Commercial Mortgage Alert A Green Street News Title

DECEMBER 8, 2023

Wave of Maturing CMBS Debt Hitting Soon

CMBS servicers will have their hands full in the first half of next year, as borrowers struggle to pay off a soaring volume of large securitized mortgages facing final maturity.

Among U.S. CMBS loans with outstanding securitized balances of at least $100 million, 44 mortgages with an aggregate balance of $14.07 billion will reach final maturity in the first half of 2024, according to a review by **Commercial Mortgage Alert.** That's up sharply from 29 such mortgages totaling $7.09 billion that were identified at midyear as coming due by yearend.

Another 82 large CMBS mortgages adding up to $53.31 billion also face first-half maturity dates. One has an anticipated repayment date of April 6, but it won't reach final maturity for another five years. The other 81 have one or more extension options that could give borrowers time to sell, refinance or recapitalize the underlying

See WAVE on Page 15

Blackstone Seeks Refi on Big Rental Package

Blackstone is looking for about $635 million of debt to refinance a large portfolio of apartment properties in the Sun Belt.

The collateral comprises 10 properties with 3,406 units across four states. The investment giant is in the market for five-year financing via **Newmark,** with quotes expected to be taken in the next few weeks.

Blackstone holds the roughly 93%-occupied assets through its Blackstone Real Estate Partners 9 vehicle, which it closed in 2019 with $20.5 billion of capital commitments. The firm acquired most of the properties via off-market transactions in 2021 and 2022, when at least some were still in the lease-up phase. The seller was **Davis Development,** a Stockbridge, Ga.-based shop that builds multifamily properties in the southern and southeastern U.S.

Nearly 75% of the apartments are in Texas, mainly in and around Dallas and Houston. The rest are in Florida, North Carolina and South Carolina.

Sources familiar with the deal said the proceeds would be used to retire roughly

See BLACKSTONE on Page 8

Corebridge Cuts Several Senior Lending Pros

Corebridge Financial, the life insurer spun off from **AIG** last year, has laid off a handful of senior managers in its loan-origination business amid slower production expectations.

The cuts, which came over the last week or two, include **Benjamin Meininger** in Los Angeles, **Ken Brown** and **Michael Johnson** in Houston, and **Jorge Perez** in New York. All were managing directors except Perez, who was a vice president.

Multiple sources said the firm cited lower originations projections as the main reason behind the decision to reduce staffing levels. One said the move eliminated more than half of the leadership within Corebridge's commercial-property financing business.

Meininger was head of originations in the firm's Western region. He'd been with AIG for almost five years prior to the insurer's spinoff of Corebridge in a September 2022 public offering. Before that, Meininger spent three-plus years at **Bank of the West**

See STAFF on Page 14

THE GRAPEVINE

Kevin Blauch, who leads the global finance group at law firm **Sidley Austin,** is retiring at yearend. Blauch has been involved in the CMBS market since its inception, with roles at **Latham & Watkins, Milbank Tweed** and **Skadden Arps** before joining Sidley in 2011. Sidley's CMBS team, which reported to Blauch, will continue to be led by partners **Jonathan Nunes, Giles Kelly** and **Rob Kao.**

Marcus & Millichap has added two experienced capital-markets pros in the Eastern U.S. **Todd Phillips** started with the brokerage this week in Raleigh, while **Dan Gorczycki** began the previous week in Saddle Brook, N.J. Both are managing

See GRAPEVINE on Page 28

Lenders Prep Refi of Large Retail Pool

Wells Fargo, Goldman Sachs and **KeyBank** are on track to originate a $380.6 million CMBS loan on 10 shopping centers that **Site Centers** operates in Arizona, Illinois, Missouri and six East Coast states.

Site, a Beachwood, Ohio-based retail REIT formerly known as **DDR,** owns a 20% stake in the 3.4 million-sf portfolio. The remaining interest is held by a joint venture between Beijing-based **China Life Insurance** and **China Merchants Bank** of Shenzhen, China.

Wells is leading the fixed-rate refinancing. The bank and its co-lenders intend to securitize all or part of the five-year, interest-only mortgage via a single-borrower CMBS offering that's expected to price by yearend (DTP 2023-STE2).

The portfolio is estimated to be worth $583.7 million, pegging the loan-to-value ratio at 65.2%. The anticipated debt yield would be 11.5%, and the projected debt-service coverage ratio would be 1.51 to 1, based on underwritten net cashflows of $43.7 million.

The borrower would use $364.3 million of the loan proceeds to pay off CMBS debt that comes due on April 1. That interest-only, fixed-rate loan package, originated by **Credit Suisse** five years ago, financed a recapitalization that enabled the Chinese joint venture to buy its 80% stake in the collateral portfolio from Site for $485.8 million.

The outstanding debt comprises $220 million of senior notes and a $144.3 million B-note. Credit Suisse securitized $170 million of the senior portion and the entire B-note in a $314.3 million single-borrower issue (CSMC 2018-SITE). The bank funneled the remaining $50 million of senior debt into the collateral pool for a subsequent conduit issue (CSAIL 2019-C15).

The collateral properties are 97.4% occupied by 220 tenants under leases with a weighted average remaining term of 4.3 years. Five are anchored by grocery stores **Publix, Aldi, Fresh Market, Sprouts Farmers Market** and **Food Lion.** Another four are home to separately owned big-box stores with grocery components, including **Target, Super Target** and **Sam's Club.** The 10th property is a power center in a suburb of Kansas City, Mo., that's anchored by **Best Buy** and **Kohl's.**

The portfolio's largest tenant is **Lowe's,** which has leases encompassing 261,000 sf at two of the collateral properties. Other major tenants include Kohl's (237,000 sf at four properties), **AMC Theatres** (232,000 sf at three properties), **Dick's Sporting Goods** (183,000 sf at four properties) and **Ross** (181,000 sf at six properties).

The properties, with a weighted average age of 26 years, are:

- Ahwatukee Foothills Towne Center, in Phoenix (691,000 sf).
- Connecticut Commons, in Plainville, Conn. (561,000 sf).
- University Centre, in Wilmington, N.C. (418,000 sf).
- Independence Commons, in Independence, Mo. (386,000 sf).
- Brookside Marketplace, in Tinley Park, Ill. (317,000 sf).
- Towne Center Prado, in Marietta, Ga. (287,000 sf).
- Poyner Place, in Raleigh, N.C. (257,000 sf).
- Ashley Crossing, in Charleston, S.C. (199,000 sf).
- Commonwealth Center, in Midlothian, Va. (166,000 sf).
- The Route 22 retail center, in Union, N.J. (112,000 sf). ❖

Goldman Leads CMBS Refi of NJ Mall

The owners of a large mall in Northern New Jersey have lined up $525 million of fixed-rate debt from the CMBS groups at **Goldman Sachs, Deutsche Bank** and **Natixis** to refinance the property.

The 2.1 million-sf Westfield Garden State Plaza is owned by a 50-50 joint venture between **Unibail-Rodamco-Westfield** of Paris and London-based **M&G Real Estate,** an affiliate of insurer **Prudential Assurance.** It's just off the Garden State Parkway at the intersection of State Routes 4 and 17 in Paramus — 8 miles northwest of the George Washington Bridge, which connects to Upper Manhattan.

JLL is advising the mall owner on the interest-only refinancing, which hasn't closed yet. Goldman, which is leading the deal, and its co-lenders intend to securitize $425 million of the five-year mortgage via a single-borrower CMBS offering that's slated to price within the next week (NJ 2023-GSP). The rest of the interest-only debt would be included among the collateral for one or more upcoming conduit issues.

Newmark appraised the mall at $1.81 billion as of Oct. 23, pegging the loan-to-value ratio for the new mortgage at 28.9%. The anticipated debt yield would be 19.9%, and the projected debt-service coverage ratio would be 2.91 to 1, based on underwritten net cashflows of $104.7 million.

Proceeds from the new loan would be used to pay off $525 million of interest-only, fixed-rate CMBS debt that comes due on Jan. 1. The borrower has committed to cover the estimated $4 million of closing costs for the refinancing.

RBS, now known as **NatWest,** originated the existing debt on the property 10 years ago. The bank securitized $375 million of it in a single-borrower deal (RBSCF 2013-GSP) and put the rest in the collateral pool of a $1.04 billion conduit issue (WFRBS 2013-C18).

The Unibail-M&G partnership initially indicated it would prefer to avoid a CMBS loan in favor of refinancing through a group of insurers or banks. But balance-sheet lenders have pulled back sharply amid disruptions in the commercial real estate sector and the broader financial markets since early last year.

The collateral property is 94.9% occupied by about 300 tenants. Some separately owned stores operate under ground leases comprising 832,000 sf of the mall. Three of its seven anchor stores — **Macy's, Neiman Marcus** and **Nordstrom** — fall into that category.

As determined by underwritten base rents, Macy's is by far the largest tenant. The ground lease beneath its 440,000-sf store expires in July 2026. The highest-paying tenants on the standard rent roll are **AMC Theatres** (96,000 sf until May 2027), **Zara**

See MALL on Page 7

Marcus & Millichap Capital Corporation

Building Relationships. Financing the Future.

RECENTLY CLOSED TRANSACTIONS

$29,930,000

Oklahoma City, OK

Industrial | Bank

$31,000,000

Fairfax, VA

Mixed-Use | Fund

$27,977,700

Mesa, AZ

Multifamily | Agency

$26,550,000

Renton, WA

Multifamily | Fund

$62,139,000

San Jose, CA

Multifamily | Agency

$48,500,000

Glendale, CA

Mixed-Use | Bank

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Dealflow Jumps on Shrinking Spreads

CMBS spreads continued to tighten this week, and issuers responded by pumping out one of the year's heaviest torrents of deals with an eye toward closing their books next week.

One conduit offering was closing in on pricing with another right behind it, while investors feasted on five single-borrower offerings. The dealflow was part of a busy post-Thanksgiving stretch during which demand has steadily grown.

Wells Fargo, Morgan Stanley, Argentic Investment Management, Bank of America and **Starwood Mortgage Capital** were wrapping up a $914.5 million conduit deal backed mostly by 10-year loans (MSWF 2023-2). Its super-senior, longest-duration notes were expected to grind in from the offered price of 143 bp over Treasurys, while the E class, rated BBB-/BBB by **Fitch** and **KBRA,** was expected to tighten from the 900-bp level at which it was offered.

