

# Starwood Retail Property Trust 2014-STAR (SRPT 2014-STAR)

## U.S. Structured Finance

### CMBS Surveillance Analysis

#### Transaction Parties

Transaction	Transaction Parties		Transaction Parties	MORN Ranking
Issuer:	Goldman Sachs	Loan Originator(s):	Goldman Sachs/JPMorgan Chase	Master Servicer(s): WELLS FARGO CS1
Securitization Date:	11/14/2014			—
Latest Action Date:	10/15/2018	Trustee:	Wilmington Trust Company	Special Servicer(s): WELLS FARGO CS2

#### Class Structure

#### September 2018 Remittance

Class of Certificate	CUSIP	Morningstar Ratings				Balance		Current Factor (x)	Cumulative Int. Shortfall (\$000)	Credit Enhancement	
		Issuance	Previous	Current	Action	Issuance Balance (\$000)	Current Balance (\$000)			Issuance (%)	Current (%)
A	85571XAA5	AAA	AAA/UR-	AAA	Affirmed	381,846	348,846	0.91	0	47.33	49.59
B	85571XAL1	AA-	AA-/UR-	A	Downgraded	84,854	84,854	1.00	0	35.63	37.33
C	85571XAN7	A-	A-/UR-	BBB	Downgraded	63,641	63,641	1.00	0	26.85	28.13
D	85571XAQ0	BBB-	BBB-/UR-	BB	Downgraded	78,067	78,067	1.00	0	16.08	16.85
E	85571XAS6	BB-	BB-/UR-	B	Downgraded	87,672	87,672	1.00	0	3.99	4.18
F	85571XAU1	B	B	B-	Downgraded	28,920	28,920	1.00	0	0.00	0.00

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**Morningstar Ratings Rationale**

Morningstar Credit Ratings, LLC ("Morningstar") today affirmed its ratings on class A and downgraded its ratings on classes B through F of commercial pass-through certificates from the Starwood Retail Property Trust 2014-STAR deal. The UR- designations were also removed. The downgrades reflect our view of leverage on the deal and performance that has yet to meet underwritten levels.

At issuance, the Starwood Retail Property Trust 2014-STAR was secured by a \$725 million floating-rate loan collateralized by four shopping malls, The Mall at Wellington Green in Palm Beach County, Florida, MacArthur Center in Norfolk, Virginia, Northlake Mall in Charlotte, North Carolina, and The Mall at Partridge Creek in Macomb County, Michigan. The interest-only loan had an initial three-year term through November 2017; it subsequently exercised the first of two, 12-month extension options.

As part of a November 2017 modification and extension agreement, the loan has been paid down by a total of \$33 million bringing the current balance to \$692.0 million. In addition, the debt yield threshold for the second extension option was reduced to 8.50%.

While occupancy levels remain strong at all properties, averaging 95% as of June 2018, the aggregate net cash flow for the portfolio at year-end 2017 was 14% lower than underwritten figures and has consistently trailed the issuer's underwritten level.

## Summary Statistics

CMBS Type	Single Borrower
Original # of Loans	1
Issuance Trust Balance (\$000)	725,000
Issuance WAC (%)	2.2
Issuance WAM (months)	36.0
Issuance Wtd Avg DSCR (x)	4.65

Collateral Reduction (\$000)	33,000
Current # of Loans	1
Current Trust Balance (\$000)	692,000
Current WAC (%)	4.4
Current WAM (months)	2.0
Current Wtd Avg DSCR (x)	1.50

Maturity By Year		
Year	Count	% of Deal
2018	1	100.00
After 2018	0	0.00
<b>Total:</b>	<b>1</b>	<b>100.00</b>

## Loan Performance

### Loan Status

Loan Status	% of Deal	# of Loans	Balance (\$000)
Curr.	—	0	—
Mod. Curr.	100.0	1	692,000
30 Days	—	0	—
60 Days	—	0	—
90 Days	—	0	—
FC	—	0	—
REO	—	0	—
Defeased	—	0	—
<b>Total:</b>	<b>100.0</b>	<b>1</b>	<b>692,000</b>
S/S	—	0	—
Srvcr WL	100.0	1	692,000

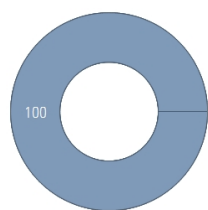
Note: Amounts in the tables of this report may not add up to totals because of rounding.

