

March 2026

# KCP Payoff Report

## CONTACTS

**Cameron Casey**  
 Senior Analyst  
 +1 215-882-5885  
[cameron.casey@kbra.com](mailto:cameron.casey@kbra.com)

**Maverick Force**  
 Senior Director  
 +1 215-882-5904  
[maverick.force@kbra.com](mailto:maverick.force@kbra.com)

**Patrick Czupryna**  
 Managing Director  
 +1 215-882-5854  
[patrick.czupryna@kbra.com](mailto:patrick.czupryna@kbra.com)

**Mike Brotschol**  
 Managing Director  
 +1 215-882-5853  
[mike.brotschol@kbra.com](mailto:mike.brotschol@kbra.com)

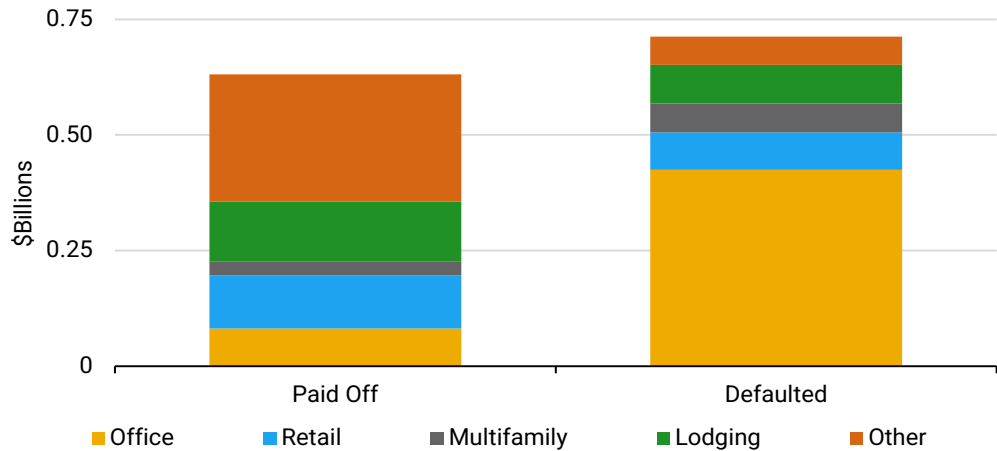
Payoff and Default Rates ..... 1  
 Upcoming Maturities ..... 3  
 About the Payoff Data and Our Methodology ..... 4

March 2026 Maturities			
<b>Paid Off</b> 46.95%	\$630.9 Million (60 Loans)	<b>Defaulted</b> 53.05%	\$712.8 Million (26 Loans)

## Payoff and Default Rates

In March 2026, 86 non-defeased loans (\$1.34 billion) matured, of which 53.05% (26 loans; \$712.8 million) by unpaid principal balance (UPB) defaulted at maturity. The default rate for loans collateralized by office was 83.88%, followed by multifamily (67.18%), retail (41.42%), and lodging (39.34%). The paid-off cohort comprises 60 loans (\$630.9 million) with March maturities, including 20 (\$220.4 million) that paid off ahead of schedule. We stratify payoffs and defaults by property type in Figure 1.

**Figure 1: Payoffs and Defaults at Scheduled Maturity in March 2026**



Source: KBRA Credit Profile (KCP)

Loans collateralized by properties categorized as Other comprised the largest portion of March payoffs, totaling \$274.7 million, with the majority (\$238.7 million) attributable to portfolio loans backed by a range of underlying asset types. The Boca Office Portfolio loan payoff, discussed later in this report, is included in this category due to its modest retail exposure, which accounts for less than 20% of gross leasable area.



The year-to-date (YTD) multifamily default rate is 19%, which is comparatively lower than the March 2026 multifamily default rate of 67.18%. The higher default rate was partly driven by a limited volume of multifamily loan maturities, which amplified the impact of the \$44.1 million [The Frontier](#) loan's failure to pay off at maturity. The 91-unit residential midrise in midtown Manhattan suffers from weakened cash flow, further threatened by the impending expiration of the asset's 421a tax abatement. A total 67.9% of office loans have defaulted at maturity YTD, followed by retail (57.9%) and lodging (36.6%).

Total payoffs in March, excluding liquidations and regardless of original maturity, totaled \$1.58 billion. This includes 41 previously defeased loans (\$313.8 million) and 36 loans (\$678.1 million) that paid off ahead of their scheduled maturities. Meanwhile, 13 loans with an aggregate UPB of \$178.2 million were paid off late, but within 90 days of their scheduled maturity (see Figure 2).