Also in the market were **Citigroup, Goldman Sachs, JPMorgan Chase** and BofA with a $484.4 million conduit offering backed by loans with terms of up to 10 years (BMARK 2023-B40). Its senior benchmark notes were being offered at 145 bp over Treasurys, with the E class offered at 900 bp.

Investors and dealers alike said the market felt stronger than it has in months, with conduit tranches well oversubscribed down the stack amid expectations that spreads could tighten further.

"It's been an extraordinarily turbulent year, but the landing gear has been deployed, and, hopefully, we'll touch down with everyone a little nauseous and shaken up but with no catastrophic engine failure," said one CMBS investor.

All eyes are on the secondary market and any effect the looming annual portfolio review by the **National Association of Insurance Commissioners** could have on selling, the investor said. So far, selling has picked up only modestly.

In the single-borrower market, issuers priced a massive deal backed by a **Blackstone** industrial portfolio, and another backed by a large hotel portfolio. They also were on the way to pricing two others backed by malls.

Citi, **BMO Capital, Barclays, Deutsche Bank** and Wells on Dec. 7 priced a $1 billion deal backed by a floating-rate loan to Blackstone on a portfolio of industrial properties (BX 2023-XL3). Some 106 of the 109 properties are a subset of a massive portfolio that Blackstone acquired from **GLP Capital Partners** and partially financed via the largest single-borrower deal since the global financial crisis, the $5.6 billion BX 2019-XL.

The senior notes, rated triple-A by **Moody's** and KBRA, tightened 13 bp to 18 bp from the offered range to price at 182 bp over one-month SOFR, while the D class, rated BBB- by KBRA, tightened 10 bp to price at 365 bp.

On Dec. 4, Wells and Citi priced a $736 million offering backed by a five-year, floating-rate loan to **KSL Capital Partners** on a portfolio of 19 hotels (KSL 2023-HT). KSL will use the

See SPREADS on Page 23

Northmarq Lends on 3 Arizona Rentals

Northmarq originated three **Freddie Mac** loans totaling $92.4 million to refinance three multifamily properties in Arizona owned by **Element Property.**

Two loans closed on Nov. 16, and the other closed on Nov. 30. All have five-year terms and fixed rates.

The largest, totaling $45.1 million, is backed by the 336-unit Reserve at Star Pass, in Tucson and has one year of interest-only payments. Ketchum, Idaho-based Element apparently used the proceeds to pay off a floating-rate loan from **Bridge Investment Group** that financed its June 2021 acquisition and subsequent renovations to convert the former student-housing property to a traditional multifamily complex.

That bridge loan, initially funded at $40.3 million with $5.5 million of future funding commitments, was later securitized in a CRE CLO deal (BDS 2021-FL9). It faced a July 2024 maturity but had two one-year extension options.

Element paid $57.5 million to buy the 2000-vintage property from **Peak Capital Partners,** which operated it as a student-housing facility with 1,020 beds. The complex, at 41 South Shannon Road, is less than a mile from a community college and 4 miles west of the **University of Arizona.** It was 93% occupied as of June, according to servicer reports.

Element also took out an interest-only $37.1 million Freddie loan to refinance Riverwalk Luxury, a 300-unit complex at 850 East Wetmore Road in Tucson. The property, 3 miles north of the University of Arizona, additionally catered to students until Element purchased it for $44 million in 2021 from **Columbus Pacific Properties.**

Element also financed that acquisition and renovation with a Bridge Investment loan, initially funded at $30.8 million with up to $5.4 million of future funding. That debt, which also was securitized (BDS 2021-FL7), had an initial maturity in May 2024 with two single-year extension options.

The property, which now rents as one- to four-bedroom apartments, was 91% occupied as of June 30, according to servicer records.

The third loan, totaling $10.3 million, is secured by Edge Townhomes, an 88-unit complex at 499 South Carmichael Avenue in Sierra Vista. That debt paid off an $8.4 million Freddie loan from 2021, also originated by Northmarq. ❖

Walker & Dunlop Backs Utah Rentals

Walker & Dunlop wrote a $50.7 million **Fannie Mae** loan for a new luxury apartment property in Utah.

The fixed-rate loan closed on Nov. 21, with a seven-year term and interest-only payments. The collateral is Ely at American Fork, a 320-unit complex that was completed last year in American Fork, roughly midway between Salt Lake City and Provo.

The borrower, Las Vegas-based **Calida Group,** developed the property in partnership with **Castlewood Development** of Midvale, Utah. The duo financed the project with a $45.3 million floating-rate construction loan originated in 2021 by **Bank of the West.** Proceeds from the new loan apparently will be used to retire that debt.

The complex, at 299 South 850 West, comprises six buildings of four or five stories, plus a clubhouse. Its one- to three-bedroom units have 9- or 10-foot ceilings, washer/dryers, quartz counters and smart-home technology. Rents start at $1,400.

Amenities include a pool and hot tub, a game room, a fitness center and outdoor seating areas with firepits. The property is across from a rail station providing service to Provo, Salt Lake City and Ogden.

Ely at American Fork is one of five properties Calida opened last year under its high-end Elysian Living brand, with the other four in the Las Vegas area. Since it was founded by **Douglas Eisner** and **Eric Cohen** in 2007, the firm has developed or acquired more than 20,000 multifamily units, predominantly in Nevada. It also owns properties in California, Florida, Idaho, Illinois, Oregon and Washington state. ❖

Mall ... From Page 2

(26,000 sf until October 2026), and **H&M** (24,000 sf until January 2026).

Sales at the property totaled $893 million during the year ending in October. Many of its stores are closed one day per week due to local blue laws prohibiting the sale of most discretionary consumer goods on Sundays.

Built in 1957, the mall has been renovated and expanded many times. The borrower has invested about $250 million in improvements since 2017, and it's working on a 550-unit multifamily development that's slated to open next door in 2026. ❖

Loan Eyed for Phila. Industrial Project

A joint venture is in the market for about $49 million of debt to finance the construction of an industrial property in Philadelphia.

The development team, a partnership between **DH Property Holdings** and **CBRE Investment Management,** is looking for a floating-rate financing package running three to five years. It's showing the deal to lenders via **Walker & Dunlop.**

Plans call for the construction of a 282,000-sf building at 3060 South 61st Street, at the southwest end of the city. The 15-acre property is part of the PhilaPort logistics campus, 3 miles from Philadelphia International Airport.

Preliminary work is underway at the site, which the venture purchased from the **Port of Philadelphia** in April for a price pegged in public records at $26 million. The partners are expected to begin more substantial work as the loan closes, likely in the first few months of next year.

As designed, the building will have 40-foot ceilings, 50 dock doors and two drive-in entrances, along with several features shared by newer state-of-the-art distribution facilities. There also will be parking for 72 trailers and 187 cars.

The property is within 2 miles of Interstates 76 and 95. The city's primary cargo-handling node along the Delaware River, the Packer Avenue Marine Terminal Port, is 4 miles away.

The project seeks to capitalize on growing demand for warehouse space in the Philadelphia market. The Port of Philadelphia aims to increase warehouse capacity by 18% to 3 million sf in the coming years, according to the **Philadelphia Business Journal,** and it's begun work on several projects linked to that goal.

DH Property has been in the mix with other warehouse developments in the market, including a nearly 760,000-sf project to the north, at 5000 Richmond Street. The firm obtained $135 million of construction debt earlier this year from **Barings** in a deal also arranged by Walker & Dunlop. ❖

Blackstone ... From Page 1

the same amount of existing debt, suggesting that the proposed new financing would be cash-neutral. It's unclear whether the current debt on the properties is a single loan or multiple mortgages, but one source suggested **Wells Fargo** had provided or led the bulk of it.

Another person noted that leverage would be around 75% pegged to the $833 million purchase price of the assets. That could make it more likely that debt funds are looking at the proposal more closely than banks, which have become generally more conversative over the past year. However, it's also possible some groups could look to arrange a senior/mezzanine-debt structure that would open the door to a wide field of lenders.

Davis currently lists 23 active properties and nine others in some stage of development on its website. Relatively little has been written publicly about the firm, though some reports have described it as a family-run shop that's been active through the South for several decades. ❖

Lument Expanding Lending Platform

Lument has launched a new capital-markets team as part of an effort to place more third-party debt for borrowers.

Rick Warren, a senior managing director and head of small-balance production, will lead the effort as head of real estate capital markets while continuing to oversee small-balance loans. Warren, who has been with the firm for 14 years, aims to expand the company's strategic lending partnerships and to source debt and equity for clients through banks, debt funds, life companies, CMBS deals and Lument's bridge loans.

While Lument has arranged debt via relationships with third-party lenders in the past, the recently formed unit is the company's first dedicated to the effort. Last month, the firm hired **Ralph Wurzburger** and **Joshua Perew** as senior directors on the new team. Both are based in the New York metropolitan area and originate debt and equity on properties of all types using a variety of capital sources. Wurzburger and Perew came aboard from **Walker & Dunlop,** where they worked for nearly seven years.

Also joining the team is **Ryan Norwood,** who has been with the company for just over a year as a managing director structuring and arranging mezzanine debt and preferred equity. Based in Portland, Ore., he will continue in a similar role on the new team.

Lument plans to add to the team on an opportunistic basis. Candidates should email **Jon Koznesoff** at jon.koznesoff@lument.com. ❖

RATED SERVICERS

Approved Primary, Master and Special Servicers

The list below shows commercial mortgage servicers rated by **S&P, Fitch, DBRS Morningstar** and **KBRA.**

Primary servicers, also called sub-servicers or loan servicers, handle individual mortgages that collateralize CMBS. Master servicers oversee primary servicers. Special servicers are responsible for securitized mortgages that become distressed and for any resulting foreclosed properties.

S&P rates servicers as: "Strong," "Above Average," "Average," "Below Average" or "Weak." Servicers can request that their ratings be undisclosed. The agency also rates servicers with specialties in small-balance loans or construction loans.

Fitch rates primary (CPS), master (CMS) and special (CSS) servicers from 1 (the highest rating) to 5. It also has ratings for primary servicers of small-balance commercial loans (SBPS), as well as special servicers of commercial large loans (CLLSS) and small-balance commercial loans (SBSS).

The DBRS operational risk assessments range from a high of CS1 to a low of CS4.

KBRA awards the designation of "Pass" to qualified primary, master and special servicers.

