

Macro Roundup Article

Headline: [US CRE, One Year Later: Volatile, Dispersed, but Not Systemic](#)

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Summary: Credit availability has been resilient, suggesting the risk of a credit crunch is still remote and leaving us comfortable with our view that the likelihood of a systemic shock from the CRE market is low. Modifications and extensions will likely remain a key channel through which borrowers address their refinancing needs. The resilience of the debt financing backdrop will likely continue to stabilize property performance, especially outside of the office sector. On the market side, we think the magnitude and speed of erosion in the risk premium provided by the new issue CMBS market has shifted the opportunity set to bond selection in older vintages in the secondary market. We continue to favor exposures to single-asset/singe-borrower bonds collateralized by retail and luxury resort properties while also seeing value up the capital structure in AAA CRE CLO AAA floaters.

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