Trepp®
CMBS Research

March 2017

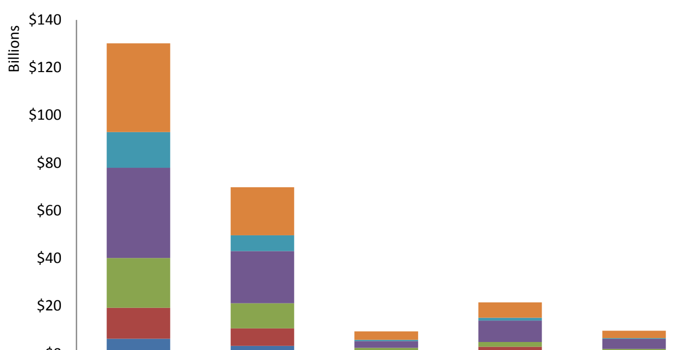
Wall of Maturities Update: Majority of $7 Billion Due in March Backed by Retail and Office Properties

This is the second iteration of the 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.

The CMBS market will "spring" into action in March and prepare to digest $6.7 billion of maturing debt that is due this month. March's total is the lowest of the next six months, as the amount of CMBS maturing by month only augments once April begins. What's left to refinance are loans issued towards the end of the 2006/2007 commercial real estate bubble, and whether or not the properties behind those loans meet today's credit standards is unclear.

Historical Perspective

Payoff Status by Property Type Since 2015



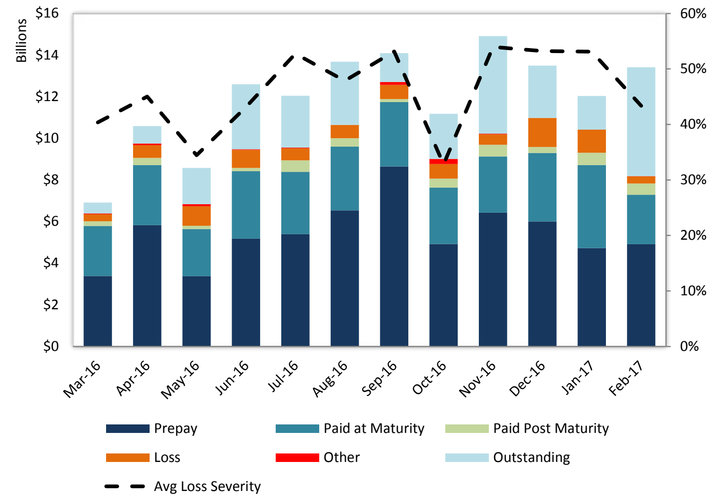
	Prepaid	Paid At Maturity	Paid Post Maturity	Disposed with Loss	Loss Amount
RT	37,268,186,076	20,125,958,095	3,563,816,541	6,433,108,560	3,068,784,551
OT	14,977,334,715	6,657,728,932	584,557,231	1,159,059,717	410,190,619
OF	37,830,938,315	21,814,546,696	2,821,852,876	9,009,482,256	4,123,312,903
MF	20,919,239,783	10,501,393,565	953,159,522	1,945,899,874	450,650,795
LO	12,977,007,851	7,380,556,871	951,250,285	1,855,642,358	954,866,368
IN	6,236,263,608	3,285,942,738	516,224,777	1,093,543,874	609,972,550

Source: Trepp

Based on a February 2017 snapshot, more than $235.3 billion in CMBS loans have paid off since January 2015 in any manner, including disposals with losses. Those disposed loans were written off with cumulative losses of more than $9.6 billion at an average loss severity of 44.74%.

