

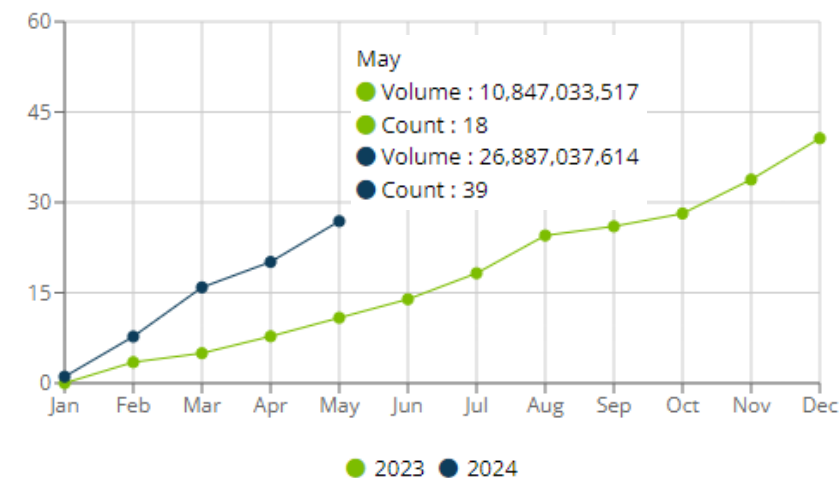
2024 MIAMI COMMERCIAL

MIDYEAR

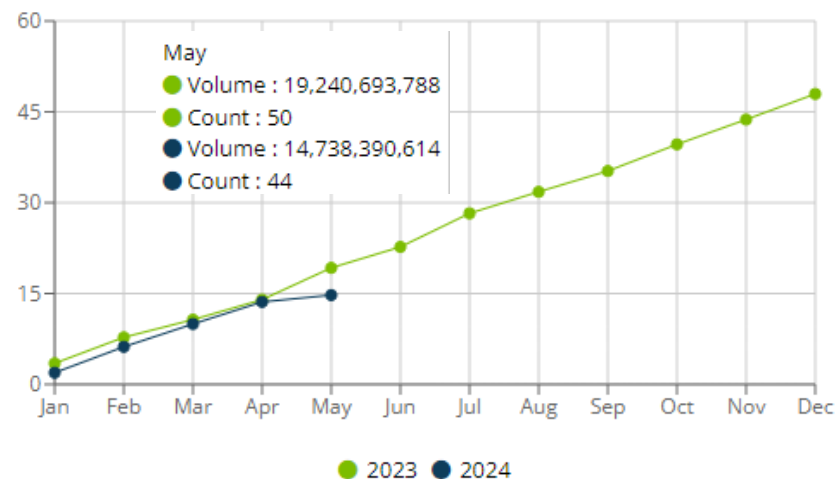


MAY 3, 2024

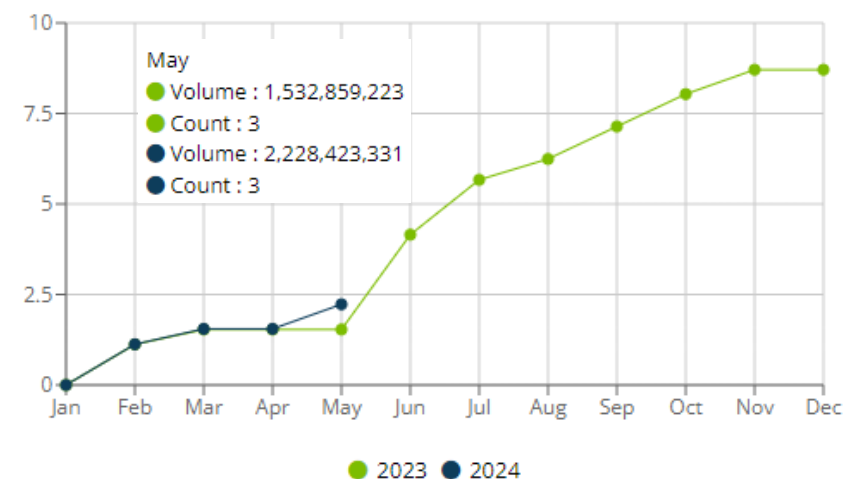
Seminole Hard Rock Hotel & Casino



CMBS Issuance

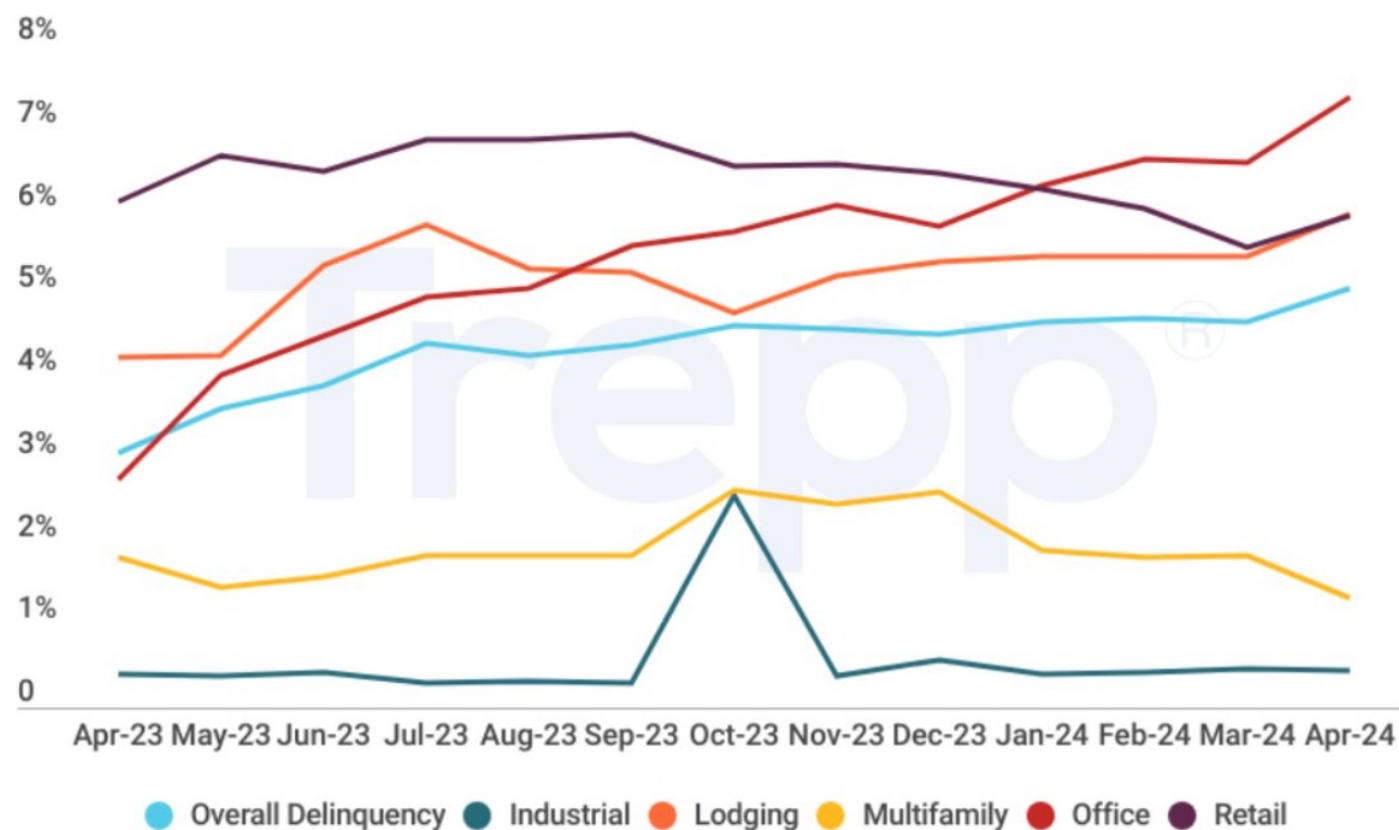


Agency Issuance



CRE CLO Issuance

CMBS Delinquency Rates by Major Property Type



	APR-24	MAR-24	FEB-24	3 MO	6 MO	12 MO
Overall	5.07	4.67	4.71	4.66	4.63	3.09