**Figure 2: Other Payoffs and Liquidations March 2026**

Type	Loan Count	UPB (\$Millions)
<b>Early or Previously Defeased Payoff</b>		
Defeased	41	313.8
Prepayment	16	374.3
Open Period	20	303.9
<b>Late Payoff or Liquidation</b>		
Grace Period	13	178.2
Liquidation	20	323.8

Source: KBRA Credit Profile (KCP)

## Murray Hill Affordable Housing Loan Defaults at Maturity, Transfers to Special

[The Frontier](#) (\$44.1 million; [LNSTR 2017-5](#)) transferred to special servicing in February 2026 ahead of its March maturity. The loan is secured by the borrower's leasehold interest in a 91-unit, midrise multifamily property in Manhattan's Murray Hill neighborhood. The asset has benefited from a 421a tax abatement tied to a mandatory 19-unit affordability component (20% of units); however, the abatement will begin phasing out in 2027 and fully expire by 2035. A 46% increase in operating expenses since issuance has driven a meaningful decline in net cash flow (NCF) despite consistently strong occupancy. Weakened performance and anticipated increases in tax expenses have impaired the borrower's ability to pay off the existing debt.

## Specially Serviced Boca Raton Office Portfolio Loan Pays Off on Sale Proceeds

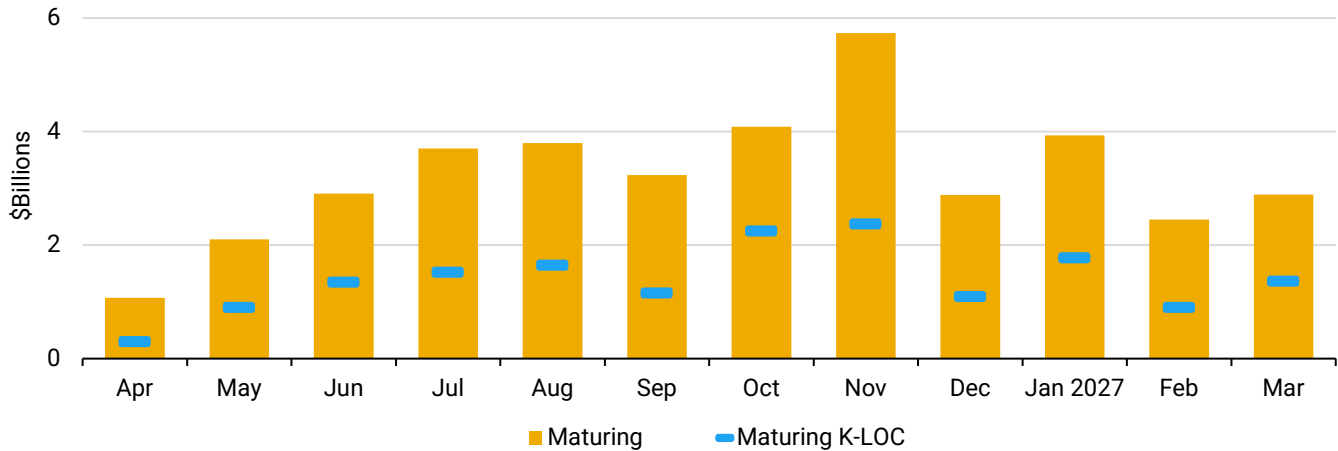
The \$99 million [Boca Office Portfolio](#) loan ([BANK 2021-BN32](#), [BMARK 2021-B24](#), [BMARK 2021-B25](#)) paid off at its March 2026 maturity after having transferred to special servicing in October 2025. The borrower had sought a modification to permit the release of certain collateral properties but ultimately declined the servicer's proposed terms. The borrower subsequently sold three of the four properties within the 514,527 sf mixed-use office and retail portfolio for \$92.7 million (\$284/sf) in February 2026. The transaction facilitated the full repayment of the loan at maturity. KCP research indicates that the fourth property, Fountains Center, a 188,666 sf office complex, was still listed for sale as of March 2026.



## Upcoming Maturities

A total of \$38.77 billion (2,179 loans) is scheduled to mature over the next 12 months. More than one-half of the maturing balance comprises retail (28.49%) and office (27.85%) loans. Figure 3 shows the UPB of loans with scheduled maturities in each of the next 12 months.