### DSCR

DSCR (x)	% of Deal	# of Loans	Balance (\$000)
<0.90	—	0	—
0.90 to 1.00	—	0	—
1.01 to 1.10	—	0	—
1.11 to 1.25	—	0	—
1.26 to 1.50	—	0	—
>1.5	100.0	1	692,000
Stale Fin.*	—	0	—
Defeased	—	0	—
<b>Total:</b>	<b>100.0</b>	<b>1</b>	<b>692,000</b>

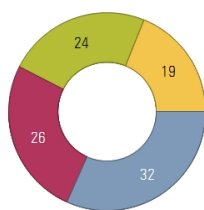
\* Financial data older than 18 months.

## Property Type



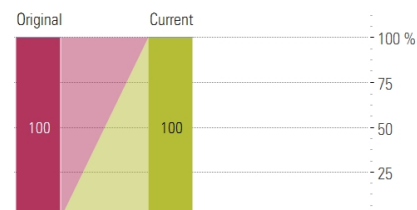
	Issuance		Current	
	% of Deal	# of Props.	% of Deal	# of Props.
● Retail	100.0	4	100.0	4
● Defeased	0.0	0	—	0

## Metropolitan Statistical Area



	Issuance		Current	
	% of Deal	# of Props.	% of Deal	# of Props.
● West Palm Beach, FL	31.9	1	31.9	1
● Norfolk, VA	25.6	1	25.6	1
● Charlotte, NC	23.6	1	23.6	1
● Detroit, MI	18.9	1	18.9	1
● Other	—	—	—	0
● Defeased	0.0	0	—	0

## Amortization Type



	Issuance (\$000)	Current (\$000)	Vintage Avg (%)
● Full-Term IO	—	—	19.4
● Partial IO	725,000	—	9.0
● Amortizing	—	692,000	59.4
● Fully Amortizing	—	—	12.2
● Defeased	—	—	—
<b>Total:</b>	<b>725,000</b>	<b>692,000</b>	<b>—</b>

## Top 15 Loans Summary

Loan Name	Balance		% of Pool	Property Type	DSCR		Maturity Date	Payment History
	Original (\$000)	Current (\$000)			Original (x)	Current (x)		
Starwood Mall Portfolio	725,000	692,000	100.0	Retail	4.65	2.48	11/8/18	CCCCC <b>C</b>
<b>Totals</b>	<b>725,000</b>	<b>692,000</b>	<b>100.0</b>					

S/S -Specially serviced. C -Current. 3 -30 days delinquent. 6 -60 days delinquent. 9 -90 days delinquent. F -Foreclosure. R -Real Estate Owned.

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**Related Research**


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CMBS Ratings Methodology

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CMBS Ratings Definitions

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Related Research

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Alerts

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**DealView CMBS Monitoring** is delivered in a user friendly format that focuses the reader on the key credit risks in a CMBS transaction using easy-to-read graphics that quickly identify performance trends, the variance between Morningstar's loss forecast and actual losses, and potential credit event developments that could affect future performance. The visually pleasing format and navigation eliminates the noise found in industry reports and other third-party services.

**DealView CMBS Monitoring** highlights changes to important performance measures that affect CMBS Credit Risk Monitoring and Analytics tool can access our most recent deal, loan, and property performance. Features of the DealView CMBS Monitoring analysis include:

- ▶ **Morningstar's insightful perspective** and opinion on deal performance and on the top 10 loans.
- ▶ **Trend Analysis** chart highlighting deal performance over time, along with the variance between Morningstar's loss forecast and actual losses.
- ▶ Insights into changes in credit performance with a **credit events indicator** highlighting material changes (positive or negative) at the loan level.
- ▶ **Loan-level losses** with projected likely and bearish loss scenarios represented in graphical display for quick identification of loss data.
- ▶ A **Maturity Risk Heat Map** that identifies seasoned loans with refinancing concerns and the drivers (DSCR, LTV, and Debt Yield) behind the refinance risk.
- ▶ A **Loan Hazard Meter** providing a qualitative measure of loan quality based on four attributes: Cash Flow Volatility, Balloon Risk, Property Quality, and Market Fundamentals.
- ▶ A Morningstar **Loan Risk Score** providing a quantitative measure of expected loss.
- ▶ The **top 10 loans** profiled in depth with multiple valuations and loss scenarios.
- ▶ **Loan-level valuations** with a concluded value to determine value deficiency and expected loss, along with loss forecasts for likely and bearish scenarios.
- ▶ Morningstar's proprietary **loss forecasts for top 10 MSAs** and property type exposure.

