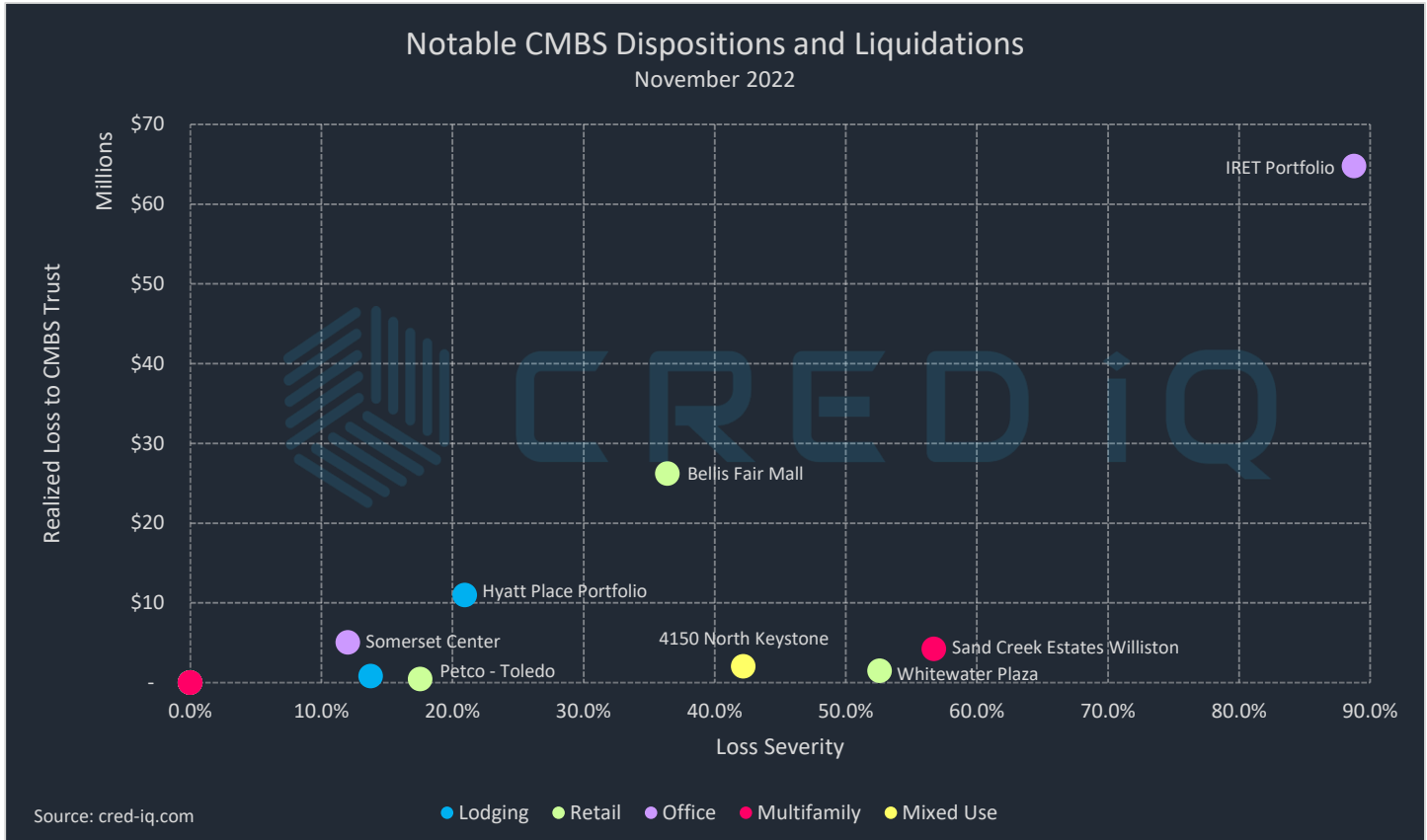


mortgage secured by the [Bellis Fair Mall](#) in Bellingham, WA. The note was secured by a 538,226-sf portion of the 776,136-sf regional mall. The note was sold for less than the collateral property's April 2022 appraisal of \$49.1 million, equal to \$91/sf. The loan transferred to special servicing in February 2022 due to maturity default and was resolved eight months later with a 36% loss severity.

Excluding defeased loans, there was approximately \$8.2 billion in securitized debt among CMBS conduit, SBLL, and Freddie Mac securitizations that was paid off or liquidated in November 2022, which was approximately an 11% increase compared to \$7.3 billion in October 2022. In November, 6%

of the loan resolutions were categorized as dispositions, liquidations, or discounted payoffs. The percentage of distressed workouts was 4.7% in the prior month. Approximately 35% of the loans were paid off with prepayment penalties, which was slightly higher than the prior month.

By property type, multifamily had the highest total of outstanding debt pay off in November with approximately half of the total by balance. Office had the next highest outstanding debt pay off with 18% of the total. Among the largest individual payoffs was a \$265 million mortgage secured by the [Chrysler East Building](#) located at 666 Third Avenue in Manhattan, NY.



November 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
CGCMT 2006-C5	IRET Portfolio	Office	\$72.9	\$64.7	88.8%	101
WFCM 2014-LC18	Sand Creek Estates Williston	Manufactured Housing	\$7.5	\$4.2	56.7%	58
BACM 2008-LS1	Whitewater Plaza	Retail	\$2.8	\$1.5	52.6%	14
JPMCC 2006-CB15	4150 North Keystone Building	Mixed Use	\$4.9	\$2.1	42.2%	98
GSMS 2012-GCJ7	Bellis Fair Mall	Retail	\$72.0	\$26.2	36.4%	8
WFCM 2017-RC1	Hyatt Place Portfolio	Lodging	\$52.2	\$10.9	21.0%	29
JPMCC 2007-LD12	Petco - Toledo	Retail	\$2.6	\$0.5	17.5%	58
UBSCM 2017-C2	Fairfield Inn & Suites Columbus East	Lodging	\$6.0	\$0.8	13.8%	24
UBSCM 2018-C12	Somerset Center	Office	\$42.0	\$5.1	12.0%	22
WFCM 2018-C46	Shoppes at Park Place	Retail	\$69.8	\$0.0	0.0%	70
MSC 2007-T25	Cumberland Mall	Retail	\$37.7	\$0.0	0.0%	3
WFRBS 2014-C21	The Bluffs	Multifamily	\$23.8	\$0.0	0.0%	30
CSAIL 2016-C5	DoubleTree Los Angeles Commerce	Lodging	\$19.8	\$0.0	0.0%	4
UBS 2011-C1	Hospitality Specialists Portfolio - Pool 2	Lodging	\$17.3	\$0.0	0.0%	21
FREMF 2021-K129	Latitude Apartments	Multifamily	\$15.6	\$0.0	0.0%	4
MSBAM 2012-C5	Ocean East Mall*	Retail	\$9.0	(\$0.1)	NAP	34

¹Number of months since most recent transfer to special servicer

*Resolution reported with excess proceeds available

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.

Data & Research Access

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