

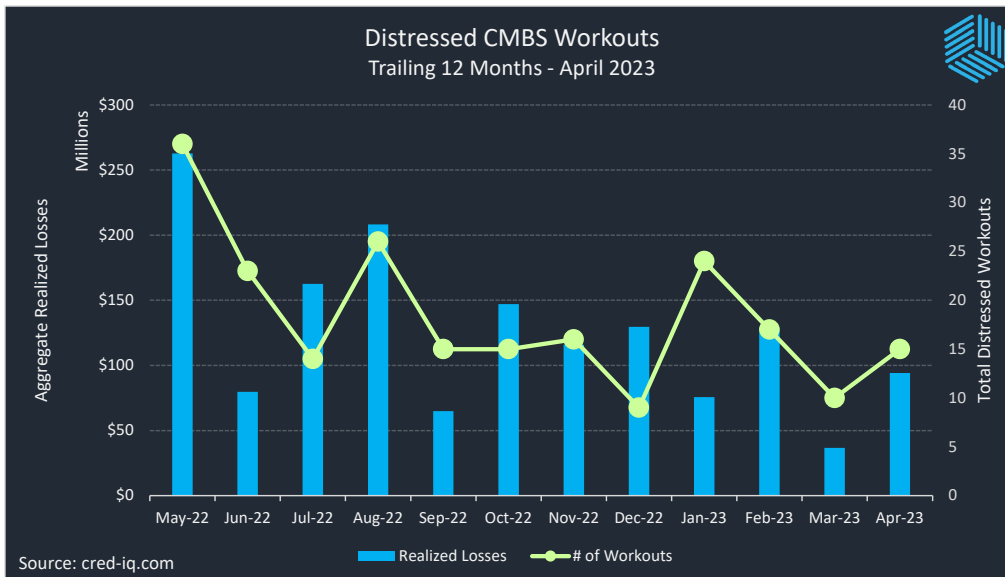
## CMBS – April 2023 Distressed Workouts and Payoffs

CMBS transactions incurred approximately \$94 million in realized losses during April 2023 via the workouts of distressed assets. CRED iQ identified 15 workouts classified as dispositions, liquidations, or discounted payoffs in April 2023. Of the 15 workouts, four were resolved without a principal loss. Of the 11 workouts resulting in losses, severities for the month of April ranged from 1.5% to 71%, based on outstanding balances at disposition. Aggregate realized losses in April 2023 were more than 1.5x higher than March 2023 due, in part, to a higher volume of distressed workouts. The aggregate realized loss total of \$94.2 million was lower than the average aggregate monthly CMBS loss total for the trailing 12 months, which was equal to approximately \$124 million.

By property type, workouts were concentrated in lodging, accounting for eight of the 15 distressed resolutions in April 2023.

Distressed workouts for lodging properties had the second-highest total of aggregate realized losses (\$28 million) by property type, which accounted for 30% of the total for the month. The largest distressed workout featuring a lodging property was the discounted payoff of the 241-room [Marriott Saddle Brook](#), a full-service hotel located in northern New Jersey. The hotel secured a \$24.3 million mortgage prior to resolution. Similar to many of the other lodging properties with distressed workouts this month, Marriott Saddle Brook transferred to special servicing in 2020 due to pandemic-related operational distress. The discounted payoff resulted in a realized loss of \$11 million, equal to a 45% severity.

The largest individual loss and loss severity was associated with the REO liquidation of [Park Plaza](#), a 283,326-SF regional mall located in Little Rock, AR. The property became REO in October 2021 after first transferring to special servicing in June 2019. Outstanding debt at the time of liquidation totaled \$73.8 million. Realized losses from the liquidation



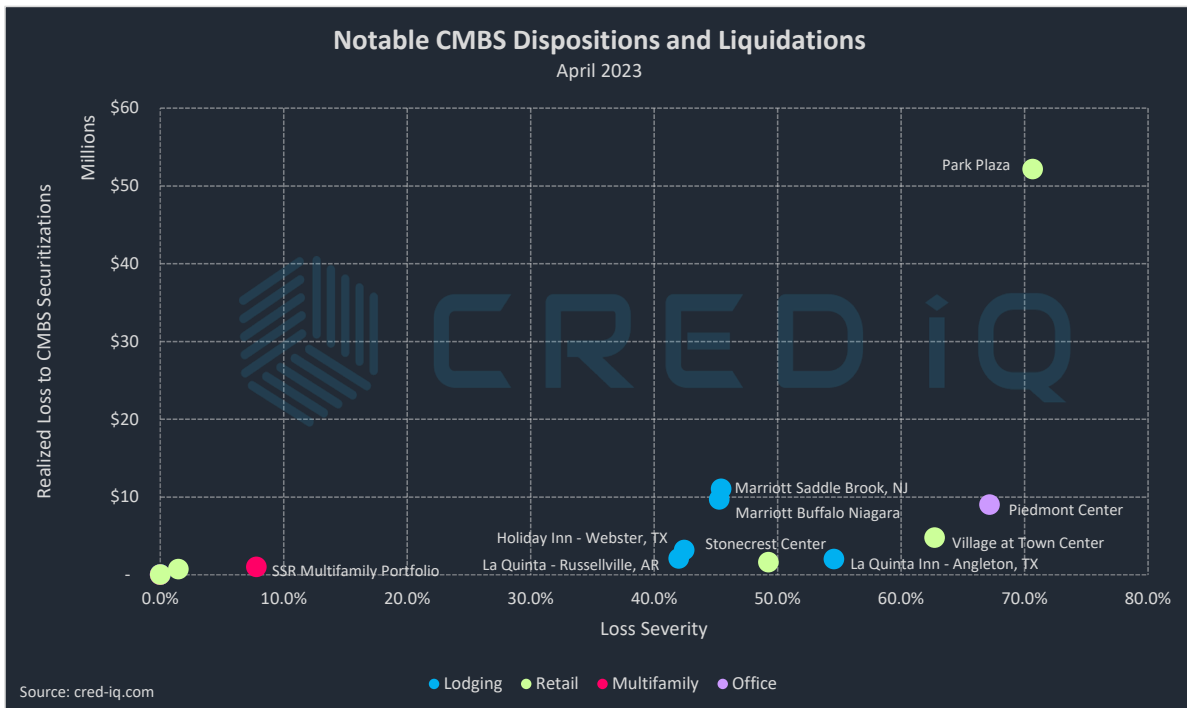
totalled \$52.2 million, equal to a 71% severity. The mall, formerly owned by CBL Properties, was sold out of REO to Second Horizon Capital with plans for revitalization. Park Plaza is anchored by Dillard’s but has had difficulty maintaining occupancy and rents from in-line tenants.