Industrial	0.44	0.47	0.43	0.40	2.56	0.40
Lodging	5.97	5.45	5.45	5.46	4.76	4.23
Multifamily	1.33	1.84	1.81	1.91	2.64	1.82
Office	7.38	6.58	6.63	6.30	5.75	2.77
Retail	5.94	5.56	6.03	6.27	6.55	6.11

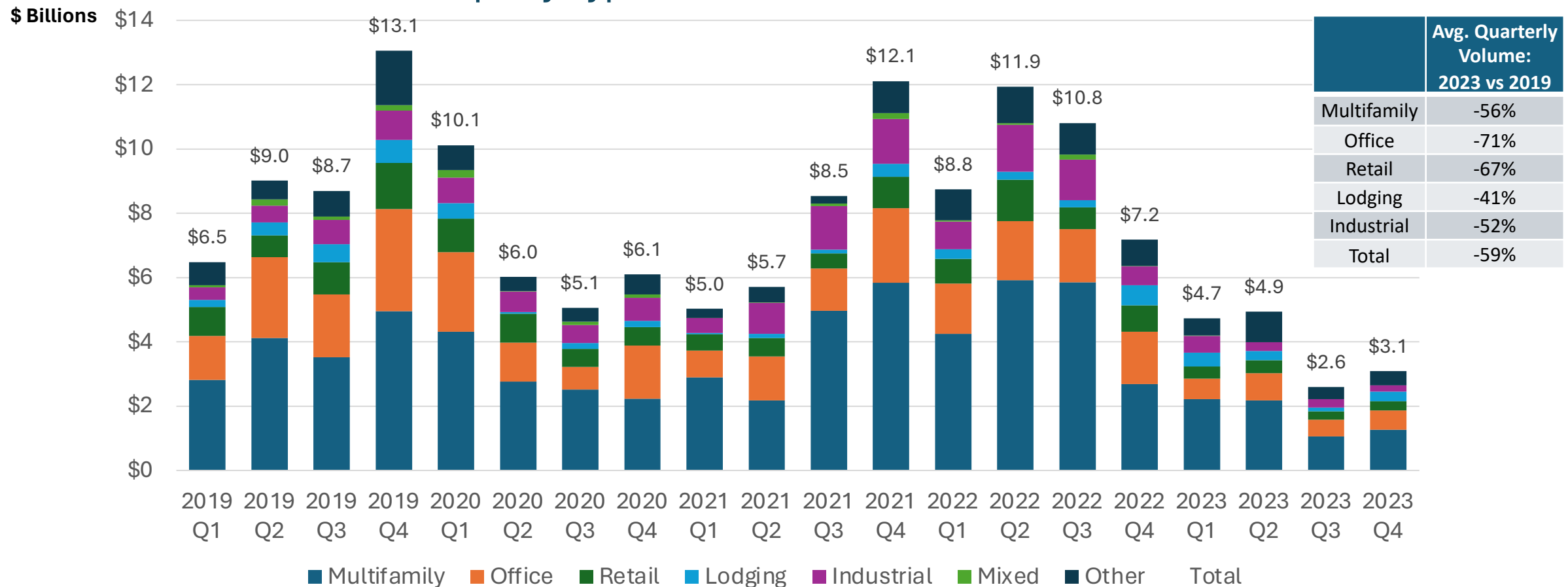
Breaking Down the Delinquency Trends

Prop Type	MoM Net Change in Total DQ Loan Balance	Newly DQ Loans in April
Office	\$1,296M	\$1,769M
Retail	\$448M	\$977M
Lodging	\$429M	\$480M
Industrial	(\$9M)	\$10M
Multifamily	(\$323M)	\$7M

