

CMBS Research

February 2016

The 2nd Commercial Real Estate Derby

Refinancing Odds for 2016

Purse: \$12 Billion Post Time: January 1, 2016 Track Condition: Extremely Fast Distance: 1 ³/₁₆ miles

Program number represents poll position.

Despite disparaging remarks made about the Class of 2006, many of the largest loans slated to mature over the next 12 months look likely to refinance.

Disclaimer: Odds are purely fictional and do no represent true odds of each loan paying off.

20-1

131 SOUTH DEARBORN



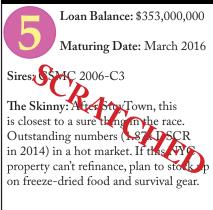
Loan Balance: \$472,000,000

Maturing Date: Dec. 2016

Sires: JPMCC 2006-LDP9, JPMCC 2007-CB18

The Skinny: Owners are already signaling that the horse is not 100% healthy. The loan is with the special servicer and early 2017 occupancy at the Chicago property is projected to be only 55%. Special servicer comments indicate refinancing risk over vacancies. Modification possible. 2014 value is below the current note value.

770 BROADWAY



GAS COMPANY TOWER



Loan Balance: \$458,000,000

Maturing Date: Aug. 2016

Analysis by MANUS CLANCY

Sires: JPMCC 2006-LDP8, WBCMT 2006-C28

The Skinny: Recent results look weak, with 2014 DSCR under 1.0x, but sometimes numbers can be deceiving. New leases and extensions at the Los Angeles property should provide "gas." Look for improved results in 2016 and a high likelihood of a payoff. Ready to go the distance.

MERCHANDISE MART



1-5

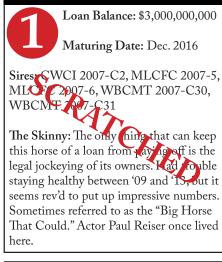
Loan Balance: \$350,000,000

Maturing Date: Dec. 2016

Sires: GCCFC 2007-GG9, JPMCC 2006-LDP9

The Skinny: Another no-brainer. Latest DSCR was over 3.0x (2.73x for 2014). The Chicago property was built in 1930 during the Great Depression, but only a Greater Depression will keep this thoroughbred from crossing the finish line.

PETER COOPER & STUYTOWN 1-10



280 PARK AVENUE



2-1

1-5

6-1

1-3

Loan Balance: \$429,860,933

Maturing Date: June 2016

Sires: CSMC 2006-C4, CSMC 2006-C5

The Skinny: Low leverage (35% LTV) to CMBS debt makes this seem like a no-brainer, but the property carries tons of mezz debt. DSCR has been weak, but new Franklin Templeton lease should push number closer to 1.0x. Horse lives in a pricey Manhattan "neigh"-borhood, which should help cause. Supports NYC Mayor DeBlasio's plan to ban carriage horses.

ONE NEW YORK PLAZA



Loan Balance: \$342,449,128

Maturing Date: Dec. 2016

Sires: GCCFC 2007-GG9, JPMCC 2006-LDP9

The Skinny: Third NYC property in the derby (a Brookfield entry). Another trophy property in a strong market. Office suffered Hurricane Sandy damage in 2012, but rebounded. Low leverage loan (50% LTV) with 100% occupancy and growing DSCR should get this property across the finish line.

Trepp®

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Loan number 1, New York City's Peter Cooper Village & Stuyvesant Town, is set to resolve as a result of the property's \$3.3 billion sale.

3-1

5-1

WARNER BUILDING

Loan Balance: \$292,700,000

Maturing Date: Aug. 2016

Sires: JPMCC 2006-CB15

The Skinny: Only Washington, D.C., entrant looks cuspy. Low occupancy (70s %) and DSCR well below 1.0x since 2012 make this horse "interesting." Unlike other low DSCR entries, this came to market in 2006 with a relatively high LTV of 75%. Lease extension with GE would help, but this horse could use a shot of Lasix and a few sugar cubes.

CHERRY CREEK SHOPPING CNTR 1-1



Loan Balance: \$280,000,000

Maturing Date: June 2016

Sires: MSC 2006-HQ9, MSC 2006-HQ10

The Skinny: A rare traditional retail property in the field, this horse sports blistering DSCR and occupancy levels. Should finish without breaking a sweat. Benefits from training in Denver's high altitude. First time wearing blinders.

53 STATE STREET

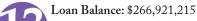
Loan Balance: \$280,000,000



Sires PMCC 2006-LDP8

The Skinny: Second Boston entrant is a tough read. Top texant Goodwin Proctor, in 37% of the space, will variate in April. Latest occupancy is 88%, but that could drop sharply, as could the 1.65x DaCL. Include in exotics, but don't overpay.

PRIME OUTLETS POOL II



Maturing Date: March 2016

Sires: WBCMT 2006-C26, WBCMT 2006-C27

The Skinny: Don't le fooled by the fact that this is a three-legged retail portfolio. DSCR has been strong and growing. Loan should leap, not limp, over the finish line.

125 HIGH STREET



Loan Balance: \$340,000,000

Maturing Date: Aug. 2016

Sires: LBUBS 2006-C6

The Skinny: One of two Boston entries. Cause for concern when top tenant PwC (26% of GLA) announced it was leaving, but two major leases for over 300,000 sf were signed, putting the property back on firm footing. Securitization LTV was 45%, but the horse is carrying extra \$189 million in mezz debt. Should refinance even if Tom Brady is writing the terms.

EZ STORAGE PORTFOLIO



Loan Balance: \$300,000,000

Maturing Date: Dec. 2016

Sires: COMM 2006-C8, BACM 2006-6

The Skinny: Not the most glamorous name on the field, the EZ Storage Portfolio should refi with EaZe. Loan is backed by 48 self-storage facilities totaling 3.7 million sf. 2014 financials saw DSCR blow past the 3.0x level. As Kramer would say, its "mudder was a mudder."

NEWPORT BLUFFS



1-5

Loan Balance: \$264,000,000

Maturing Date: Oct. 2016

Sires: WBCMT 2006-C28, WBCMT 2006-C29

The Skinny: Only apartment entry in the field, the 1,052-unit California property sports a DSCR of 1.29x, which has been growing in recent years. Spent formative years in great weather. Can it handle the rain and mud?

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1-4

1-2