In the 12-month period between March 2016 and February 2017, $114.2 billion in securitized mortgage debt was liquidated, 7.62% of which suffered losses at resolution. Those loans that were closed out with losses were written down at an average severity of 46.68%. Based on underwritten maturity dates for loans that were scheduled to pay off during this time frame, 981 loans totaling $29.4 billion are still outstanding. For the month of February, around $8.2 billion in CMBS loans were liquidated. Of that total, $348.5 million in CMBS was disposed with a loss last month at an average loss severity of 43.38%

Payoff Status - Last 12 Months



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

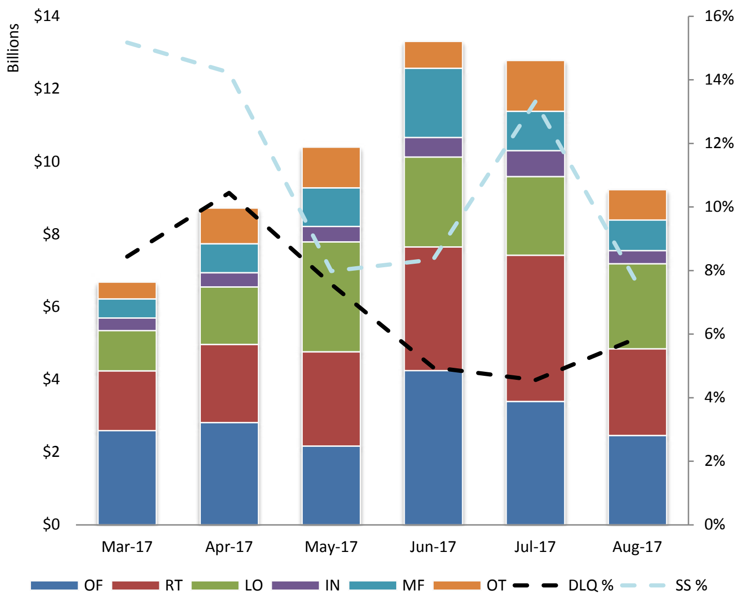
Upcoming Maturities

Over the next 6 months through August 2017, roughly $61.1 billion in CMBS debt will come due. 5.92% of that total is past due on payment, and 10.54% is in special servicing. As the two dominant property types, office and retail loans comprise 28.94% and 26.51% of the volume maturing during this time frame, respectively.

Out of the $6.7 billion in CMBS debt that is scheduled to mature in March, over 9.74% has fallen into default (categorized as 60+ days delinquent, in foreclosure, REO, or non-performing balloons), while 14.23% has been transferred to special servicing. Of all of the debt maturing in March, 8.79% is carrying an appraisal reduction amount (ARA) that could lead to potential losses at resolution.

The largest loan scheduled to mature in March is the $1.07 billion Five Times Square, which is evenly split into two notes. Those two loan pieces respectively comprise 28.18% and 21.95% of the balance for two separate 2007 deals. Located in the heart of Times Square in Manhattan, the underlying collateral is a 39-story, class A mixed-use property that contains 1.1 million square feet of office space and 36,840 square feet of retail area. While Ernst and Young currently occupies 89% of the building's net rentable area (NRA) under a lease that runs through 2022, rumors circulated last year that the firm was looking to relocate some of this space to other locations in lower Manhattan and New Jersey. The Real Deal reported back in January that RXR Realty (which currently holds a 49% stake in the building) was close to securing a five-year mortgage to pay off the existing loan backed by the property. Outside of the securitized lending space, the Manhattan skyscraper is also carrying additional subordinated debt.

Maturing CMBS Outlook: March - August 2017



Source: Trepp

Top 5 Loans Maturing in March

Property Name	Current Balance ($)	Deal Name	Property Type	City/State	DQ Status	ARA
Five Times Square	1,072,000,000	WBCMT 2007-C30, WBCMT 2007-C31	OF	New York, NY	Current	N/A
Intown Suites Portfolio	380,000,000	CSMC 2015-TOWN	LO	Various	Current	N/A
731 Lexington Avenue	300,000,000	COMM 2014-BBG	OF	New York, NY	Current	N/A
Lafayette Property Trust	203,250,000	JPMCC 2007-LDPX	OF	Alexandria, VA	Foreclosure	125,492,523
Westfield Southpark	150,000,000	MLCFC 2007-6	RT	Strongsville, OH	Current	N/A