6 office loans account for 80% of the \$1.77bn gross increase (46% in just NYC)

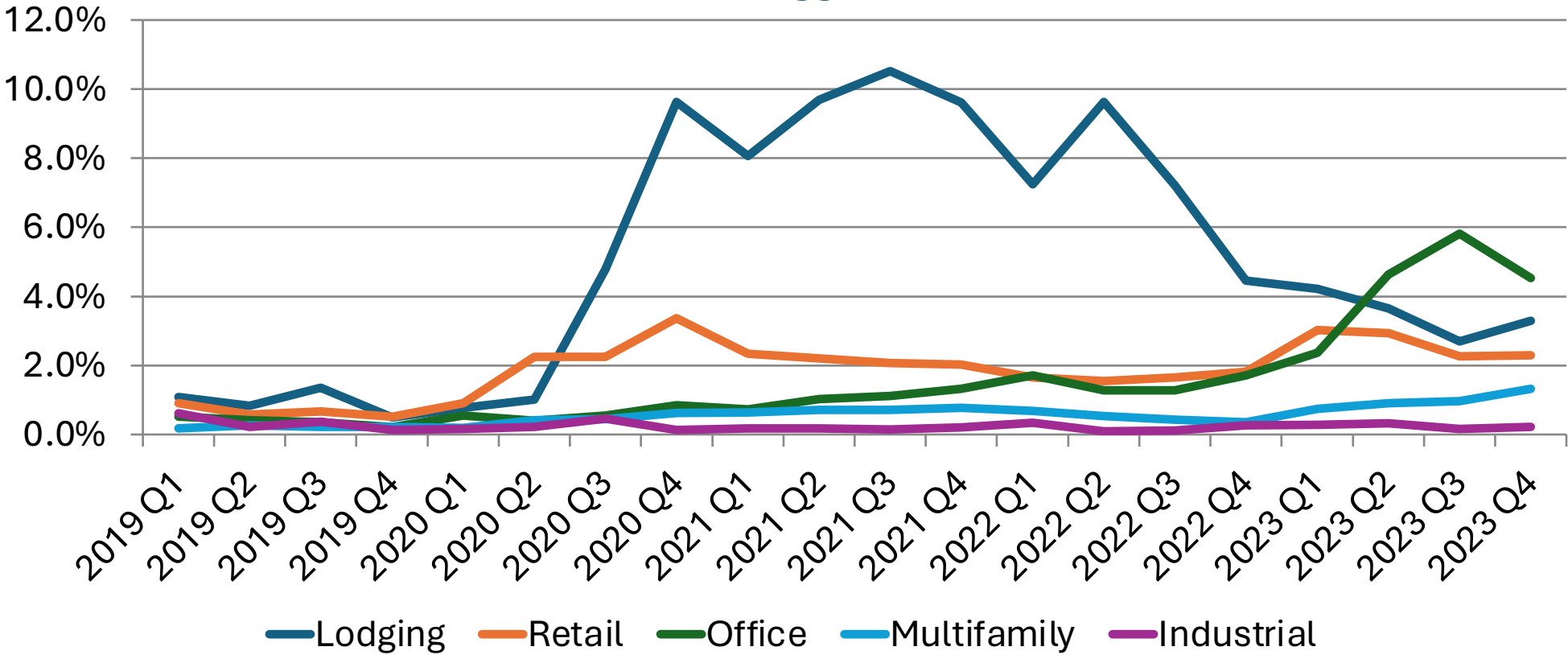
7 retail loans account for 89% of the \$977M gross increase

