

Have CRE foreclosures hit bottom? Probably not.

Office demand is not returning. Owners working with lenders on short sales aren't counted as foreclosures muffling the numbers. The volume of commercial property sales involving lender participation soared **83 percent** in the first half of 2024 from the two previous quarters, according to Ten-X, one of the biggest auctioneers of commercial property online.



13 percent
q/q increase (\$20.5B)
in foreclosed and
sized CRE,
including apartments



extend and pretend
40 percent
of bank CRE
loans maturing
this year are
2023 holdovers



40 percent
est. 2024
maturing CRE
loans that are
also 2023
holdovers



8 percent
average bank
reserves held on
CRE portfolios,
five times the
normal reserves



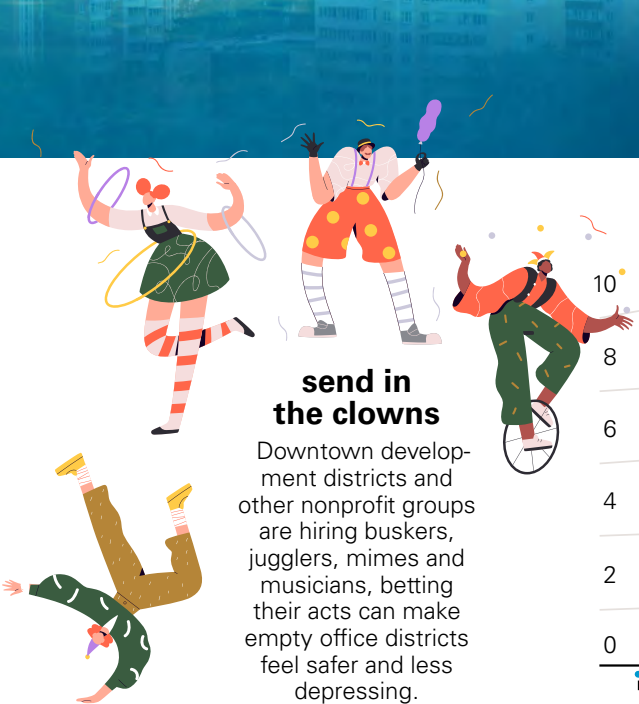
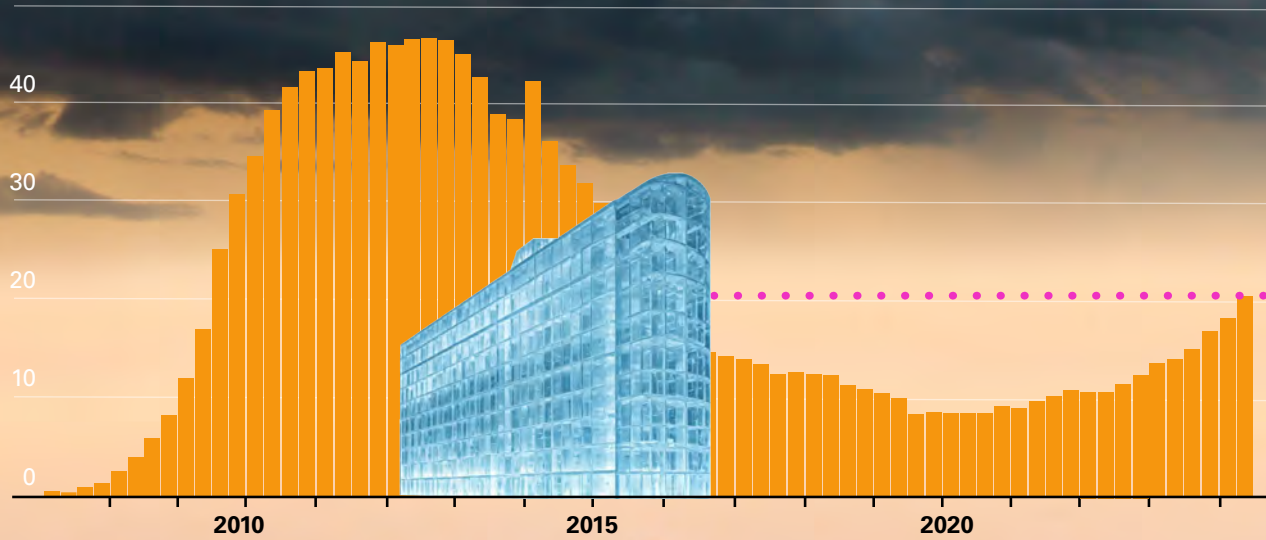
\$2.2 trillion
will come due
2024-2027 as
debt maturities
are expected to
continue to rise

SOURCE: DATA: MSCI; CBRE GROUP; AUTONOMOUS RESEARCH; TREPP;
SURGE IN COMMERCIAL-PROPERTY FORECLOSURES SUGGESTS BOTTOM IS NEAR,
PETER GRANT, WSJ.COM; ERIK SHERMAN, GLOBEST.COM; OTTIE'S, NEW FIX FOR
DYING DOWN TOWN'S; BRING IN JUGGLERS, KONRAD PUTZLER, WSJ.COM

The big chill: Foreclosures on the rise

Value of seized commercial properties held by lenders

billions, dollars



send in the clowns

Downtown development districts and other nonprofit groups are hiring buskers, jugglers, mimes and musicians, betting their acts can make empty office districts feel safer and less depressing.

Delinquency rate of office CMBS loans

percent

