Trepp®
CMBS Research

February 2017

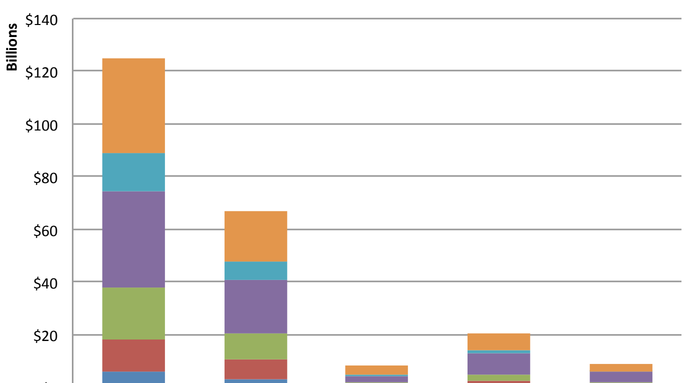
Wall of Maturities Update: $9 Billion in CMBS Due in February

This is the first iteration of a report Trepp will publish every month until the end of 2017 in an effort to monitor the wall of maturities as the market enters the home stretch of scaling this large amount of maturing CMBS debt.

Though risk retention might have started to grab the lion's share of CMBS headlines last year, the wall of maturities is still one of the most important storylines for the market in 2017. The final year of this 36-month stretch, which commenced at the start of 2015, features over $108.7 billion in CMBS loans that are slated to mature. The "refinanceability" of these loans will once again come into question, as over-leveraged loans issued prior to 2008 might not fulfill the credit standards of today's lender.

Historical Perspective

Maturing Loan Performance by Property Type Since 2015



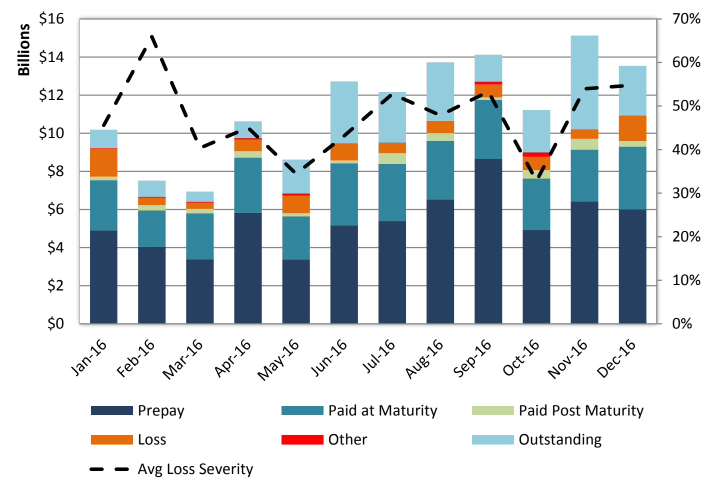
	Prepaid	Paid At Maturity	Paid Post Maturity	Disposed with Loss	Loss Amount
RT	36,134,931,729	19,342,877,823	3,483,047,768	6,231,019,645	2,936,748,973
OT	14,215,731,029	6,508,788,818	568,242,004	1,138,792,389	405,224,941
OF	36,883,977,511	20,358,271,867	2,472,847,231	8,489,274,522	3,895,003,637
MF	19,576,148,396	10,213,253,630	881,865,678	1,871,926,828	438,823,991
LO	12,344,133,019	7,272,262,794	665,929,410	1,692,440,241	869,643,486
IN	5,876,908,481	3,151,038,536	508,314,733	1,080,688,653	603,052,314

Source: Trepp

Based on a January 2017 snapshot, more than $225.4 billion in CMBS loans were paid off in any manner, including disposals with losses. Those disposed loans were written off with cumulative losses of more than $9.1 billion at an average loss severity of 44.6%.

In 2016 alone, $111.4 billion in securitized mortgage debt was liquidated, 8.14% of which suffered losses at resolution. Those loans that were closed out with losses were written down at an average severity of 46.9%. Based on underwritten maturity dates for loans that were scheduled to pay off during this time frame, 795 loans totaling $25.1 billion are still outstanding.

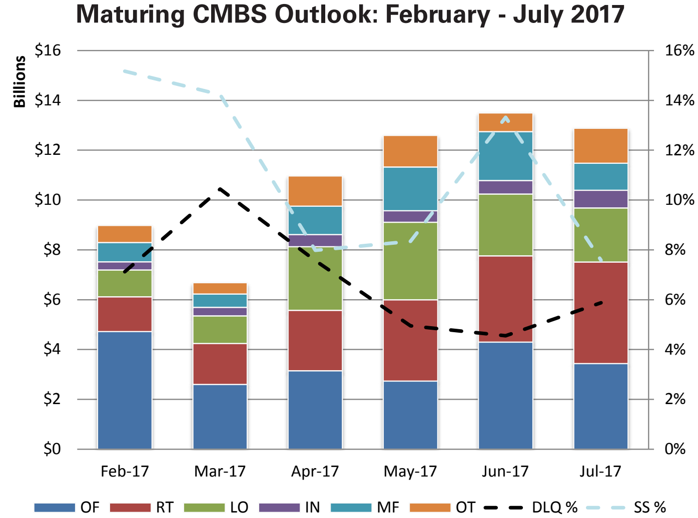
Maturing Loan Performance - 2016



**Amount outstanding is based on underwritten maturity dates*
Source: Trepp

Upcoming Maturities

Maturing CMBS Outlook: February - July 2017



Source: Trepp

Upcoming Maturities

Over the next 6 months through July 2017, roughly $65.6 billion in CMBS debt will come due. 6.35% of that total is delinquent and 10.7% is in special servicing. As the two dominant property types, office and retail loans comprise 31.9% and 24.8% of the volume maturing during this time frame, respectively.

