

Discounted CMBS Sell-Offs Reflect a Struggling Commercial Real Estate Market

AUSTIN , TEXAS, UNITED STATES, June 8, 2023 /EINPresswire.com/ -- [MyEListing.com](https://www.myeListing.com), an entirely free-to-use commercial real estate (CRE) data, listing, and research platform, recently published a report that illustrates a [struggling commercial mortgage-backed securities \(CMBS\) market](#). Principals, or those who hold CMBS investments, are under pressure to liquidate these assets at discounted rates.



As a direct result of economic turbulence and a commercial mortgage market wounded from rising delinquencies and tighter lending standards, commercial mortgage-backed securities are falling into a downward spiral.

“A confluence of factors is responsible for the current sell-off of CMBS,” reads the report. “The ongoing fallout from global economic crises, persistent operational disruptions, and shifts in commercial real estate demand are all driving this trend.”

Supply chain disruptions and the notably persistent work-from-home trend continue to plague the commercial real estate market, eroding the viability of keeping commercial property leases on balance sheets. According to the report’s research, this is especially true for the retail and office space sectors.

“Shifts in commercial real estate demand, especially in sectors like retail and office space, have put additional downward pressure on the value of these securities,” says the report. “With fewer tenants and lower rental income, the underlying mortgages that these securities are based on become riskier, thus reducing the attractiveness of CMBS to investors.”

However, while declining prices and higher commercial mortgage delinquency rates present challenges for both CRE investors and CMBS issuers, they also present opportunities for those looking to buy at a discount and take on the associated risk in anticipation of market recovery.

“It is more crucial than ever for both investors and issuers to closely monitor these trends, adjust their strategies accordingly, and make informed decisions based on a thorough understanding of the risks and opportunities presented by the CMBS market,” says the report.

You can read the full analysis here: <https://myelisting.com/commercial-real-estate-news/1557/cmbs-starting-to-tip-selloff-begins-in-earnest/>

MyEListing.com is a national commercial real estate marketplace and data platform. Users can sign up for free and get access to accurate local market intelligence, comp software, a national agent directory, and more. The site also supports other players in the industry, including NAI Global, Colliers, and Cushman & Wakefield.

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