Source: Trepp

Top 5 Delinquent Loans Maturing in March

Property Name	Current Balance ($)	Deal Name	Property Type	City/State	DQ Status	ARA
Lafayette Property Trust	203,250,000	JPMCC 2007-LDPX	OF	Alexandria, VA	Foreclosure	125,492,523
Chesapeake Square	60,873,067	JPMCC 2004-LN2	RT	Chesapeake, VA	REO	27,610,346
PNC Corporate Plaza	57,160,700	WBCMT 2007-C30	OF	Louisville, KY	Foreclosure	N/A
Metro Square 95 Office Park	48,000,000	CSMC 2007-C2	OF	Jacksonville, FL	Foreclosure	26,223,124
Camp Group Portfolio (Rollup)	38,287,446	BACM 2006-5	OT	Various	60 Days	N/A

Source: Trepp

In terms of troubled loans that will come due this month, the $203.3 million Lafayette Property Trust already carries an appraisal reduction amount (ARA) of $125.5 million and over $11.6 million in advanced ASERs and fees. The loan is anchored by a portfolio of nine office buildings in Alexandria, Virginia with a combined area of 839,469 square feet. Three of the buildings have already been foreclosed upon, while the remaining six have an anticipated foreclosure date in the first quarter of 2017. Lafayette Property Trust makes up nearly 20% of the remaining collateral behind JPMCC 2007-LDPX, a deal which has incurred losses that reach up to the B and B-S classes to date. 30% of the high-profile, but distressed $678 million Skyline Portfolio is another piece of collateral in JPMCC 2007-LDPX. Taking all of the appraisal reductions assigned to the deal thus far into account, cumulative losses could reach the original AAA-rated tranches at some point.

Overview of Loans Maturing in March

Property Type	WALTV	WADSCR	WADY	Avg. Occupancy
IN	71.49%	1.47	12.17%	98.64%
LO	70.43%	1.28	11.43%	70.91%
MF	76.73%	1.37	10.44%	93.87%
OF	81.76%	1.17	11.46%	89.55%
OT	75.91%	1.43	11.91%	91.28%
RT	80.80%	1.38	10.08%	93.82%

**Based on UW maturity date and most recently reported values for all current, fixed-rate securitized loans*
Source: Trepp

Overview of Loans Maturing in the Next 6 Months

Property Type	WALTV	WADSCR	WADY	Avg. Occupancy
IN	69.22%	1.40	13.41%	97.06%
LO	71.07%	1.80	16.86%	72.19%
MF	73.01%	1.29	9.49%	94.13%
OF	76.11%	1.24	11.64%	91.56%
OT	77.64%	1.40	11.12%	91.18%
RT	79.00%	1.34	12.27%	94.93%

Source: Trepp

Maturities by MSA

The New York City MSA remains the metropolitan region with the largest amount of CMBS maturing in the next six months, as $12.6 billion behind area properties will come due during this time frame. Including loans that have recently fallen past maturity, there has been a considerable increase in the percentage of loans that are seriously delinquent or have been transferred to special servicing among the New York City and Washington, D.C. MSAs.

MSA	Maturing Balance ($)	60+ Days DQ %	Special Servicing %
New York- Newark-Jersey City, NY-NJ-PA	12,563,361,418	13.24%	13.23%
Los Angeles-Long Beach-Anaheim, CA	5,558,875,843	10.00%	9.88%
Washington-Arlington-Alexandria, DC-VA	5,209,454,133	28.81%	33.68%
Chicago-Naperville-Elgin, IL-IN,WI	2,568,388,890	24.33%	31.15%
Dallas-Fort Worth-Arlington, TX	1,980,581,322	12.02%	12.41%
Phoenix-Mesa-Scottsdale, AZ	1,805,765,981	18.91%	20.75%
Atlanta-Sandy Springs-Roswell, GA	1,764,799,342	19.96%	24.09%
Miami-Fort Lauderdale-West Palm Beach, FL	1,708,209,146	9.91%	9.81%
Boston-Cambridge-Newton, MA-NH	1,592,913,761	22.93%	35.87%
San Diego-Carlsbad, CA	1,552,362,294	15.43%	15.43%

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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