

## **Flight Risk? CMBS Investors, Landlords Face Financial Risk As Tenants Flee To New Office Buildings**

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Investors in dated office buildings stumbled into their own personal Waterloo this building cycle as amenity-rich office developments saturated the market, plucking tenants from lesser-quality products.

“Large office tenants are frequently opting not to renew their leases and instead are relocating to more competitive buildings with more modern amenities,” Morningstar Credit Ratings said in a report authored by Vice President Ricky Cipko. For example, two CMBS loans exposed to properties occupied by large single tenants, Toll Brothers and Waste Management, lost these two companies to newer or improved spaces, Morningstar reported.

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[Flight Risk? CMBS Investors, Landlords Face Financial Risk As Tenants Flee To New Office Buildings](#)