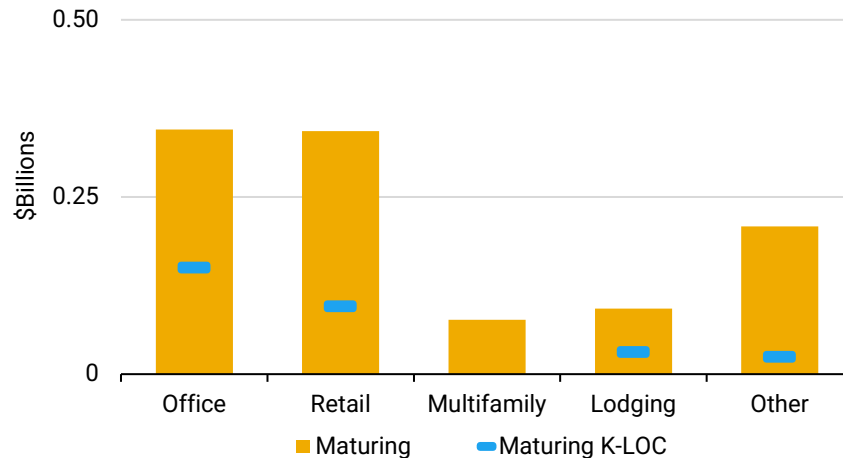
Figure 3: 12-Month Outlook by Maturing Loan Balance



Source: KBRA Credit Profile (KCP)

In April 2026, approximately \$1.07 billion is scheduled to mature, of which 28.36% has been identified as a K-LOC. Among the major property types, office has the highest share of maturing K-LOCs by UPB at 43.54%, followed by lodging (34.05%) and retail (27.99%). There are no multifamily K-LOCs maturing next month. Figure 4 stratifies loans maturing in April 2026 by property type and overlays each sector’s K-LOC balance.

Figure 4: April 2026 Maturity Profile by Property Type and K-LOC Balance



Source: KBRA Credit Profile (KCP)



## About Payoff Data and Our Methodology

Data in this report is conduit-focused and excludes CMBS issued prior to 2010. The payoff and default rates are calculated based on the non-defeased UPB of loans scheduled to mature in the reporting month. Loans that are paid off prior to maturity—whether within an open period or as part of a prepayment—are incorporated in the rate calculations in the reporting month those maturities were scheduled. The payoff rate excludes real estate owned (REO) assets and loans that are paid off after maturity; these loans are captured in the default rate when their scheduled maturity occurred.

Want more? In-depth research and analysis at the transaction level, including collateral valuations and loss projections, are available within our KCP reports, which are published monthly for every deal in our coverage universe and are available at [kcp.kbra.com](http://kcp.kbra.com).

The KCP platform is a subscription-based surveillance service that covers about 1,400 commercial real estate (CRE) securitizations with an aggregate balance of nearly \$900 billion. For each deal, monthly reports are posted to our website that contain color and commentary for CMBS transactions and their underlying loan collateral. Unlike other sources of valuation and loss data, which primarily rely on models, the service is supported by a dedicated team of analysts, who can more readily appreciate the nonhomogeneous nature of CRE, loan, and transaction structures, as well as imperfect servicer information.

## Related Reports

Register for access to our ratings and research.

- [KCP Payoff Report: February 2026](#)
- [KCP Payoff Report: January 2026](#)
- [KCP Payoff Report: December 2025](#)
- [KCP Payoff Report: November 2025](#)

© Copyright 2026, KBRA Analytics, LLC and/or its affiliates and licensors (together, "KBRA"). All rights reserved. All information contained herein is proprietary to KBRA and is protected by copyright and other intellectual property law, and none of such information may be copied or otherwise reproduced, further transmitted, redistributed, repackaged or resold, in whole or in part, by any person, without KBRA's prior express written consent. Information, including any ratings, is licensed by KBRA under these conditions. Misappropriation or misuse of KBRA information may cause serious damage to KBRA for which money damages may not constitute a sufficient remedy; KBRA shall have the right to obtain an injunction or other equitable relief in addition to any other remedies. The statements contained herein are based solely upon the opinions of KBRA and the data and information available to the authors at the time of publication. All information contained herein is obtained by KBRA from sources believed by it to be accurate and reliable; however, all information, including any ratings, is provided "AS IS". No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, or fitness for any particular purpose of any rating or other opinion or information is given or made by KBRA. Under no circumstances shall KBRA have any liability resulting from the use of any such information, including without limitation, for any indirect, special, consequential, incidental or compensatory damages whatsoever (including without limitation, loss of profits, revenue or goodwill), even if KBRA is advised of the possibility of such damages. The credit ratings, if any, and analysis constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. KBRA receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. Please read KBRA's full disclaimers and terms of use at [www.kbra.com](http://www.kbra.com).