2 lodging loans account for 71% of the \$480M gross increase



Delinquency Rate by Property Type

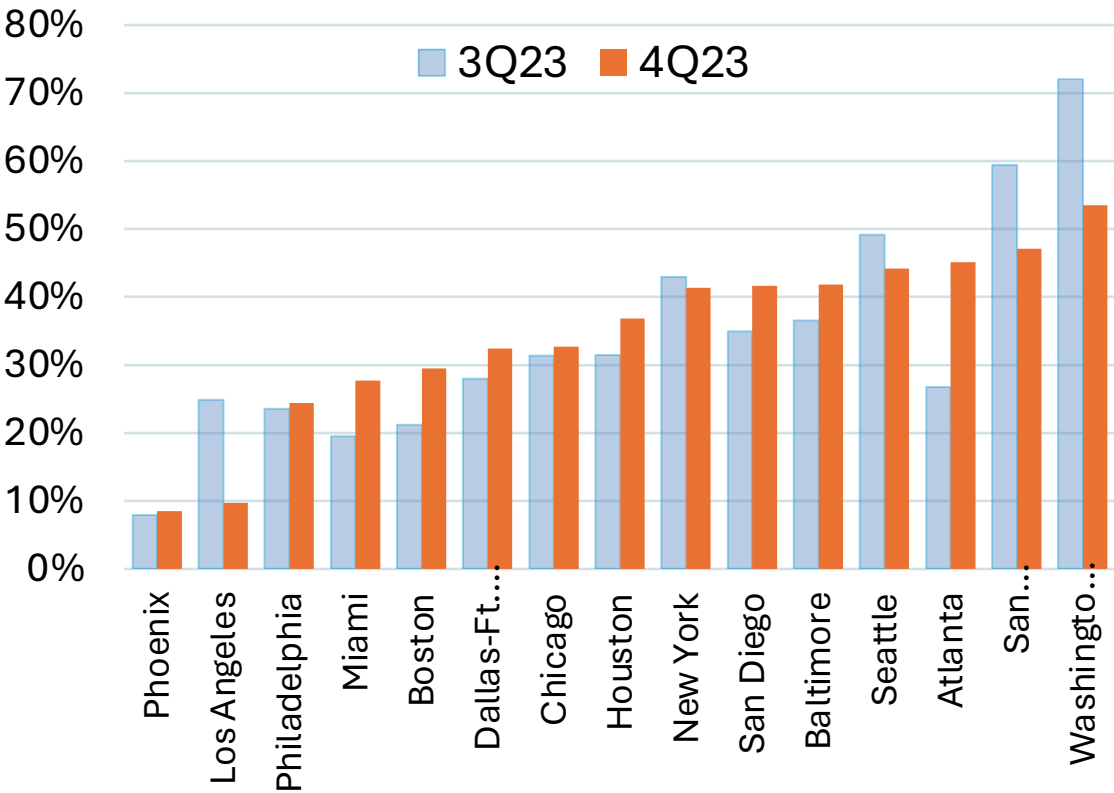
Office is the Biggest Problem



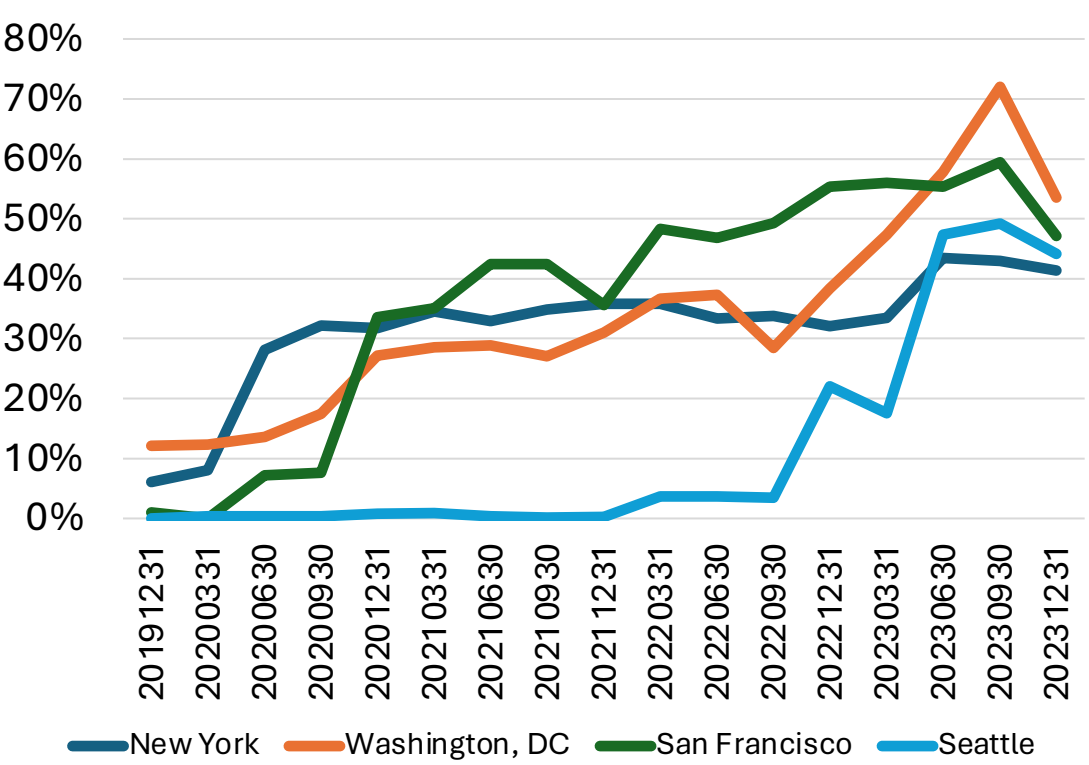
Office Risk Ratings (T-ALLR Bank Data)

