

CMBS Alert

Hurricane Michael Targets \$1.20 Billion in CMBS

Oct. 10, 2018

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Morningstar Perspective

Morningstar Credit Ratings, LLC identified 211 properties backing \$1.20 billion in securitized commercial mortgages at elevated risk with Hurricane Michael on the way. The properties fall within a 100-mile radius of the anticipated highest storm surge, which is a leading cause of damage from hurricanes, as of 11 a.m. on Tuesday, Oct. 9, 2018, according to the National Oceanic and Atmospheric Administration. Reports suggest that the greatest surge could occur in the less populated Florida Panhandle region stretching from east of Pensacola to just north of Clearwater, sparing major cities.

The three deals with the largest property-level exposure include CSMC 2007-C1 with the \$109.1 million Koger Center loan, FREMF 2013-K29 across four properties, and FREMF 2013-K25 across three properties. Given the projected intensity of the storm, we believe these assets are at high risk of significant wind and flood damage and potential long-term disruption to their operations.

Loan-level details for all CMBS loans within a 100-mile radius of the projected landfall can be found in Excel format by clicking the download icon at the top of Page 1.

Please see our Morningstar DealView® Credit Risk Analyses in the coming months in which property-level analysis, performance, and value analysis will be available at the loan and deal level.

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