Out of the $9.0 billion in CMBS debt that is scheduled to mature in February, over 7.12% has fallen into default (categorized as 60+ days delinquent, in foreclosure, REO, or non-performing balloons), while 15.17% has been transferred to special servicing. 5.75% of the balance that matures in February is carrying an appraisal reduction amount (ARA) that could lead to potential losses at resolution.

Backed by the 3.8 million-square-foot Chicago office tower now known as the Willis Tower, the $331 million Sears Tower loan is the largest note slated to mature in February. Most recent financials for the loan are as of the first nine months of 2016, when DSCR (NCF) and occupancy were 1.27x and 75%, respectively. The appraisal tied to the note is $1.226 billion, as of the 2013 "Willis Tower" single-asset securitization. It was announced on February 8, 2017 that the loan behind the Willis Tower will be refinanced, so the current debt might not be outstanding for much longer.

Top 5 Loans Maturing in February

Property Name	Current Balance ($)	Deal Name	Property Type	City/State	DQ Status	ARA
Sears Tower	488,730,360	Multiple	OF	Chicago, IL	Current	N/A
Greenfield Partners Portfolio	368,148,000	GPPT 2014-GPP	MU	Various	Current	N/A
TWC Component A	332,000,000	COMM 2014-TWC	OF	New York, NY	Current	N/A
One World Financial Center	297,500,000	CD 2007-CD4	OF	New York, NY	Current	N/A
TIAA RexCorp New Jersey Portfolio	270,375,000	GSMS 2007-GG10	OF	Various	Current	N/A

Source: Trepp

The largest delinquent loan maturing in February is the $186.5 million Four Seasons Aviara Resort. The note's collateral is a 329-unit lodging resort complete with a spa and golf course in Carlsbad, California. Thus far, the loan has tacked on an appraisal reduction amount of over $114.5 million and has been in foreclosure since November 2013. The loan was originally scheduled to mature in 2012, but it received a five-year extension with rate relief in 2011.

Top 5 Delinquent Loans Maturing in February

Property Name	Current Balance ($)	Deal Name	Property Type	City/State	DQ Status	ARA
Four Seasons Aviara Resort	186,000,000	WBCMT 2007-C30	LO	Carlsbad, CA	Foreclosure	114,504,726
Boulevard Mall	91,865,830	GCCFC 2007-GG9	RT	Amherst, NY	Foreclosure	N/A
Sealy C Pool	49,556,985	WBCMT 2007-C30	IN	Various	90+ Days	5,051,592
90 Merrick Avenue	38,000,000	CWCI 2007-C2	OF	East Meadow, NY	Foreclosure	10,701,068
Southern Center	37,500,000	WBCMT 2007-C30	RT	West Palm Beach, FL	REO	21,363,279

Source: Trepp

Maturities by MSA

It comes as no surprise that the New York City MSA features the largest amount of CMBS debt maturing over the next six months. Of the ten largest MSAs by maturing balance from now until the end of July, loans behind NYC area properties feature the second-lowest percentages of serious delinquency (8.31%) and special servicing transfers (9.41%). The Washington, D.C. metropolitan region currently has the largest volume of distressed loans maturing in the next six months, as about 27.7% of that balance is more than 60 days past due. Additionally, 32.20% of that maturing total is in special servicing.

MSA	Maturing Balance ($)	60+ Days DQ %	Special Servicing %
New York- Newark-Jersey City, NY-NJ-PA	13,881,095,768	8.31%	9.41%
Los Angeles-Long Beach-Anaheim, CA	6,437,046,574	10.48%	10.19%
Washington-Arlington-Alexandria, DC-VA	5,745,259,323	27.67%	32.20%
Chicago-Naperville-Elgin, IL-IN,WI	3,297,361,112	22.71%	27.80%
Dallas-Fort Worth-Arlington, TX	2,193,464,624	12.06%	11.86%
Phoenix-Mesa-Scottsdale, AZ	2,097,615,399	19.10%	19.37%
Miami-Fort Lauderdale-West Palm Beach, FL	1,891,985,234	10.14%	7.87%
Atlanta-Sandy Springs-Roswell, GA	1,851,595,644	23.54%	22.55%
Philadelphia-Camden-Wilmington, PA-NJ	1,845,756,729	21.45%	24.76%
Boston-Cambridge-Newton, MA-NH	1,710,005,060	7.57%	19.43%

Source: Trepp

For inquiries about the data analysis conducted in this research, contact info@trepp.com or call 212-754-1010.

About Trepp

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