	Contact	Primary Servicer	Master Servicer	Special Servicer
3650 REIT	Daniel Antonelli 305-901-1000			S&P: Average Fitch: CSS2- KBRA: Pass
A10 Capital	Mark Klipsch 208-577-5037	DBRS Morningstar: CS2		DBRS Morningstar: CS3
Acore Capital	David Homsher 214-945-1418	Fitch: CPS3		Fitch: CSS3+
Aegon Real Assets US	Lois Swantz 319-355-2250	S&P: Strong		S&P: Strong
Arbor Multifamily Lending	Danny van der Reis 516-506-4200	S&P: Above Average Fitch: CPS2		S&P: Above Average Fitch: CSS3+
Ares Commercial Real Estate	Bryan Donohoe 212-301-0334			Fitch: CLLSS2-
Argentic Services	Grace Bodemuller-Holst 469-609-2002			S&P: Average Fitch: CSS2- DBRS Morningstar: CS2 KBRA: Pass
Bellwether Enterprise Real Estate Capital	Deborah Rogan 216-820-4542	Fitch: CPS1-		
Berkadia Commercial Mortgage	Mark McCool 215-328-1258	S&P: Strong Fitch: CPS1 DBRS Morningstar: CS1 KBRA: Pass	S&P: Above Average Fitch: CMS2+ DBRS Morningstar: CS2 KBRA: Pass	S&P: Above Average Fitch: CSS2 DBRS Morningstar: CS3 KBRA: Pass
BNY Mellon	Tony Maranto 214-468-5514	S&P: Average	S&P: Average	S&P: Average
BrightSpire Capital	Tyler Ferrer 310-552-7144			S&P: Average Fitch: CSS2
Brookfield (BREF Partners Special Servicer)	Kathryn Gregorio 212-417-7204			S&P: Average Fitch: CLLSS2- DBRS Morningstar: CS3 KBRA: Pass (large loans)
CBRE Loan Services	Chris Shamaly 713-458-7227	S&P: Strong Fitch: CPS1-		
Citco Loan Services (USA)	Elaine Furnari 201-793-5927	S&P: Undisclosed		
Columbia National Real Estate Finance	Scott Park 202-872-1239	Fitch: CPS2		

Continued on Page 11

RATED SERVICERS

... From Page 10

	Contact	Primary Servicer	Master Servicer	Special Servicer
Community Loan Servicing	Kevin Jonas 305-631-6303	S&P: Strong (small loans) KBRA: Pass (small loans)		S&P: Average S&P: Strong (small loans) Fitch: CSS3+ KBRA: Pass (small loans)
CoreVest American Finance Lender	George Younes 949-387-9646			DBRS Morningstar: CS3
CT Investment Management (Blackstone)	Garrett Brooks 212-390-2455			S&P: Undisclosed Fitch: CLLSS2+
CWCapital	Brian Hanson 202-715-9510			S&P: Strong Fitch: CSS1- DBRS Morningstar: CS1 KBRA: Pass
Essex Financial Services	Christian Baggett 678-770-5551	Fitch: CPS3+		
Fannie Mae	Larry LaGrone 972-773-7948		S&P: Above Average Fitch: CMS1-	S&P: Above Average Fitch: CSS2+
Freddie Mac	Pamela Dent 703-714-2717		S&P: Above Average Fitch: CMS1- KBRA: Pass	Fitch: CSS2+ KBRA: Pass
Gantry	Michael Heagerty 415-956-9854	S&P: Undisclosed		
Grandbridge Real Estate Capital	Marty Allen 770-365-2215	S&P: Strong		
Green Hollow Advisors	Scott Leitman 212-231-0260			Fitch: CLLSS4
Green Loan Services	Andrew Falk 212-216-1656			S&P: Average Fitch: CLLSS2 KBRA: Pass (large loans)
Greystone Servicing	Primary servicing: Sharon Briskman 540-428-7210 Special servicing: Jenna Unell 469-749-2016	S&P: Strong Fitch: CPS2+ DBRS Morningstar: CS1 KBRA: Pass		S&P: Strong Fitch: CSS2+ DBRS Morningstar: CS1 KBRA: Pass
HSBC	Teresa Clemente 212-525-4523	S&P: Undisclosed		
Hudson Advisors	Lance Gasch 214-754-8400			S&P: Undisclosed Fitch: CSS2
JLL	Michelle Orsi 301-287-9954	Fitch: CPS2		
KeyBank	Bryan Nitcher 913-317-4374	S&P: Strong Fitch: CPS1- DBRS Morningstar: CS1 KBRA: Pass KBRA: Pass (small loans)	S&P: Strong Fitch: CMS1 DBRS Morningstar: CS1 KBRA: Pass KBRA: Pass (small loans)	S&P: Strong Fitch: CSS1- DBRS Morningstar: CS1 KBRA: Pass KBRA: Pass (small loans)
K-Star Asset Management (KKR)	Lindsey Wright 214-984-2360			S&P: Average Fitch: CSS3 DBRS Morningstar: CS3 KBRA: Pass
Lima One Capital	Vinod Thomas 864-214-3062	S&P: Undisclosed (small loans)		S&P: Undisclosed (small loans)

Continued on Page 12

RATED SERVICERS

... From Page 11

	Contact	Primary Servicer	Master Servicer	Special Servicer
LNR Partners	Adam Behlman 305-695-5080			S&P: Strong Fitch: CSS1 DBRS Morningstar: CS1 KBRA: Pass
Lument	Barry Fuller 614-857-1400	Fitch: CPS2		Fitch: CLLSS2-
Midland Loan Services	David Spotts 913-253-9645	S&P: Strong Fitch: CPS2+ DBRS Morningstar: CS1 KBRA: Pass KBRA: Pass (small loans)	S&P: Strong Fitch: CMS2+ DBRS Morningstar: CS2 KBRA: Pass KBRA: Pass (small loans)	S&P: Strong Fitch: CSS2+ DBRS Morningstar: CS1 KBRA: Pass KBRA: Pass (small loans)
Mount Street	Kristin Bonczynski 816-787-1338 Greg Chastain 770-694-7000	S&P: Average Fitch: CPS2- DBRS Morningstar: CS2 KBRA: Pass		S&P: Average Fitch: CSS3 DBRS Morningstar: CS3 KBRA: Pass
NCB	Karyn Mann 703-302-1904	S&P: Above Average Fitch: CPS1- KBRA: Pass	S&P: Average Fitch: CMS2- KBRA: Pass	S&P: Average Fitch: CSS2- KBRA: Pass

Continued on Page 13

RATED SERVICERS

... From Page 12

	Contact	Primary Servicer	Master Servicer	Special Servicer
Newmark	Rebecca Forsythe 617-722-5002	S&P: Above Average Fitch: CPS2 KBRA: Pass		S&P: Average Fitch: CSS3+ KBRA: Pass
NewPoint Real Estate Capital	John Lloyd 469-440-5600	S&P: Above Average		
Northmarq	Travis Krueger 612-356-0100	S&P: Above Average		
Pacific Life Insurance	Lisa Fields 949-219-3856	Fitch: CPS1	S&P: Average	S&P: Average Fitch: CLLSS1 KBRA: Pass
PGIM Real Estate	Joni Brown-Haas 214-721-6042	S&P: Strong Fitch: CPS1	S&P: Average Fitch: CMS2+	S&P: Above Average Fitch: CLLSS2
PHH Mortgage	Kevin Bartulewicz 561-570-5418	S&P: Above Average (small loans)		S&P: Above Average (small loans)
Principal Global Investors	Steve Johnson 515-246-7095	S&P: Strong		S&P: Strong
Quantum Servicing	Neil Dyson 813-333-7620	S&P: Average (small loans)		S&P: Average (small loans)
Rialto Capital	Adam Singer 305-485-2708			S&P: Above Average Fitch: CSS2+ DBRS Morningstar: CS2 KBRA: Pass
Sabal Capital Partners	Vartan Derbedrossian 949-517-0801	Fitch: CSP2 DBRS Morningstar: CS2 KBRA: Pass		S&P: Average Fitch: CSS3+ DBRS Morningstar: CS3 KBRA: Pass
SitusAMC	Christina Brodeur 551-321-9040 Special servicing: Curt Spaugh 415-374-2834	S&P: Above Average Fitch: CPS2- KBRA: Pass		S&P: Above Average Fitch: CSS2- DBRS Morningstar: CS2 KBRA: Pass
Superior Loan Servicing	Scott Hacker 818-483-0027	S&P: Average (small loans)		
Torchlight Loan Services	William Clarkson 212-808-3640			S&P: Above Average Fitch: CSS2 DBRS Morningstar: CS1 KBRA: Pass
Trimont	Beau Jones 469-801-6006	S&P: Strong S&P: Strong (constr. loans) Fitch: CPS2 KBRA: Pass		S&P: Strong Fitch: CSS2 KBRA: Pass
Walker & Dunlop	Jim Schroeder 781-707-9403	Fitch: CPS1-		
Wells Fargo	Alan Kronovet 704-715-5980	S&P: Strong Fitch: CPS1 DBRS Morningstar: CS1 KBRA: Pass	S&P: Strong Fitch: CMS1- DBRS Morningstar: CS1 KBRA: Pass	S&P: Above Average Fitch: CSS2 DBRS Morningstar: CS2 KBRA: Pass

Staff ... From Page 1

and had stints with **Citigroup** and **OneWest Bank.**

Brown and Johnson were with AIG for more than three decades. Among their primary responsibilities was helping to oversee mortgage originations in the Midwest and Southwestern U.S., along with Florida and other parts of the Southeast.

Perez spent nearly 33 years working at AIG and **SunAmerica,** which AIG acquired in 1999.

Corebridge's overall financing operation is headed by **Michael Medvin,** national head of originations. Medvin, a New York-based managing director who's been with AIG and Corebridge for close to 27 years, is also team leader for the Northeast region.

There have been some glimmers of optimism that financing activity — and the property sales that help fuel it — will pick up next year if inflation and associated metrics, such as jobs figures, hold steady. That likely would stave off further interest-rate hikes by the **Federal Reserve,** which could prompt buyers and borrowers to come off the sideline.

Still, some lending shops have pared staff amid apparent concerns that operations may be slow to revive. Two months ago, another life company lender, **Pimco Prime Real Estate,** cut a number of personnel, citing lowered production expectations as the main factor.