Criticized Loans – Share of Office Total

Criticized Share, 4Q '23 vs 3Q '23

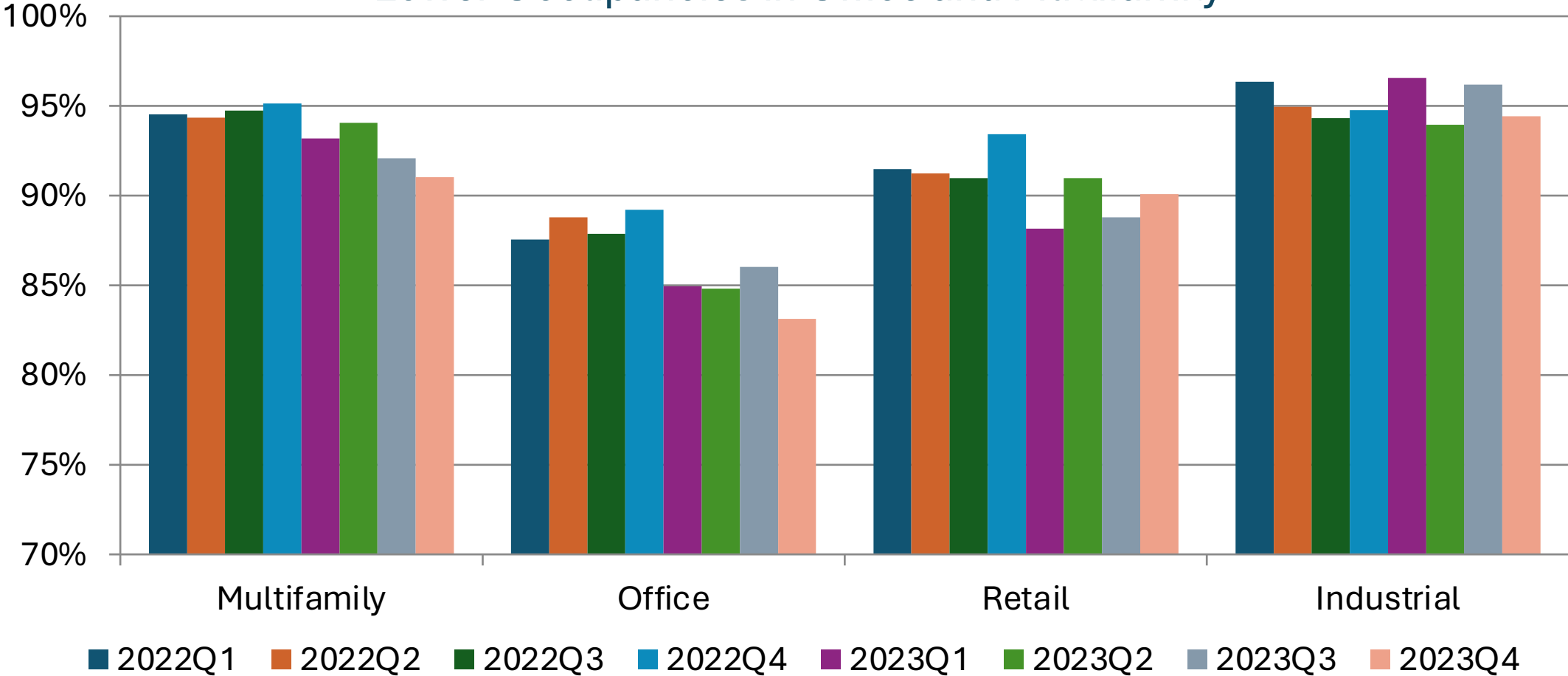


Criticized Share – Top 4 Metros



Occupancy Rate by Property Type

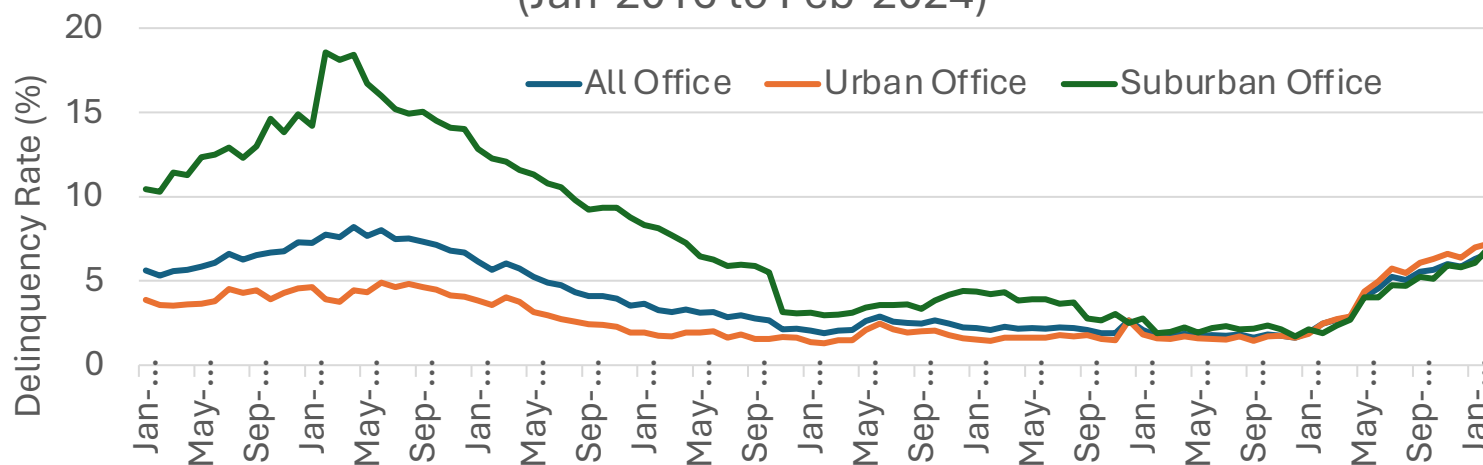
Lower Occupancies in Office and Multifamily



CMBS – Urban vs Suburban Office

- Urban office delinquency now higher than suburban for first time
- Underwriting for office tightened significantly in 2023

Office Delinquency Rates by Subtype (Jan-2016 to Feb-2024)