**DealView CMBS Monitoring** and proprietary loan analytics are accessible via Trepp and other third-party platforms, and are available via an application programming interface (API), document feeds, and an Excel add-in for integration with proprietary models, systems, and third-party applications.

## Glossary

### Definitions

Morningstar relies on the information identified in Appendix A and other information as may be expressly identified in this report in performing surveillance on this transaction.

Unless the analysis, data, information, reports, and analogous items in this report are identified as generated by Morningstar, such analysis, data, information, reports, and analogous items are from third-party sources of information, which may include servicer reports or trustee reports, as applicable.

### Class Structure

Morningstar's total loss forecast is applied in reverse sequential order to the classes of certificates, including the loss forecast for specially serviced loans (which are assigned a 100% probability of default) and expected losses from master-serviced loans (after the application of an estimated probability of default). Expected recoveries are applied in sequential order to the classes of certificates, including expected recoveries for specially serviced loans and expected payoffs from defeased loans. As a conservative measure, we do not apply any prepayments related to Morningstar Watchlist loans for which there is an expected loss/value deficiency.

**Current:** The loan is not delinquent on its required monthly debt service.

**Defeased:** The property has been released from the loan collateral and replaced with qualifying government securities.

**DSCR:** Debt service coverage ratio. Net cash flow divided by contractual debt service.

**Foreclosure:** The servicer has initiated loan foreclosure proceedings against the borrower.

**Modified Current:** The loan is performing under the terms of a prior loan modification.

**Pari Passu Debt:** Debt outside the trust that is equal in right of payment and seniority to the trust debt.

**Payment History:** Illustration of the loan status over the past six payment periods.

**Payment Status:** Payment status of the loan as provided by the servicer as defined by CREFC.

**REO:** Real estate owned. The trust has taken title to the property.

**Subordinate Debt:** Debt that is subordinated in right of payment to

the trust debt.

### Abbreviations

Avg	Average
Bal.	Balance
Curr	Current
DSCR	DSCR Debt Service Coverage Ratio
FC	Foreclosure
Fin.	Financials
FY	Full-Year
HC	Healthcare
HT	Hotel
IN	Industrial
Int.	Interest
IO	Interest Only
MF	Multifamily
Mod. Curr.	Modified Current
MORN	Morningstar
MX	Mixed Use
NR	Not Rated or Not Ranked
OF	Office
OT	Other
Props.	Properties
REO	Real Estate Owned
RT	Retail
Srvcr	Servicer
S/S	Specially Serviced
Sq Ft	Square Feet
UR	Under Review (+/-) Positive/Negative
WAC	Weighted Average Coupon
WAM	Weighted Average Maturity
WL	Watchlist
Wtd Avg	Weighted Average

## Appendix A

This report and the surveillance of this transaction is based on the following information: (i) the Commercial Real Estate Finance Council standardized investor reporting package (CREFC IRP) and/or (ii) information from third-party data sources, including third-party suppliers of property data, loan data, market data, rents, cap rates, and other similar items.

Unless set forth herein and/or in accordance with Morningstar's policies and procedures, Morningstar did not, for purposes of this report: (i) conduct site visits of any properties, (ii) conduct any legal review, (iii) review any underlying loan documentation or transaction documentation, (iv) engage in discussions with an arranger and/or any person or entity obligated to make payments under any loan, or (v) review any third-party reports prepared as part of the transaction.

Morningstar's ability to continually perform surveillance on this transaction is contingent on Morningstar's continued timely receipt of certain information and data regarding the collateral and transaction. If any key information is deemed to be missing/ deficient/inadequate, the analysis herein is deemed to be limited and may be adversely affected if such information is not received on a timely basis.

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