The former AIG ranked third on **Commercial Mortgage Alert's** list of general-account insurance-company lenders for 2022, as its total originations more than doubled to $7.51 billion from $3.46 billion in 2021. Last year was a banner year for the top life-company lenders, representing a new all-time high by volume.

Corebridge is partially owned by investment giant **Blackstone,** which bought a 9.9% stake in AIG's retirement business in 2021, prior to the spinoff. The deal ultimately was to give Blackstone management of $92.5 billion of the firm's assets. Similar transactions involving large managers acquiring insurance businesses have occurred in recent years — driven in part by the access to huge pools of investment capital such deals provide. ❖

Wave ... From Page 1

properties. That's down from 105 extendable loans totaling $72.49 billion that faced maturities in the second half (see article on Page 21).

Even without extension options in place, the final payoff date on any securitized debt can be postponed as part of troubled-loan workouts or modifications approved by special servicers. Industry insiders said prolonging loan maturities will remain the most popular strategy pursued by borrowers in the months ahead, as the market awaits clarity on interest rates and leasing trends.

The owners of properties backing at least two large securitized mortgages coming due in the first half have tentatively lined up new debt from separate CMBS lending syndicates led by **Goldman Sachs** and **Wells Fargo** (see articles on Page 2). However, industry insiders said many other borrowers — including those current on payments — may find refinancing difficult because interest rates have soared and real estate values have dropped since early last year.

Meanwhile, insurers, banks and issuers of CRE CLOs have sharply curtailed lending on commercial real estate. CMBS shops are open for business, but their new-deal volume has plummeted — partly because borrowers are unwilling or unable to accept the market-driven loan coupons now being offered.

Industry pros expect many CMBS borrowers to be in a better position to take out new loans next year if, as expected, the **Federal Reserve** holds short-term interest rates steady or starts reducing them in 2024.

"Rates need to drift lower," one CMBS investor said. "It will happen, and most [economists] seem to think that will be a second-half phenomenon. … To the extent that borrowers have any leverage at all, they will just [seek to] be extended until the coupon makes sense" or the underlying property ceases to generate enough cashflows to cover the debt service.

Extension options have proved vital for many borrowers recently. However, exercising such options typically hinges on cashflow thresholds and other credit-quality tests that the underlying properties can't meet. The soaring cost of interest-rate caps over the last two years also has made it prohibitively expensive for some borrowers to renew those caps, often a requirement of a floating-rate loan extension.

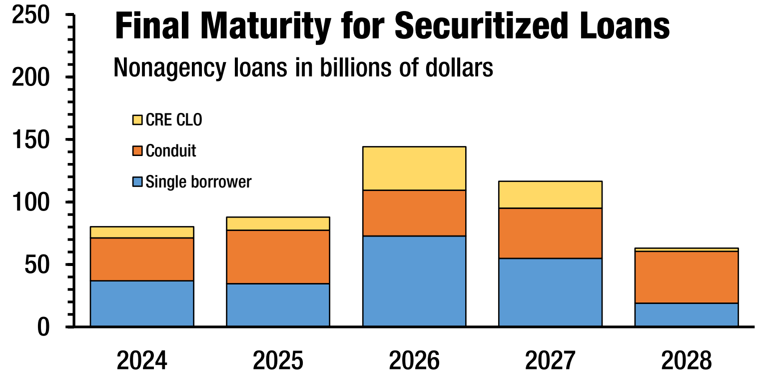
For loans without extension options, CMBS special servicers typically require major concessions before agreeing to delay the final payoff. Such modifications almost always include a cash infusion from the borrower to reduce the loan balance and/or boost reserves.

"You can't argue with the special servicer if you are in an environment where … rates are shifting all over the place," said **Alan Todd,** head CMBS analyst at **Bank of America.** "If things stabilize a bit, then that is an environment where you can have conversations" that will lead to an increase in loan extensions and other modifications.

Owners of office properties are expected to have the hardest time paying off their maturing CMBS loans, as the leasing outlook in that sector remains murky amid the persistent work-from-home trend.

Market players also noted that borrowers may gradually find it more difficult to extend or pay off loans on multifamily properties, which CMBS lenders and investors have favored heavily for the last few years. As apartment rents level off or grow at a slower pace, "there are big issues with multifamily [loans] on

See WAVE on Page 21



Large Maturing CMBS Loans

Securitized mortgages with current balances of at least $100 million that mature in the first half of 2024

Loan Scenario	Current Balance ($Mil.)	No. of Loans	Share (%)
Extension options available (if approved)	$52,927.2	81	78.6
Final maturity (no extension options)	14,066.9	44	20.9
Anticipated repayment date	383.5	1	0.6
TOTAL	**67,377.6**	**126**	**100.0**

Property Type	Current Balance ($Mil.)	No. of Loans	Share (%)
Office	$16,193.6	31	24.0
Industrial	14,691.2	18	21.8
Hotel	11,504.8	25	17.1
Retail	9,341.1	26	13.9
Mixed use	4,654.7	11	6.9
Multifamily	4,133.0	8	6.1
Manufactured housing	3,068.5	4	4.6
Self-storage	2,640.6	2	3.9
Other	1,150.0	1	1.7
TOTAL	**67,377.6**	**126**	**100.0**

Current balances according to Bloomberg

Largest CMBS Loans Maturing in the First Half of 2024

Loans with a current securitized balance of at least $100 million. Based on final maturity date (no extension options remaining).

Collateral	Borrower	Final Maturity (2024)	CMBS Deal	Original Balance ($Mil.)	Current Balance ($Mil.)
Lineage Cold Storage portfolio Industrial; 22 states *Floating-rate; Performing*	Lineage Logistics	5/9	CSMC 2019-ICE4	$2,350.0	$2,344.2
IMC portfolio Other; High Point, N.C. and Las Vegas *Floating-rate; Performing*	International Market Centers (Blackstone, Fireside Investments)	4/9	BX 2019-IMC	1,150.0	1,150.0
One Market Plaza Office; San Francisco *Fixed-rate; Performing, on watch list*	Paramount, Blackstone	2/6	OMPT 2017-1MKT	975.0	975.0
Kendall Square Office; Cambridge *Floating-rate; Performing*	BioMed Realty (Blackstone)	5/9	KNDL 2019-KNSQ	628.0	628.0
American Realty Capital portfolio Mixed use; 30 states and Puerto Rico *Fixed-rate; Performing, on watch list*	Realty Income	1/6	DBCCRE 2014-ARCP	620.0	620.0
Garden State Plaza Retail; Paramus, N.J. *Fixed-rate; Performing, on watch list*	Unibail-Rodamco-Westfield, M&G Real Estate	1/1	*2 deals* RBSCF 2013-GSP WFRBS 2013-C18	*525.0* 375.0 150.0	*525.0* 375.0 150.0
Bloomberg Office; New York *Floating-rate; Performing*	Alexander's	6/11	DBCG 2017-BBG	500.0	500.0
Google and Amazon Office portfolio Office; Sunnyvale, Calif. *Fixed-rate; Performing, on watch list*	Jay Paul Co.	1/6	*4 deals* COMM 2014-CCRE14 COMM 2014-UBS2 COMM 2014-CCRE15 COMM 2014-CCRE16	*452.2* 155.0 120.0 110.0 67.2	*413.1* 141.6 109.6 100.5 61.4
Bronx Terminal Market Retail; Bronx *Fixed-rate; Performing, on watch list*	Related Cos.	5/6	*3 deals* COMM 2014-CCRE17 COMM 2014-CCRE18 COMM 2014-UBS3	*380.0* 140.0 135.0 105.0	*380.0* 140.0 135.0 105.0
Site portfolio Retail; Nine states *Fixed-rate; Performing, on watch list*	Site Centers, China Life Insurance, China Merchants Bank	4/1	*2 deals* CSMC 2018-SITE CSAIL 2019-C15	*364.3* 314.3 50.0	*364.3* 314.3 50.0
Gateway Net Lease portfolio Mixed use; 20 states *Fixed-rate; Performing, on watch list*	China Life Insurance, ElmTree Funds	6/5	*6 deals* DBJPM 2017-C6 JPMCC 2017-JP7 BANK 2017-BNK6 JPMDB 2017-C7 BANK 2017-BNK5 BMARK 2018-B1	*353.0* 85.0 70.0 60.9 50.0 45.0 42.1	*334.4* 79.0 67.6 58.8 46.5 43.5 39.1
New York Hospitality portfolio Hotel; New York *Floating-rate; Special servicing*	Cindat Capital Management partnership	2/9	UBSCM 2018-NYCH	300.0	290.0
BPR Mall portfolio Retail; Virginia, New Mexico, Florida *Floating-rate; Performing*	Brookfield, Future Fund	5/1	MSC 2019-BPR	310.5	268.8
IMT portfolio (fixed-rate component) Multifamily; Texas, Florida, California *Fixed-rate; Performing*	Blackstone	6/9	IMT 2017-APTS	268.0	268.0

Continued on Page 17

Largest CMBS Loans Maturing in the First Half of 2024 (continued)

