Retail and Multifamily Push CMBS Special Servicing Rate Down

*Trepp has published its September 2019 CMBS Special Servicing Report that identifies the special servicing rate dropping once again.*

NEW YORK (PRWEB) October 10, 2019 -- Trepp, LLC, a leading provider of information, analytics, and technology to the structured finance, commercial real estate, and banking markets, has released its September 2019 CMBS Special Servicing Report. The full report can be accessed here: [https://www.trepp.com/september-special-servicing-thank-you](https://www.trepp.com/september-special-servicing-thank-you).

The Trepp Special Servicing rate fell once again in September by twelve basis points to 3.10%. Breaking down the rate by sector, the individual retail and multifamily special servicing rates for CMBS 2.0+ loans declined by 26 basis points and 11 basis points, respectively. We saw an overall bump in the legacy CMBS special servicing rate thanks to a 442 basis point bump in the legacy retail special servicing rate.

“There was a significant decline in the number of loans newly transferred to special servicing this month, with only 19 loans transferred compared to last month’s count of 51, said Trepp Research Analyst, Dylan Wall.”

The 19 newly specially serviced loans hold a collective outstanding balance of $232.6 million. Retail and lodging loans accounted for 75% of the $232.6 million worth of newly specially serviced loans.

The $44.0 million Salmon Run Mall note was the largest loan newly transferred to special servicing. As a quick comparison, the balance of this month’s largest loan is $196 million smaller than the previous month’s largest loan transferred to special servicing. Salmon Run Mall is secured by a 671,766 square-foot regional mall located in Watertown, NY. According to servicer remittance data, a major tenant, Sears, vacated 12% of the property’s net rentable area back in 2019 after the firm filed for Chapter 11 bankruptcy. The borrower was able to backfill 55,827 square feet of space. As of Q1 2019, the loan’s reported DSCR (NCF) clocked in at 1.67x with an occupancy rate of 70%. Salmon Run Mall makes up 7.60% of the WFCM 2010-C1 deal.

For additional details, such as historical comparisons and analysis on all major property types download the September 2019 CMBS Special Servicing Report: [https://www.trepp.com/september-special-servicing-thank-you](https://www.trepp.com/september-special-servicing-thank-you). For daily CMBS and CRE commentary, follow [@TreppWire](https://twitter.com/TreppWire) on Twitter.
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