Source: Trepp CMBS

Urban Office CMBS Originations in Top 25 Metros

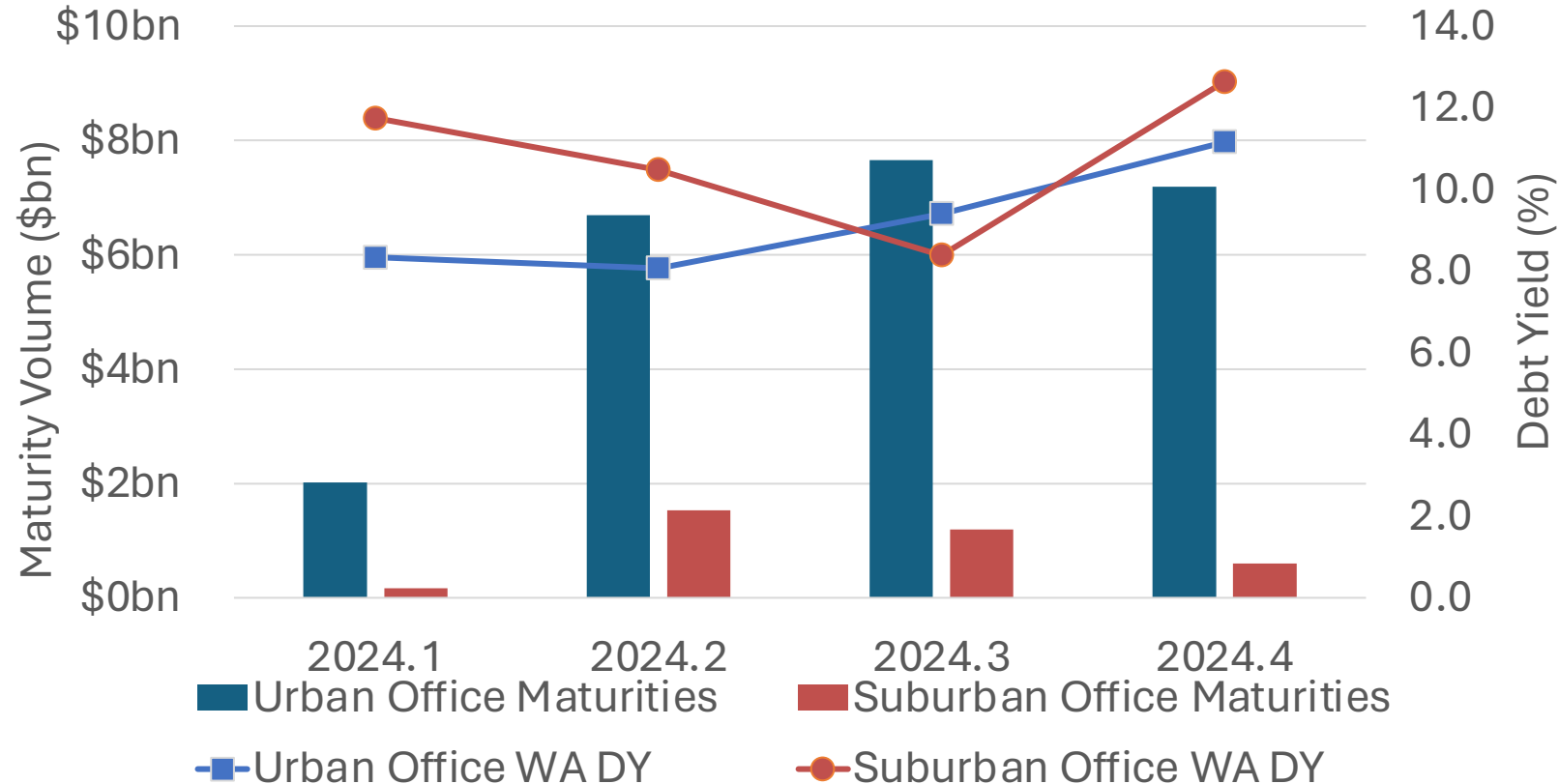
Vintage	Avg. Loan Size	WA Orig DSCR NOI	WA Orig DY NOI	WA Orig LTV	WA Cap Rate NOI %
2018	\$25.4m	2.71	10.97	57.5%	5.921
2019	\$65.1m	2.88	10.70	51.6%	4.823
2020	\$71.9m	3.47	10.10	53.4%	4.963
2021	\$77.7m	3.49	9.38	56.2%	4.838
2022	\$44.7m	2.67	10.68	53.4%	4.536
2023	\$27.8m	2.19	14.67	44.7%	

Suburban Office CMBS Originations in Top 25 Metros

Vintage	Avg. Loan Size	WA Orig DSCR NOI	WA Orig DY NOI	WA Orig LTV	WA Cap Rate NOI %
2018	\$7.0m	2.14	11.18	65.2%	6.90%
2019	\$16.8m	2.44	11.21	63.2%	8.69%
2020	\$13.6m	2.63	11.16	63.3%	8.50%
2021	\$28.1m	3.06	10.62	61.7%	7.39%
2022	\$18.1m	2.23	10.17	59.8%	5.59%
2023	\$10.5m	2.16	15.21	51.1%	

Office Maturities and Debt Yield Dilemma

2024 Maturities for Urban and Suburban Office



- \$16bn of urban office maturities in Q1-Q3
- Weighted average debt yield is 8.7%
- Office loans originated so far in 2024 in the 50 largest MSAs had a WA DY of 14%
- At a 14% DY, refi proceeds for the \$16bn would only be \$10bn, leaving a \$6bn gap



CMBS 2024 Maturity Volumes

Property Type	# Loans	Outstanding Balance
Office	561	\$26,246,610,009
Lodging	674	\$25,887,329,774
Retail	758	\$18,782,445,348
Multi-family	404	\$9,408,063,675
Mixed Use	91	\$5,157,095,807
Industrial	253	\$2,157,915,090
Self Storage	161	\$562,674,343
Total	2902	\$88,202,134,046

MSA	# Loans	Outstanding Balance
New York	201	\$18,986,208,066
San Francisco	84	\$5,222,218,151
Los Angeles	158	\$4,588,745,199
Miami	70	\$4,299,831,816
Washington D.C.	55	\$2,653,878,870
Chicago	57	\$2,477,258,664
Dallas	97	\$2,298,032,593
Houston	70	\$1,207,557,113
Philadelphia	35	\$1,049,009,911
Phoenix	38	\$835,685,849
Nashville	23	\$444,589,350
Jackson, MS	4	\$49,040,045
Total	892	\$44,112,055,627

Miami Headlines

Local Developer Gets \$68Mln Construction Loan for Miami Condo Project 

Assurant Leases 78,000 SF of Office Space in Miami 

Developer Pays \$61.23Mln for Office Building in Miami's Brickell Financial District 

Nationwide Lends \$100Mln Against South Fla. Industrial Portfolio 

Developer Scores \$70.6Mln Loan for Completion of Short-Term Rental Project in Miami 

Miami Beach, Fla., Office Building Sells for \$62.5Mln

Affordable-Housing Project with 119 Studios Breaks Ground in Miami Beach, Fla. 

Altman Proposes 336-Unit Apartment Project for Miami's Biscayne Shores Neighborhood 