Collateral	Borrower	Final Maturity (2024)	CMBS Deal	Original Balance ($Mil.)	Current Balance ($Mil.)
Herald Center	JEMB Realty	1/7	3 deals	$255.0	$255.0
Mixed use; New York			MSBAM 2015-C25	115.0	115.0
Fixed-rate; Performing, on watch list			MSBAM 2015-C26	100.0	100.0
			MSBAM 2015-C27	40.0	40.0
Providence Place Mall	Brookfield	5/6	2 deals	309.1	254.9
Retail; Providence, R.I.			DBUBS 2011-LC3 (rake)	254.3	213.9
Fixed-rate; Performing, on watch list			DBUBS 2011-LC3	54.8	41.0
25 Broadway	Wolfson Group	4/6	2 deals	250.0	250.0
Office; New York			COMM 2014-CCRE17	130.0	130.0
Fixed-rate; Performing, on watch list			COMM 2014-CCRE16	120.0	120.0
521 Fifth Avenue	Savanna	6/9	COMM 2019-521F	242.0	242.0
Office; New York					
Floating-rate; Performing, on watch list					
Selig portfolio	Martin Selig	5/6	3 deals	238.9	238.9
Office; Seattle			GSMS 2014-GC22	100.0	100.0
Fixed-rate; Performing			CGCMT 2014-GC23	97.0	97.0
			MSC 2017-H1	41.9	41.9
Maine Mall	Brookfield	4/3	2 deals	235.0	235.0
Retail; South Portland, Maine			CGCMT 2014-GC21	125.0	125.0
Fixed-rate; Performing, on watch list			GSMS 2014-GC22	110.0	110.0
285 Madison Avenue	RFR	5/1	NCMS 2018-285M	235.0	235.0
Office; New York					
Fixed-rate; Performing					
The Outlets at Orange	Simon Property	4/1	2 deals	215.0	215.0
Retail; Orange, Calif.			JPMBB 2014-C19	125.0	125.0
Fixed-rate; Performing, on watch list			JPMCC 2014-C20	90.0	90.0
Kenwood Towne Centre	Brookfield, Teachers Retirement	2/9	BPR 2021-KEN	210.0	210.0
Retail; Cincinnati	System of Illinois				
Floating-rate; Performing					
RLJ Hotel portfolio	RLJ Lodging	4/9	BAMLL 2019-RLJ	200.0	200.0
Hotel; Five states and Washington, D.C.					
Floating-rate; Performing					
Jordan Creek Town Center	Brookfield	1/1	2 deals	219.9	177.9
Retail; West Des Moines, Iowa			JPMBB 2013-C17	120.0	97.0
Fixed-rate; Performing, on watch list			JPMBB 2014-C18	99.9	80.9
211 Main Street	Blackstone	4/1	3 deals	170.2	170.2
Office; San Francisco			JPMCC 2017-JP6	65.2	65.2
Fixed-rate; Performing, on watch list			DBJPM 2017-C6	60.0	60.0
			JPMCC 2017-JP7	45.0	45.0
Franklin Mills	Simon Property, Farallon Capital	6/1	2 deals	200.0	168.4
Retail; Philadelphia			JPMCC 2007-LDP11	120.0	101.1
Fixed-rate; Performing, on watch list			GSMS 2007-GG10	80.0	67.4
Holyoke Mall	Pyramid Cos.	2/1	JPMCC 2011-C3	215.0	166.9
Retail; Holyoke, Mass.					
Fixed-rate; Performing, on watch list					
CityScape East Office/Retail	Red Development	1/1	2 deals	185.0	164.0
Mixed use; Phoenix			GSMS 2014-GC18	100.0	88.7
Fixed-rate; Performing, on watch list			CGCMT 2014-GC19	85.0	75.4

Continued on Page 18

Largest CMBS Loans Maturing in the First Half of 2024 (continued)

Collateral	Borrower	Final Maturity (2024)	CMBS Deal	Original Balance ($Mil.)	Current Balance ($Mil.)
Miami International Mall	Simon Property	2/6	*2 deals*	*$160.0*	*$160.0*
Retail; Miami			JPMBB 2014-C18	100.0	100.0
Fixed-rate; Performing, on watch list			JPMBB 2014-C21	60.0	60.0
65 Broadway	Chetrit Group,	4/6	*3 deals*	*151.5*	*151.5*
Office; New York	Read Property		CF 2019-CF1 (rake)	96.0	96.0
Fixed-rate; Performing, on watch list			CF 2019-CF1	40.0	40.0
			MSC 2019-H6	15.5	15.5
MainPlace	Centennial Real Estate,	6/1	UBSBM 2012-WRM	140.0	140.0
Retail; Santa Ana, Calif.	Montgomery Street Partners,				
Fixed-rate; Performing	USAA Real Estate,				
	Unibail-Rodamco-Westfield				
Fox River Mall	Brookfield	6/1	WFRBS 2011-C4	161.7	136.7
Retail; Appleton, Wis.					
Fixed-rate; Performing					
Southfield Town Center	Michael Silberberg	5/6	*2 deals*	*142.0*	*126.4*
Office; Southfield, Mich.			COMM 2014-UBS3	80.0	71.2
Fixed-rate; Performing			COMM 2014-CCRE18	62.0	55.2
Gansevoort Park Avenue	William Achenbaum, Saul Tawil	6/6	*2 deals*	*140.0*	*124.2*
Hotel; New York			CGCMT 2012-GC8	75.0	66.5
Fixed-rate; Performing, on watch list			GSMS 2012-GCJ9	65.0	57.7
The Zappettini portfolio	Zappettini Capital	6/1	*2 deals*	*120.0*	*120.0*
Office; Mountain View, Calif.			BMARK 2019-B12	65.0	65.0
Fixed-rate; Performing, on watch list			CGCMT 2019-GC41	55.0	55.0
Icon Upper East Side portfolio	Icon Realty Management	5/1	*3 deals*	*115.7*	*115.7*
Multifamily; New York			JPMCC 2019-ICON UES	65.7	65.7
Fixed-rate; Performing			JPMCC 2019-COR5	25.0	25.0
			BMARK 2019-B12	25.0	25.0
JW Marriott and Fairfield Inn & Suites	White Lodging Services	1/1	*2 deals*	*125.0*	*115.1*
Hotel; Indianapolis			MSBAM 2014-C14	75.0	69.0
Fixed-rate; Performing, on watch list			MSBAM 2014-C15	50.0	46.0
Technology Corners Building Six	Jay Paul Co.	5/1	*2 deals*	*120.0*	*113.2*
Office; Sunnyvale, Calif.			JPMBB 2014-C21	60.0	56.6
Fixed-rate; Performing, on watch list			JPMCC 2014-C20	60.0	56.6
Yorktown Center	KKR, Pacific Retail Capital	3/9	CGCC 2014-FL1	133.8	107.4
Retail; Lombard, Ill.					
Floating-rate; Performing, on watch list					
The Colonnade Office Complex	Fortis Property	2/1	*3 deals*	*105.0*	*105.0*
Office; Addison, Texas			UBSCM 2019-C16	47.0	47.0
Fixed-rate; Special servicing			BBCMS 2019-C3	30.0	30.0
			WFCM 2019-C50	28.0	28.0
PennCap portfolio	PennCap Acquisitions	1/6	*2 deals*	*123.7*	*104.1*
Mixed use; Allentown and Bethlehem, Pa.			WFRBS 2014-LC14	90.0	74.4
Fixed-rate; Special servicing			COMM 2014-LC15	33.7	29.8
Showcase Mall	Eli Gindi, Jeffrey Gindi	6/1	JPMBB 2014-C21	103.5	103.5
Retail; Las Vegas					
Fixed-rate; Performing					
Arbor Hotel portfolio	Davidson Kempner, Arbor Lodging	5/1	*2 deals*	*100.0*	*100.0*
Hotel; Five states			BMARK 2019-B11	50.0	50.0
Fixed-rate; Performing, on watch list			GSMS 2019-GC39	50.0	50.0
TOTAL (44 loans)				**$14,498.0**	**$14,066.9**

Office Delinquencies Rise in November

Credit metrics for securitized commercial mortgages took another leg down in November, driven largely by escalating pain in the office sector.

The rate of 60-day delinquencies among some $545.11 billion of loans in **Fitch**-rated deals jumped 18 bp to 2.25%, with office loans accounting for more than half of new late payments. The delinquency rate for office loans rose 64 bp to 3.48%.

The percentage of loans in special servicing also rose 4 bp to 6.84% after falling the month before, according to **Trepp.** Office loans were the worst performers of the major property types, with the rate rising 32 bp to 8.87%, although the mixed-use category, which often has office exposure, performed the best, with the rate falling 104 bp to 6.66%.

Hotel and multifamily loans also showed modest deterioration, with the hotel rate rising 10 bp to 7.13% and the multifamily rate increasing 11 bp to 3.25%. The catch-all other category, including properties in the self-storage and healthcare sectors, jumped 118 bp to 2.69%.

New transfers remained elevated at $2.24 billion, with office loans accounting for nearly 60%. The overall rate was somewhat subdued given resolutions of just over $2 billion.

"Office properties continue to struggle overall," said Trepp analyst **Vivek Denkanikotte,** adding that efforts to woo workers back to the office this year have had mixed results — with even federal agencies encountering pushback from employees. "As remote work grants employees enhanced flexibility and comfort and gives employers better worker retention and lower costs, it appears ... the hybrid model is likely here to stay."

Among loans in Fitch-rated transactions, maturity defaults accounted for 62% of new delinquencies. New 60-day delinquencies rose to $1.49 billion from $1.12 billion in October, while 30-day delinquencies increased to $1.98 billion from $1.81 billion the month before.

The delinquency rate for hotels continued to improve, falling 14 bp to 3.37%, and the retail rate dipped 4 bp to 4.78%. The multifamily rate rose 6 bp to 0.62%, but excluding agency loans, the figure rose 60 bp to 1.51%.

Melissa Che, a senior director on Fitch's CMBS team, said the rating agency expects the overall rate to continue to rise next year, hitting 4.5% by yearend. Fitch predicts the rate for office loans could hit 8.1%.

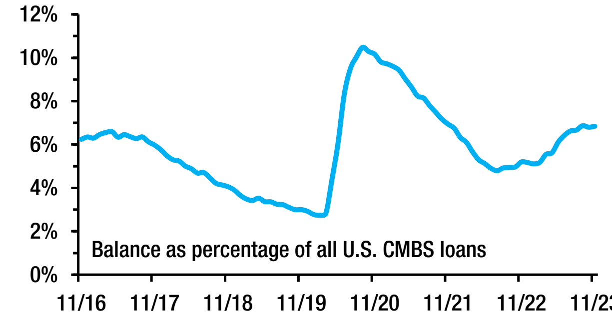
"It will be another difficult year in 2024 for [refinancings], with possibly more stabilization in 2025," she said. "We expect continued maturity defaults, particularly with deteriorating economic conditions and the lack of liquidity for office loans."

The largest new delinquency last month was a $350 million loan backed by a 1.1 million-sf office building at 1407 Broadway in Manhattan. **Barclays** originated the loan for **Shorenstein** and securitized it in a single-borrower offering (BBCMS 2019-BWAY). The borrower must purchase a new interest-rate cap to secure the deal's final one-year extension.

