

The J.C. Penney Announced Closures Has A Ripple Effect Across Commercial Retail Securities

Realty Biz News – Brian Kline

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In its Feb. 24 announcement, the retailer JC Penny said it plans to shutter 130 to 140 stores and 2 distribution facilities because of slowing traffic and muted sales, with most of the closures planned for second quarter 2017. This amounts to between 13% and 14% of its locations. Additionally, it comes on top of Macy's recently announced plans to cut 100 of its 675 full-line stores. And Sears said it plans to close 150 stores, including 108 Kmart locations. This is the continuing downward spiral of big box retail.

According to Morningstar Credit Ratings, about \$7.29 billion in loans securitized in commercial mortgage-backed securities (CMBS) issued since 2010 could be impaired by J.C. Penney Company, Inc.'s recently announced round of store closures.

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[The J.C. Penney Announced Closures Has A Ripple Effect Across Commercial Retail Securities](#)