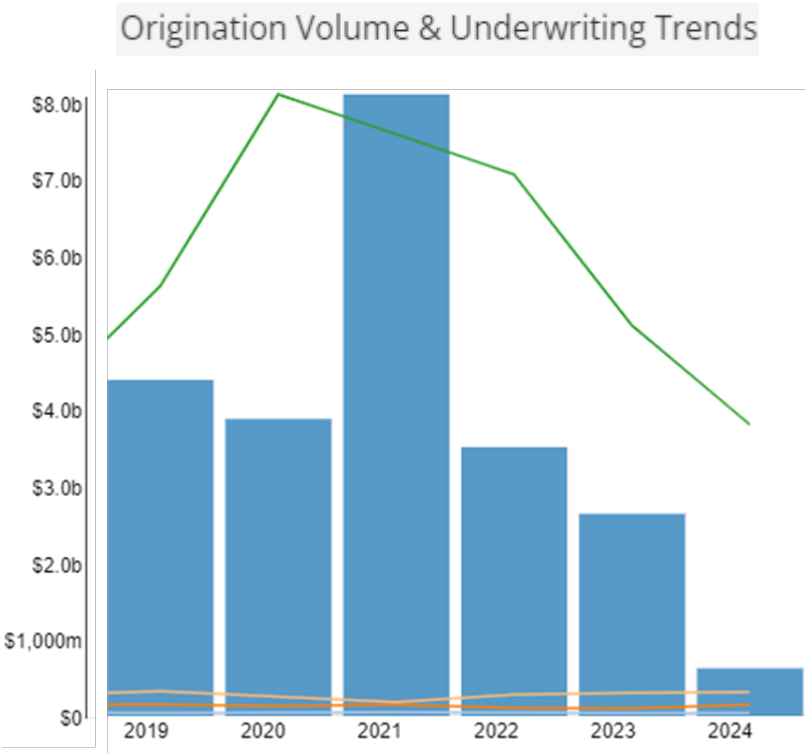
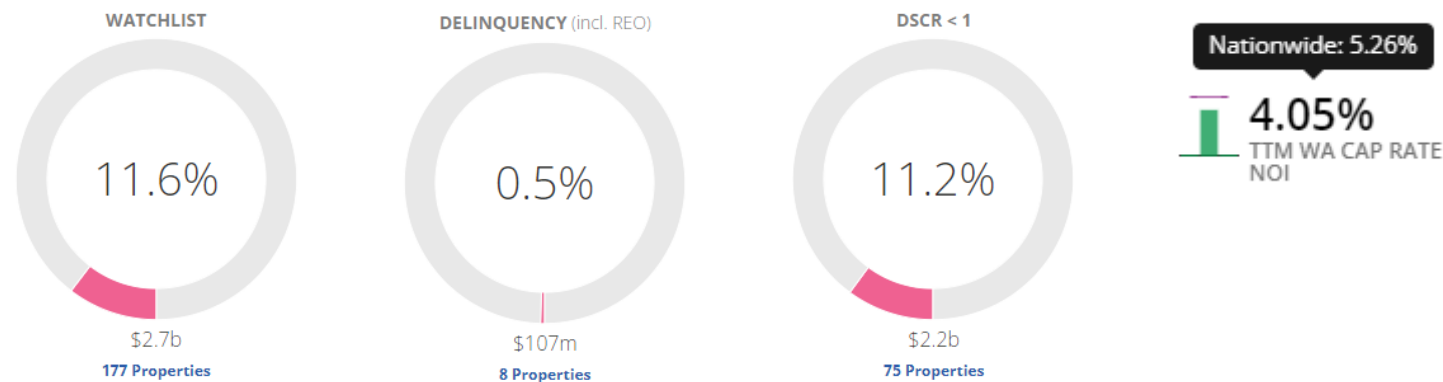
3704 NE Second Ave. in Miami's Design District