Looming maturities also continue to factor in special

See DELINQUENCIES on Page 21

CMBS Loans in Special Servicing

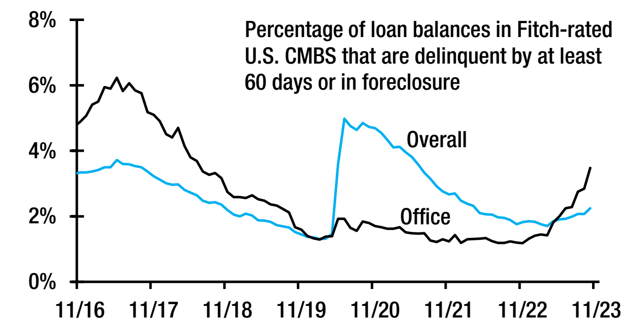


Source: Trepp

As of Nov. 30

Collateral	Balance ($Mil.)	Portion of Loan Type in Special Servicing (%)	Share of Special Servicing (%)	Share of All CMBS Loans (%)
Retail	$11,163.5	9.83	27.17	18.91
Office	14,764.4	8.87	35.93	27.72
Hotel	6,401.3	7.13	15.58	14.95
Multifamily	2,028.3	3.25	4.94	10.38
Mixed-use	5,376.0	6.66	13.08	13.45
Industrial	143.9	0.34	0.35	7.08
Other	1,214.6	2.69	2.96	7.52
TOTAL	**41,091.9**	**6.84**	**100.00**	**100.00**

CMBS Delinquencies



Source: Fitch

	November (%)	Month Earlier (%)	Year Earlier (%)
Hotel	3.37	3.51	4.56
Retail	4.78	4.82	5.23
Mixed-use	2.39	2.24	1.69
Office	3.48	2.84	1.20
Industrial	0.40	0.35	0.15
Multifamily	0.62	0.56	0.33
Self-storage	0.00	0.00	0.12
Other	2.73	1.92	1.08
OVERALL	**2.25**	**2.07**	**1.76**

Latest Large Loans Transferred to Special Servicing

	Current Balance ($Mil.)	Type	Loan Date	Maturity Date	Sent to Special Servicer	Status	Securitization
230 Park Ave., New York (office)	$670.0	Floating	11/12/2021	12/15/2023	10/19/2023	Current	MSC 2021-230P
Hotel portfolio, New York	290.0	Floating	2/6/2018	2/15/2024	10/23/2023	Late 30 days	UBSCM 2018-NYCH
State Farm office portfolio (various)	128.0	Fixed	4/1/2014	4/10/2024	10/20/2023	Late in grace period	COMM 2014-UBS4
750 Lexington Ave., New York (mixed-use)	123.6	Fixed	9/10/2015	10/10/2025	10/17/2023	Late 90 days	GSMS 2015-GC34, CGCMT 2015-GC35
40 Wall St., New York (office)	122.6	Fixed	7/2/2015	7/15/2025	10/16/2023	Current	WFCM 2015-LC22, COMM 2015-CCRE24, COMM 2015-LC23
Hilton San Francisco Financial District	86.7	Fixed	12/18/2013	1/15/2024	10/6/2023	Current	MSBAM 2014-C14, C16
Fashion Outlets of Niagara Falls, N.Y. (retail)	85.9	Fixed	10/1/2010	12/10/2023	10/13/2023	Nonperf., mature	COMM 2010-C1
Arciterra retail and office portfolio (various)	74.7	Fixed	2/10/2020	3/15/2030	8/27/2023	Current	CSAIL 2020-C19, WFRBS 2014-LC14
Pin Oak North Medical Office, Bellaire, Texas	54.3	Fixed	1/19/2018	2/10/2028	10/20/2023	Current	GSMS 2018-GS9
One Union Square, San Francisco (mixed-use)	50.0	Fixed	9/16/2013	12/10/2023	10/11/2023	Nonperf., mature	CGCMT 2013-GC17
Dulaney Center, Towson, Md. (office)	45.2	Fixed	4/13/2018	5/15/2028	10/31/2023	Late 30 days	WFCM 2018-C44

Source: Trepp

CMBS Loans in Limbo Amid Volatility

Most of the large securitized loans that matured during the second half of 2023 wound up in special servicing, as interest-rate volatility made refinancing extremely difficult.

Just three of the 29 large CMBS loans that **Commercial Mortgage Alert** highlighted in June as reaching final maturity over the ensuing six months were refinanced via fresh CMBS loans. All were backed by malls owned wholly or partly by **Brookfield** (BPR 2023-BRK2, THE 2023-MIC, BPR 2023-STON). Three others managed to find financing elsewhere.

Most of the other 23 loans that weren't sold, refinanced or recapitalized remain in special servicing, transferred there due to imminent default. Many are the subject of intense negotiations between workout specialists and borrowers, with servicers pursuing foreclosure even as talks go on.

A handful of borrowers have convinced servicers to grant them modifications or extensions. One, **Occidental Management,** won a yearlong extension through Aug. 9 on its Aspiria office campus in Overland Park, Kan., after establishing a $4 million debt-service reserve. In exchange, the interest rate on the $232.5 million floating-rate mortgage was reduced (JPMCC 2021-BOLT).

But in many other cases, signs of how thorny the market had become were apparent.

"The borrower engaged various lenders to secure financing but was unable to obtain any loan commitments," read a servicer note dated Oct. 13 on a $180 million loan to **RFR** and **Kushner Cos.** backed by a portfolio of office buildings in the Dumbo Heights section of Brooklyn. The loan was securitized in three offerings: BMARK 2018-B7, CGCMT 2018-C6 and BMARK 2018-B8.

In another case, Brookfield is attempting to sell the 22-story office building at 175 West Jackson in Chicago to repay the $250.5 million loan securitized in three conduit offerings: COMM 2013-CCRE12 and 13, and COMM 2014-CCRE14). It also is considering handing back the keys.

Darrell Wheeler, head of CMBS research at **Moody's,** said volatility in the 10-year Treasury rate made refinancing extremely difficult over the last six months, particularly for certain asset classes.

"We saw that the refinance rate for office properties really dropped in the third quarter," he said. "If you exclude what was previously defeased, the number gets down to the 20% range, but even including previously defeased loans, it's still about 48% for office, while the overall conduit loan world was more like 75%."

He said recent stabilization in Treasurys should help some of those loans find refinancing.

"The CMBS market has been showing liquidity, and there is no question some loans have been repaying even after missing their first maturity, usually within the first 90 days," he said.

Some investors are convinced that servicers will continue to grant extensions of a year or more for cashflowing properties. Many loans transferred to special servicing in the second half are having their cashflows scraped for the benefit of bondholders.

"The road map is there from how the malls got extended as long as there was cash flowing," one CMBS investor said. "I predict you will see that applied to offices en masse." ❖

Wave ... From Page 15

the horizon," said managing director **Mark Van Zandt,** co-head of real estate at **King Street Capital Management.**

"As the multifamily distress starts to work its way through existing loan books, it's going to force a reckoning elsewhere," he added. "To this point, lenders have assumed their distress was confined to office [loans], and that is not the case."

Fourteen office mortgages totaling $4.27 billion comprise 30.3% of the volume of CMBS loans topping $100 million that are headed for final maturity in the first half. The rest include loans on retail (25.7%), industrial (16.7%), mixed-use (10.5%), hotel (5.9%) and multifamily (2.7%) properties.

Of the 44 large CMBS loans slated to reach final maturity in the first half, 41 mortgages adding up to $13.57 billion are listed as performing debt. The other three, with a combined balance of $499.1 million, are in special servicing. Twenty-six of the performing loans are on servicer watch lists, which might be simply because they're within a few months of final maturity. It also could indicate a higher degree of uncertainty about a loan's current credit quality and the borrower's prospects for paying it off.

Some 34 conduit mortgages and other fixed-rate loans make up $8.13 billion, or 57.8%, of the debt headed for final maturity in the first half. Most have terms of five to 10 years with no extension options. The rest are floaters, which typically have initial terms of two or three years, plus annual extension options that could push them out to a total of five years. ❖

Delinquencies ... From Page 19

servicing transfers.

The largest loan moved to special servicing weighed in at $670 million. Backed by the Helmsley Building at 230 Park Avenue in Manhattan, it's expected to default at maturity later this month as the owner weighs its options.

Morgan Stanley originated the floating-rate loan for **RXR,** which purchased the building in 2015 for $1.5 billion. It was securitized in a single-borrower deal (MSC 2021-230P). ❖

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Spreads ... From Page 4

proceeds of a $940 million debt package the banks originated to help finance its take-private acquisition of **Hersha Hospitality Trust.**

The senior notes, rated AAA by **S&P** and **DBRS Morningstar,** priced at 235 bp over one-month SOFR, 10 bp tighter than where they were offered. The A-/AA(low)-rated C class tightened 15 bp to price at 350 bp. Tranche prices below that level were not released.

Deutsche, Barclays and Wells also were close to wrapping up a $190 million offering backed by a four-year, fixed-rate loan to **Brookfield** on the Stonestown Galleria mall in San Francisco (BPR 2023-STON). The senior notes, rated Aaa by Moody's, were being offered at 275 bp over Treasurys. The A3-rated C class was offered at 475 bp, while the D-class and risk-retention bonds were preplaced.

Likewise, Goldman, Deutsche and **Natixis** were on the way to pricing a $425 million offering backed by the Westfield Garden State Plaza mall (NJ 2023-GSP). The deal is backed by a portion of a $525 million fixed-rate debt package the banks are providing to **Unibail-Rodamco-Westfield** of Paris and London-based **M&G Real Estate,** an affiliate of **Prudential Assurance** (see article on Page 2). The senior notes, rated AAA by Fitch and KBRA, were being offered at 220 bp over Treasurys.

Also in the wings are Wells, Goldman and **KeyBank** with an offering (DTP 2023-STE2) backed by a $380.6 million loan on 10 shopping centers operated by Site Centers (see article on Page 2).