The largest workout by outstanding balance was a \$300 million mortgage secured by [Bergen Town Center](#), a 1 million-SF mall located in Paramus, NJ. The loan, which was originated in May 2013, transferred to special servicing in early-March 2023. However, the borrower, Urban Edge Properties, was able to refinance with a \$290 million loan provided by New York Life and MetLife Investment Management. This one-month resolution was the quickest of all of April’s workouts.

Excluding defeased loans, there was approximately \$3.4 billion in securitized debt among CMBS conduit, and Single-Borrower

Large-Loan securitizations that was paid off or liquidated in April 2023, which was approximately a 38% decrease compared to \$5.4 billion in March 2023. In April, 16% of the loan resolutions were categorized as dispositions, liquidations, or discounted payoffs. The percentage of distressed workouts was markedly lower in the prior month, equal to 2%. Loan prepayment remained muted in April — approximately 6% of the loans were paid off with prepayment penalties, which was in line with prior months.

Multifamily had the highest total of outstanding debt payoff by property type in April with approximately 38% of the total by balance. Retail had the next highest percentage of outstanding debt payoff with 26% of the total. The \$300 billion refinancing of Bergen Town Center was among the largest mortgages to pay off in April 2023.



**April 2023 Distressed CMBS Workouts**


Deal Name	Property Name	Property Type	Balance Prior to Disposition (millions)	Realized Loss to Trust (millions)	Loss Severity	Time to Resolution <sup>1</sup>
WFRBS 2011-C3	Park Plaza	Retail	\$73.8	\$52.2	70.7%	46
WFCM 2015-C26	Piedmont Center	Office	\$9.0	\$6.1	67.2%	53
BSCMS 2007-PW16	Village at Town Center	Retail	\$7.6	\$4.8	62.7%	72
JPMBB 2015-C32	La Quinta Inn & Suites - Angleton, TX	Lodging	\$3.7	\$2.0	54.6%	36
GSMS 2015-GC34	Stonecrest Center	Retail	\$3.3	\$1.6	49.2%	18
SGCMS 2016-C5						
CFCRE 2016-C6	Marriott - Saddle Brook, NJ	Lodging	\$24.3	\$11.0	45.4%	29
CGCMT 2016-C3						
UBSC 2011-C1	Marriott Buffalo Niagara	Lodging	\$21.3	\$9.7	45.3%	36
WFCM 2016-LC25	Holiday Inn - Webster, TX	Lodging	\$7.5	\$3.2	42.4%	25
MSBAM 2015-C27	La Quinta - Russellville, AR	Lodging	\$4.9	\$2.1	42.0%	32
CSAIL 2018-CX11	SS2 Multifamily Portfolio	Multifamily	\$12.8	\$1.0	7.8%	3
UBSBB 2013-C6	Bayview Plaza	Retail	\$49.6	\$0.7	1.5%	8
WFCM 2013-BTC	Bergen Town Center	Retail	\$300.0	\$0.0	0.0%	1
CGCMT 2012-GC8	SpringHill Suites - Frazer Mills, PA	Lodging	\$10.8	\$0.0	0.0%	8
WFRBS 2011-C5	Marriott Courtyard - Monroeville, PA	Lodging	\$7.3	\$0.0	0.0%	34
WFCM 2017-C39	Daphne, AL Hotel Portfolio - Comfort Suites	Lodging	\$5.5	\$0.0	0.0%	32

<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 providing actionable intelligence to CRE and capital markets investors. Subscribers use the platform to identify valuable leads for leasing, lending, refinancing, distressed debt, and acquisition opportunities.

The platform also offers a highly efficient valuation engine which can be leveraged across all property types and geographies. Our data platform is powered by over \$2.0 trillion in transactions and data covering CRE, CMBS, CRE CLO, Single Asset Single Borrower (SASB), and all of GSE / Agency.

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