Ground Breaks on 67-Story Residential Building in Miami 

19,819-SF Office Building in Miami's Design District Sells for \$1,372/SF 

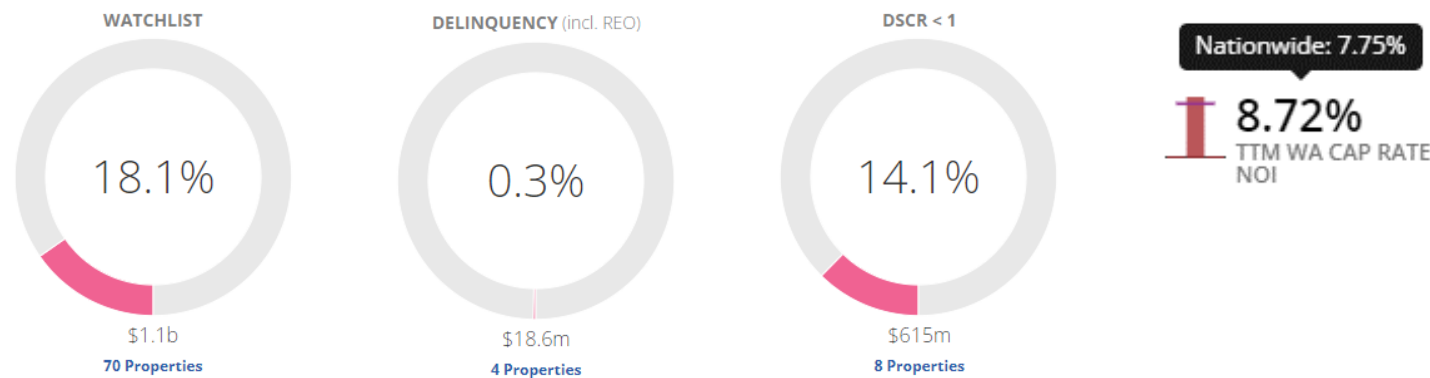
Miami Multifamily Overview

Loan Performance

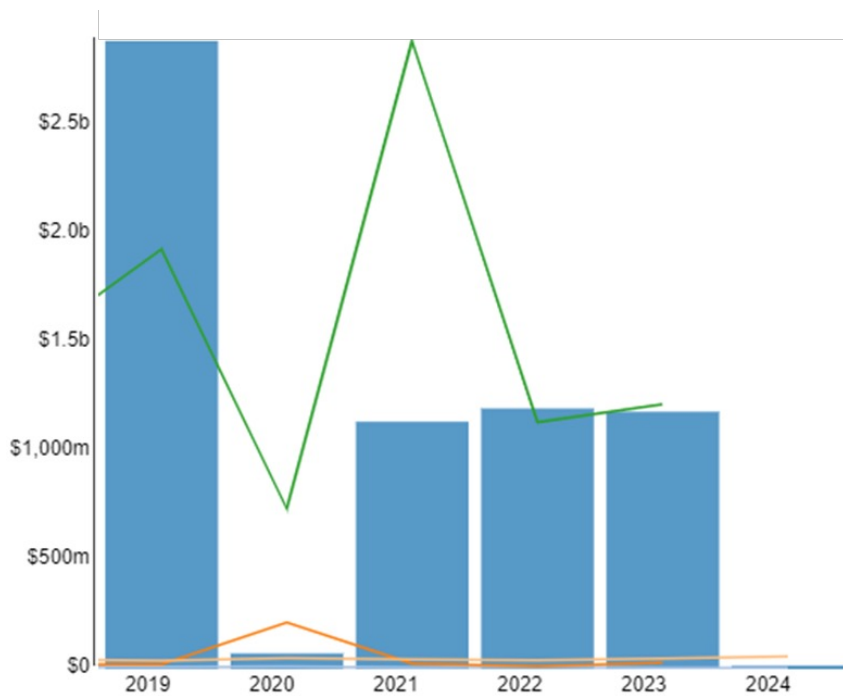


Miami Lodging Overview

Loan Performance

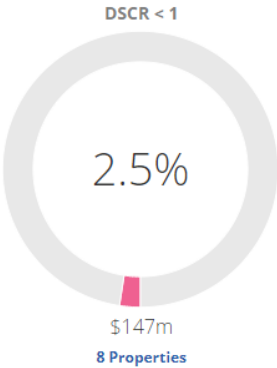
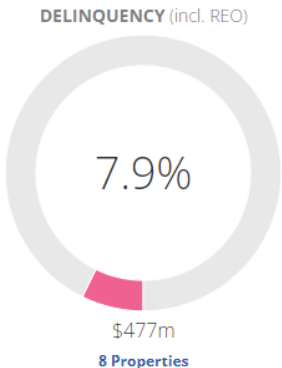
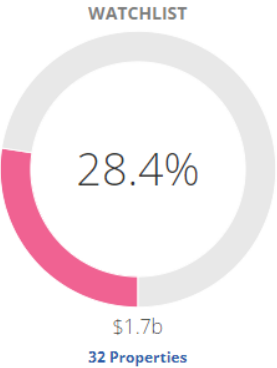


Origination Volume & Underwriting Trends



Miami Retail Overview

Loan Performance

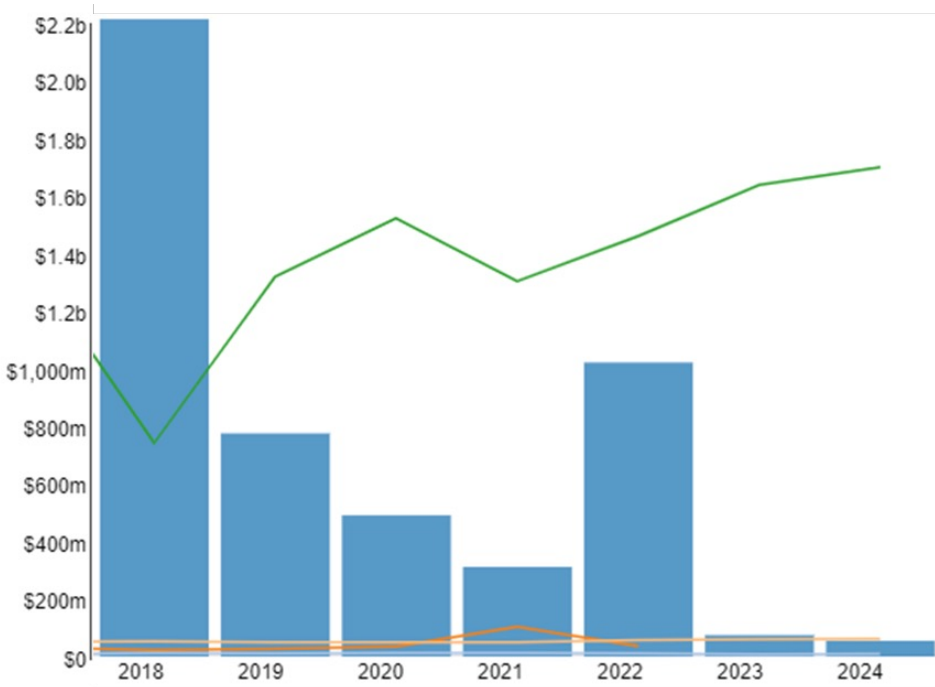


Nationwide: 6.42%

- 5.08%

TTM WA CAP RATE NOI

Origination Volume & Underwriting Trends





2024 MIAMI COMMERCIAL

MIDYEAR



MAY 3, 2024

Seminole Hard Rock Hotel & Casino

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The Rundown

By The TreppWire Podcast

Where CRE Goes to Make Sense of the Market

October 23, 2023
The Big Picture

Good news was largely hard to find last week, geographically or economically. In the Middle East, the war showed no signs of abating and fears were that the fighting would spill into areas beyond Gaza and Israel. In the US, movements were full of protests and counter protests in US cities and on US campuses. Economically, all the news were worse earnings tonight, stocks were down and the yield on the 10-year Treasury briefly touched 5%. That put more pressure on US real estate values which have already been weakened by higher interest rates.

In moments like these, it is hard to find any silver linings. Yet in the commercial real estate (CRE) markets, there were several - including in the heavily-watched retail and hotel spaces.

Several new large retail loans were announced over the last few days which are counter to the narrative that capital is not available for the CRE markets. Capital is certainly constrained, but there are those willing to lend - even on terms of size.

For example, a new, five-year \$235 million loan was originated on The Vial at Columbia. The restaurant is a 1.7 million square foot super-regional retail in Columbia, MD.

In the hotel space, a new \$415 million loan on two hotels in South Florida was announced. Specifically, [Seminole Hard Rock](#) reported on Friday that a four-year, 4.7% fixed rate loan was made on the Four Seasons Resort at the Surf Club in Surfside and the Four Seasons Resort Palm Beach. The loan was done at an LTV of 55%.

Written by Elizabeth, an experienced commercial real estate journalist and author of CRE Real Estate.

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