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# Law360 Features Q&A With Locke Lord Partner Mark Silverman on Factors Driving Distress in CMBS Market Impacting Multifamily Sector

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**Mark Silverman**, Partner and CMBS Special Servicer Team Leader in Locke Lord's Chicago office, was interviewed by Law360 on how high interest rates are now starting to have more of an impact on the multifamily space and the outlook of the CMBS market. Silverman explains that multifamily, unlike many other asset classes, has limited options for increasing revenue aside from raising rents. "Our view is that there is a lot going on right now in the CMBS marketplace, both good and bad, but there's certainly a lot of distress and a lot of issues that are continuing to percolate through the system."

Silverman dives into the factors driving distress in the CMBS market for the multifamily sector stating, "Currently, I think it's bad-borrower driven. I think you're dealing with a borrower that's either not performing or with an asset that maybe can't perform for a variety of reasons."

"Unfortunately, I think what's behind the scenes is going to be a bigger deluge of default, a bigger issue with maturities, and a lot of potentially complex problems that are going to be more challenging to solve without having to tap new resources. And by that, I mean we have interest rates that have risen. Unless they come down significantly over the next few months, it's going to be really challenging to refinance a lot of these maturities that are coming up," he adds.

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