In the agency market, **Freddie Mac** priced a $747.1 million fixed-rate deal backed by 18 loans on multifamily properties (FREMF 2023-K754). The A-2 notes priced at 61 bp over Treasurys, 2 bp tighter than guidance. Freddie also priced a $254.7 million fixed-rate offering backed by subordinate pieces of 38 loans (FREMF 2023-KJ48). The A-2 tranche priced at 88 bp over Treasurys. ❖

INITIAL PRICINGS

BX Commercial Mortgage Trust, 2023-XL3

Pricing date:	Dec. 7
Closing date:	Dec. 21
Amount:	$1,000.0 million
Seller/borrower:	Blackstone
Lead managers:	Citigroup, BMO Capital, Barclays, Wells Fargo, Deutsche Bank
Co-manager:	SMBC Nikko
Master servicer:	KeyBank
Special servicer:	Mount Street
Operating advisor:	Park Bridge Financial
Trustee:	Wilmington Trust
Certificate admin.:	Computershare
Offering type:	Rule 144A

Property type: Industrial (100%).
Concentrations: California (61.9%), Texas (13.2%), Tennessee (9.8%), Florida (4.5%) and Oregon (3.9%).
Loan contributors: Citigroup (21.7%), Bank of Montreal (21.7%), Barclays (21.7%), Wells Fargo (21.7%) and Deutsche Bank (13%).
Risk-retention sponsor: Citigroup.
Notes: Citigroup, Bank of Montreal, Barclays, Wells Fargo and Deutsche Bank teamed up to securitize a $1 billion floating-rate mortgage they are originating for Blackstone to refinance 109 industrial properties totaling 8.54 million sf across nine states. The interest-only loan, slated to close on Dec. 8, has a two-year initial term plus three one-year extension options. The coupon is pegged to one-month SOFR plus an expected spread of 232 bp, and there is a SOFR cap of 5%. The collateral consists of 106 properties that were included in a prior CMBS deal (BX 2019-XL) and three new warehouses that were unencumbered by debt. The 2019 loan helped finance Blackstone's broader acquisition of GLP and included 300 additional properties that are not collateral for this new mortgage. The portfolio is 94.8% leased to more than 390 tenants and spread across 14 markets, led by the Bay Area (East Bay), Austin, Nashville, Los Angeles and the Inland Empire. Recent appraisals value the properties at $1.559 billion, or $1.570 billion including a portfolio premium. Loan proceeds are being used to pay down roughly $864 million of the existing CMBS loan, recapitalize the three new properties, fund reserves and pay closing costs. In compliance with U.S. risk-retention rules, BlackRock is acquiring Class HRR at a price that equals at least 5% of the total deal proceeds. The certificate spreads are based on the maximum extension.
Deal: BX 2023-XL3. **CMA code:** 20230190.

Class	Amount ($Mil.)	Rating (Moody's)	Rating (KBRA)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp-Ext)	Note Type
A	618.700	Aaa	AAA	38.13	SOFR+176.1	99.750	12/15/40	1.98/4.98	SOFR+182	Floating
B	95.400	Aa3	AA-	28.59	SOFR+219.1	99.750	12/15/40	1.98/4.98	SOFR+225	Floating
C	80.800	A3	A	20.51	SOFR+264.1	99.750	12/15/40	1.98/4.98	SOFR+270	Floating
D	155.100	NR	BBB-	5.00	SOFR+358.9	99.750	12/15/40	1.98/4.98	SOFR+365	Floating
HRR	50.000	NR	BB	0.00			12/15/40	1.98/4.98		Floating

INITIAL PRICINGS

KSL Commercial Mortgage Trust, 2023-HT

Pricing date:	Dec. 4
Closing date:	Dec. 20
Amount:	$736.0 million
Seller/borrower:	KSL Capital Partners
Lead managers:	Wells Fargo, Citigroup
Master servicer:	Wells Fargo
Special servicer:	Brookfield
Operating advisor:	Pentalpha
Trustee:	Computershare
Certificate admin.:	Computershare
Offering type:	Rule 144A

Property type: Hotel (100%).
Concentrations: New York (35%), Florida (24.3%), Pennsylvania (11.5%), Massachusetts (10%) and California (8.7%).
Loan contributors: Wells Fargo (50%) and Citigroup (50%).
Risk-retention sponsor: Wells Fargo.
Notes: Wells Fargo and Citigroup teamed up to securitize a $736 million floating-rate mortgage they originated for KSL Capital Partners on 19 hotels totaling 3,102 rooms in six states and Washington, D.C. The mortgage and a $204 million mezzanine loan make up a $940 million interest-only debt package that financed the acquisition of the properties as part of KSL's $1.4 billion take-private acquisition of Hersha Hospitality Trust. The broader transaction included five additional properties that do not serve as collateral for this mortgage. The allocated purchase price for the 19 collateral properties was $1.18 billion. KSL acted via its KSL Capital Partners 6 fund. The debt package, which closed on Nov. 28, has a two-year initial term and three one-year extension options. The coupons are pegged to one-month SOFR plus 367 bp for the mortgage and 750 bp for the mezzanine loan. There is a SOFR cap of 3.9%. The portfolio consists of 12 flagged hotels, under Marriott, Hilton, Hyatt or IHG brands, and seven independently operated hotels. Top markets include New York, South Florida, Philadelphia and Boston. In compliance with U.S. risk-retention rules, Brookfield is acquiring Class HRR at a price that equals at least 5% of the total deal proceeds. The certificate spreads are based on the maximum extension.
Deal: KSL 2023-HT. **CMA code:** 20230194.

Class	Amount ($Mil.)	Rating (S&P)	Rating (DBRS)	Subord. (%)	Coupon (bp)	Dollar Price	Maturity (Date)	Avg. Life (Init/Ext)	Spread (bp-Ext)	Note Type
A	322.739	AAA	AAA	56.15	SOFR+229	99.750	12/15/36	1.99/4.99	SOFR+235	Floating
B	104.199	AA-	AA (H)	41.99	SOFR+284	99.750	12/15/36	1.99/4.99	SOFR+290	Floating
C	77.458	A-	AA (L)	31.47	SOFR+344	99.750	12/15/36	1.99/4.99	SOFR+350	Floating
D	102.355	BBB-	A (L)	17.56			12/15/36	1.99/4.99		Floating
E	92.334	NR	BBB (L)	5.02			12/15/36	1.99/4.99		Floating
HRR	36.915	NR	BB (H)	0.00			12/15/36	1.99/4.99		Floating
X-CP(IO)	72.939*	AA-	AAA				12/15/36			Floating
X-NCP(IO)	104.199*	AA-	AAA				12/15/36			Floating

*Notional amount

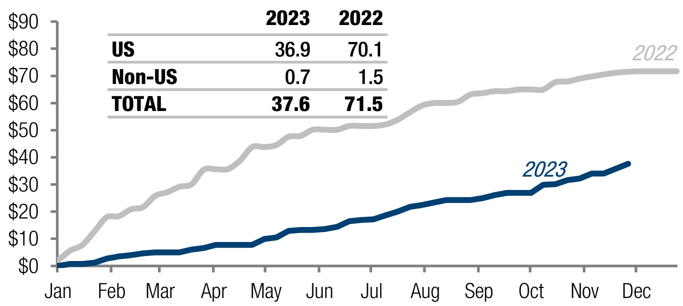
MARKET MONITOR

SUMMARY

- Spreads over Treasurys for 10-year, AAA-rated conduit CMBS have tightened 14 bp since the beginning of November.
- CMBS debt costs are 6.6% on average, down 82 bp from this year's peak in October.
- Crown Castle, AvalonBay and Piedmont Office Realty priced $2.1 billion of senior unsecured notes this week.
- REIT unsecured bond issuance totals $35.8 billion year to date, about 37.5% above volume a year earlier.

WORLDWIDE CMBS

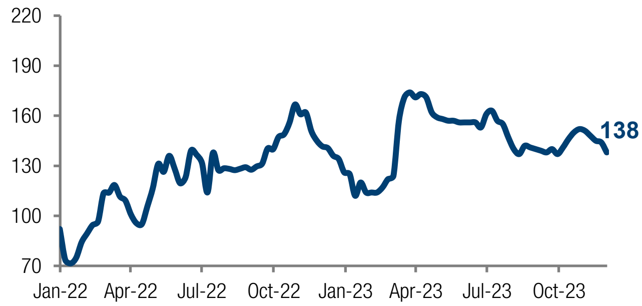
Year-To-Date Issuance Volume ($Bil.)



Source: Green Street

CMBS SPREADS

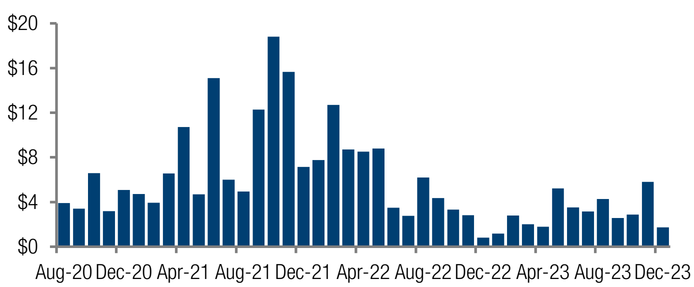
10-Year AAA Recent-Issue Spread Over Treasury



Source: Trepp

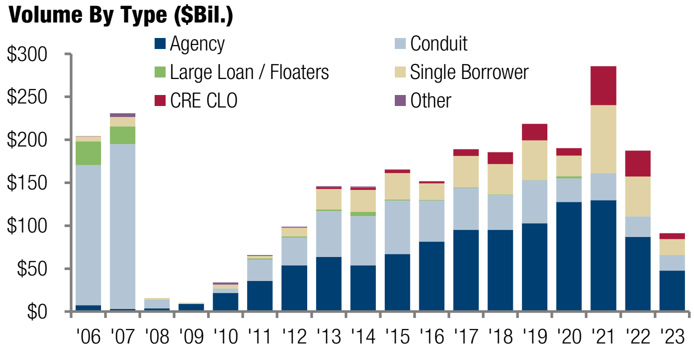
US CMBS ISSUANCE

Non-Agency Issuance Volume ($Bil.)



Source: Green Street

Volume By Type ($Bil.)



