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Locke Lord Partner Mark Silverman Quoted by GlobeSt.com on CRE Outlook and Long Road Ahead for Multifamily Distress

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Mark Silverman, Partner and CMBS Special Servicer Team Leader in Locke Lord's Chicago office, was quoted by GlobeSt.com on the long road ahead for multifamily assets. In the article, Silverman explains that the market is in the early phase of a roughly three-year cycle where there will be more distress to come. "[T]here was a lot of lending and a lot of folks took advantage," Silverman explains. "It's distressing. It's a significant number [of multifamily loans either in distress or on the watchlist]. The main concern we have on the multifamily side is poor timing."

He also notes that borrowers should begin considering their options at least a couple of years before a maturity date to avoid defaults. "It's a big airball if you don't have the reserves or funds," Silverman says. "How do you increase your money in if you can't massively increase rents? I think that's a tough pill to swallow if you have a higher dollar amount than you had previously. The shocking data headline is in the early part of the year, multifamily distress was 2.6%. Some have it at 11%."

"I think it gets worse before it gets better," he says.

[Read the full GlobeSt.com article](#) (subscription may be required).

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