



CWCapital Offers Miss. Medical Office That Had Backed CMBS Loan

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CWCapital Asset Management has put the Riverchase Medical Suites building in Flowood, Miss., on the sales block.

The four-story property, with 70,773 square feet, served as collateral for a loan with an original balance of \$13.1 million that was securitized through ML-CFC Commercial Mortgage Trust, 2007-6. The loan had transferred to special servicing roughly a year ago because it was expected to default as its April 2017 maturity approached.

While the building is nearly full, leases governing nearly 90 percent of its space roll by the end of next year.

Mission Capital Advisors, which is marketing the building on behalf of CWCapital, said that makes the property a value-add opportunity, given the area's relative lack of comparable space. Flowood is just outside of Jackson, Miss. The area, according to servicer notes compiled by Trepp LLC, commands rents of \$21/sf to \$22/sf.

The property, which was appraised at a value of \$16.9 million in 2006, was last appraised in February at a value of \$11.5 million.

Tenants at the property include Plastic Surgical Center of Mississippi, which occupies nearly 15,000 sf, and Plastic and Hand Surgery Associates, in 15,400 sf. Both are subject to leases that mature in August 2019. Most tenants are affiliated with the Merit Heath River Oaks Hospital, which is across the street.

Mission Capital will take offers for the 15-year-old property, which sits on a six-acre site, through an online auction hosted on the ReallINSIGHT Marketplace platform from June 5 through June 7.

The Riverchase property is one of 22 assets, with a combined balance of \$538.4 million, remaining in the collateral pool for the MLCFC 2007-6 transaction, which originally had 149 loans with a balance of \$2.1 billion. Its largest remaining asset is the \$223.4 million mortgage against a portfolio of eight Florida retail properties with 1.3 million sf owned by Kitson & Partners of Palm Beach Gardens, Fla.

The loan was modified six years ago into a \$130.3 million A-note and a \$93.1 million B-note. Its maturity was extended by two years through next March. Only the A-note pays interest. The B-note accrues interest, but it would become payable from proceeds of a refinancing or property sale.

So far, the MLCFC 2007-6 transaction has suffered \$66.8 million of losses, which amounts to 3.1 percent of its original balance.

Read the full story here: http://www.crenews.com/general_news/general/cwcapital-offers-miss-medical-office-that-had-backed-cmbs-loan.html