Source: Green Street

CONDUIT SPREADS

		Spread (bp)		
	Avg. Life	12/6	Week Earlier	52-wk Avg.
AAA	5	J+184	J+186	J+158
AAA	10	J+138	J+144	J+145
AA	10	J+253	J+258	J+286
A	10	J+422	J+432	J+447
BBB-	10	J+917	J+933	J+870

Source: Trepp

AGENCY CMBS SPREADS

Freddie K Series		Spread (bp)		
	Avg. Life	12/7	Week Earlier	52-wk Avg.
A1	5.5	J+60	J+67	J+68
A2 (WI)	10.0	J+62	J+69	J+72
AM (WI)	10.0	J+70	J+79	J+78
B	10.0	J+283	J+287	J+309
C	10.0	J+383	J+387	J+426
X1	9.0	J+180	J+185	J+196
X3	10.0	J+425	J+425	J+463
K Floater		SOFR+72	SOFR+72	SOFR+70
Fannie DUS				
10/9.5 TBA (60-day settle)		J+66	J+73	J+77
Fannie SARM		SOFR+74	SOFR+76	SOFR+74

Source: JPMorgan Chase

CMBS TOTAL RETURNS

		Total Return		
As of 12/6	Avg. Life	Month to Date	Year to Date	Since 1/1/97
Inv. Grade	4.9	1.0%	3.2%	255%
AAA	4.7	0.9%	3.4%	237%
AA	5.7	1.1%	3.4%	118%
A	4.3	0.7%	1.6%	101%
BBB	4.4	0.5%	-3.3%	117%

Source: Barclays

CMBX.13

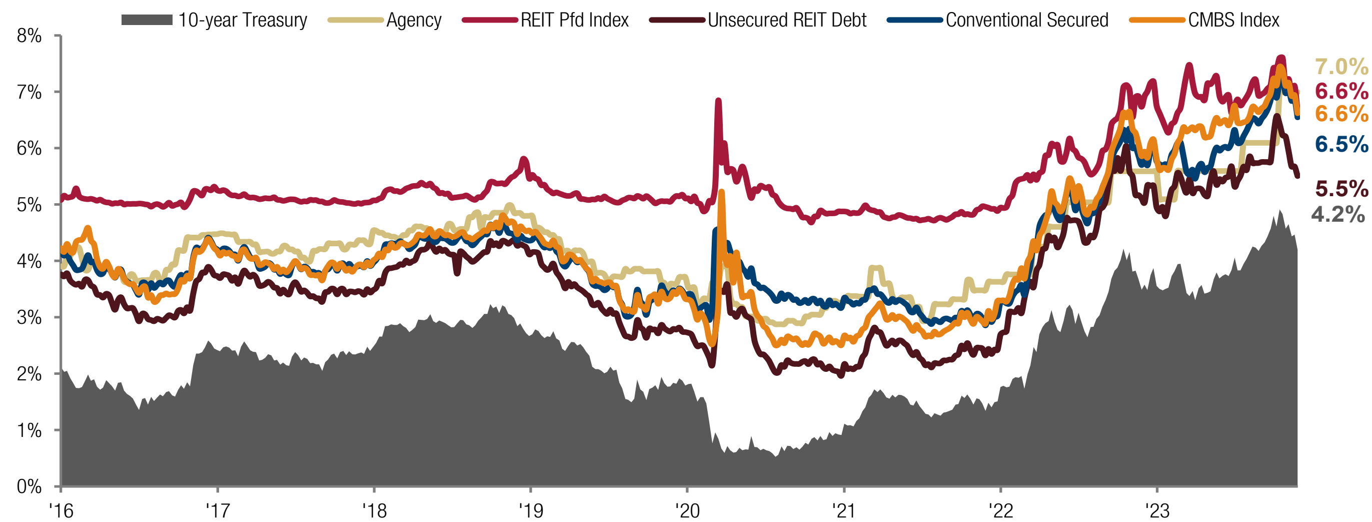
	Price ($)		
	12/6	Week Earlier	52-wk Avg.
AAA	98.8	98.6	98.3
AS	96.2	95.9	96.1
AA	93.3	93.3	95.1
A	87.0	87.0	88.8
BBB-	72.4	71.9	73.4

Source: IHS Markit

MARKET MONITOR

COMMERCIAL REAL ESTATE DEBT COSTS BY TYPE

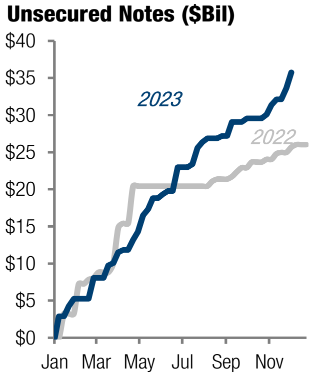
Representative of 10-year money



Sources: CREFCOA, Cushman & Wakefield, Trepp, Green Street

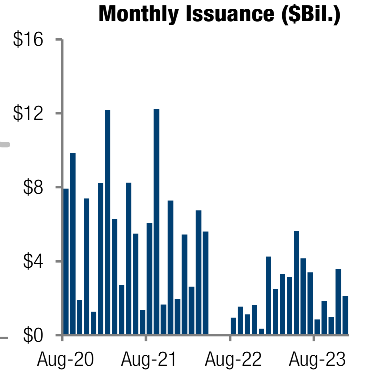
REIT BOND ISSUANCE

Unsecured Notes ($Bil)



Source: Green Street

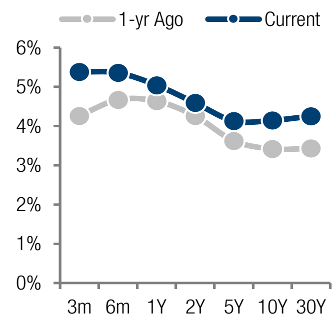
Monthly Issuance ($Bil.)



Source: Green Street

LOAN SPREADS

Treasury Yield Curve



Source: Bloomberg

Asking Spreads Over Treasurys

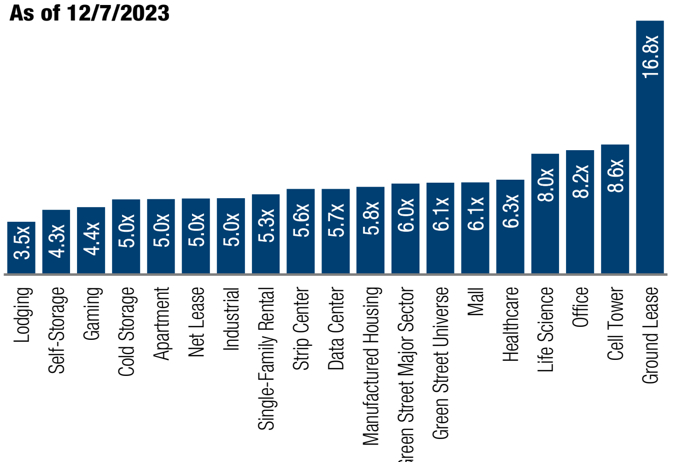
	12/1	Month Earlier
Industrial	189	187
Multifamily	187	186
Retail	205	202
Office	229	229

10-yr loans with 50-59% LTV

Source: Trepp

REIT DEBT-TO-EBITDA

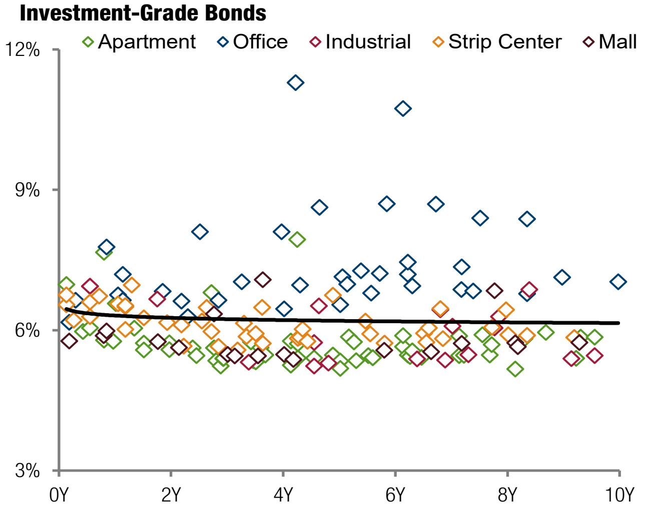
As of 12/7/2023



Source: Green Street

REIT UNSECURED YIELD TO MATURITY

Investment-Grade Bonds



Source: Green Street

Visit the [News Library] to access the data in the Market Monitor charts.

THE GRAPEVINE

... From Page 1

directors who report to senior vice president **Marc Sznajderman,** head of production for the Eastern region. Phillips arrived from **Citizens Bank,** where he worked for more than six years. Before that, he spent five years at **Wells Fargo** and had a similar stretch at **Fifth Third Bank.** Gorczycki previously spent nearly three years at **TrueRate Services,** with earlier stints at **Avison Young** and **Savills.**

Jonathan Wood joined **KeyBank Real Estate Capital** on Dec. 8 as a senior mortgage banker in Boston, where he originates multifamily loans in the Northeast via **Fannie Mae, Freddie Mac, HUD,** CMBS, life companies and debt funds. He reports to **Dirk Falardeau,** regional manager in the company's commercial mortgage group. Wood arrived from **Lument,** where he had originated agency loans for the past three-plus years. Prior to that, he spent nine years at **Capital One** and eight years at **Deutsche Bank Berkshire Mortgage.**

JLL hired **Mary Bruno** last month as its national director of agency due diligence. The role, part of the firm's value and risk-advisory practice, oversees **Fannie Mae** and **Freddie Mac** third-party reports to ensure compliance with agency regulations. She's based in Orlando and reports to **Jeff Manas,** executive managing director of the environmental and property-condition group. Bruno previously worked at **CBRE** for four years. Before that, she spent more than 20 years working on environmental compliance for hospitals, public schools and engineering firms.

Matt Deal joined **Northmarq** in Washington on Dec. 4 as a vice president. He reports to senior vice president and managing director **Jason Smith** and works on a team that includes investment-sales specialists **Christopher Doerr** and **Will Harvey.** Deal focuses mainly on sourcing, structuring and originating debt and equity on commercial properties in the Baltimore and Washington regions. He spent the last 15 years at **Grandbridge Real Estate Capital** and had an earlier stint with **Marcus & Millichap.**

Cushman & Wakefield brought aboard **Nicholas Murphy** this week as a senior director in its equity, debt and structured-finance group. Based in Houston, he advises clients looking to line up capital, particularly for properties in the apartment sector. Murphy previously was director of acquisitions at local management firm **SYNC Residential,** where he spent nearly five years, and had earlier roles at **Berkadia** and **KeyBank.** At Cushman, Murphy reports to managing principal **Clint Bawcom** and **Rob Rubano,** executive vice chair of capital markets.

George Smith Partners has added a staffer in New York. **Shuvo Hussain** started with the brokerage within the last few weeks as a vice president to help arrange debt and equity for the firm's clients. Hussain previously worked on a net-lease finance team at **Avison Young.** Before that, he spent about a year at **Barclays** and three years at **Barings.**

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