

Macro Roundup Article

Headline: [Financial Storm Bears Down On US Commercial Real Estate](#)

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Tweet: Real estate broker @JLL estimates that office buildings in New York have lost at least \$76B in value from their most recent sales prices, and estimates that 90% of office buildings are distressed, either in terms of debt or occupancy.

Summary: Broker JLL estimates that office buildings in New York have lost \$76B in value from their most recent sales prices. Seventy-three were now worth less than their loan balances. An exception is a new group of the most modern and luxurious offices, such as SL Green's One Vanderbilt, which are fetching record rents. More common are buildings like 1330 Avenue of the Americas, recently sold by Blackstone and RXR for \$320M, a 1/3 less than the price it commanded in 2006. One broker estimated that only the top 10% of office buildings in New York were not distressed — either in terms of the level of debt or occupancy. "I think we are on the front edge of forced sales," this person said. The financial damage may be masked because so few buildings have been sold in the past year, with deal volumes for commercial real estate down by more than half year on year in the first quarter.

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