January 2026

KCP Payoff Report

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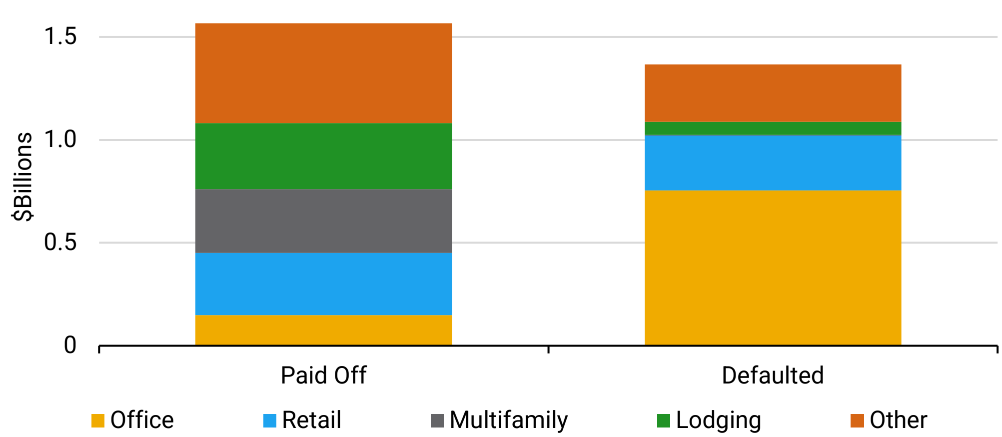
January 2026 Maturities			
Paid Off 53.39%	$1.57 Billion (133 Loans)	**Defaulted** 46.61%	$1.37 Billion (61 Loans)

Payoff and Default Rates

In January 2026, 194 non-defeased loans ($2.93 billion) matured, of which 46.61% (61 loans; $1.37 billion) by unpaid principal balance (UPB) defaulted at maturity. The default rate for loans collateralized by office was 83.5%, followed by retail (46.89%), lodging (16.69%), and multifamily (0.9%). The paid-off cohort comprises 133 loans ($1.57 billion) with January maturities, including 68 ($863 million) that paid off ahead of schedule. We stratify payoffs and defaults by property type in Figure 1.

Total payoffs in January, regardless of original maturity date and excluding liquidations, amounted to $1.63 billion, including 34 loans ($320.6 million) that were previously defeased. Another 34 loans ($518.6 million) paid off ahead of their future scheduled maturities. Meanwhile, 12 loans with an aggregate UPB of $83.4 million were paid off late, but within 90 days of their scheduled maturity (see Figure 2).

Figure 1: Payoffs and Defaults at Scheduled Maturity in January 2026



Source: KBRA Credit Profile (KCP)

Manhattan Office Loan Misses Maturity as Sale Efforts Continue

The $85 million 79 Madison Avenue loan (CGCMT 2016-P3, CGCMT 2016-GC37) missed its January 2026 maturity. The borrower is marketing the 274,000 sf, Class B office building in the NoMad neighborhood of Manhattan for sale. A broker was first engaged in March 2025 to list the property for $130 million ($474/sf) as an office-to-luxury condominium conversion opportunity. The borrower is reportedly in negotiations with an experienced buyer and requested forbearance to allow time for a potential sale to close. Collateral occupancy has declined to 42% as of September 2025 from 100% prior to the pandemic. KCP identified the loan as a K-LOC in early 2020 due to its exposure to WeWork, which at one point occupied up to 205,000 sf—75% of the gross leasable area (GLA)—under a lease scheduled to expire in July 2032. The tenant renegotiated its lease, downsizing to 98,000 sf (36%) and accelerating the lease expiration to July 2026. The upcoming expiration may provide greater flexibility for a future owner to pursue redevelopment.

Figure 2: Other Payoffs and Liquidations January 2026

Type	Loan Count	UPB ($Millions)
Early or Previously Defeased Payoff		
Defeased	34	320.6
Prepayment	12	180.1
Open Period	22	338.5
Late Payoff or Liquidation		
Grace Period	12	83.4
Liquidation	24	921.6
Total	**104**	**1,844.3**

Source: KBRA Credit Profile (KCP)

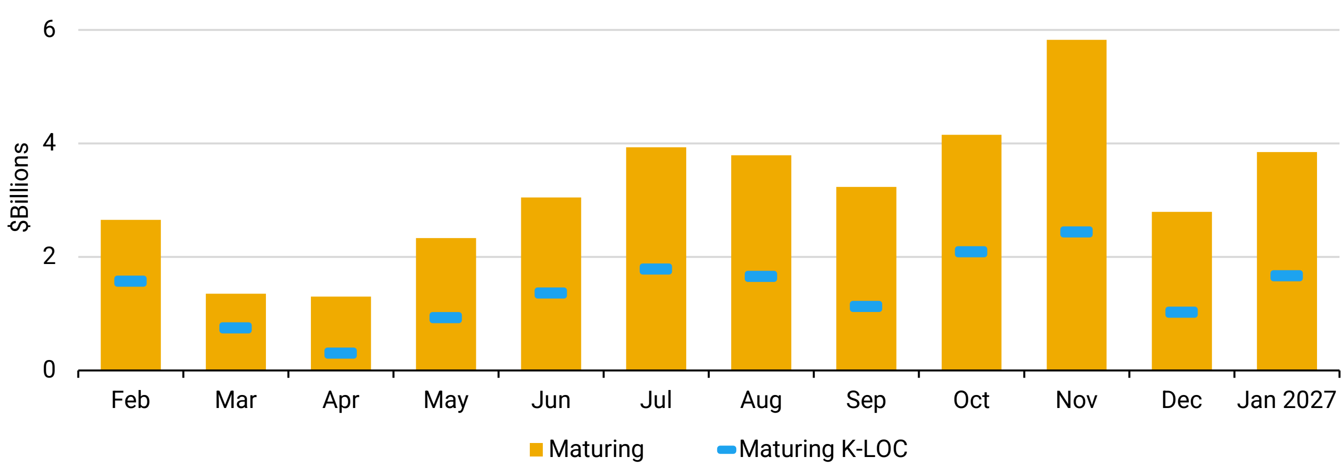
Equity Injection Enables Suburban Philadelphia Office Refi

The $70 million 300 Four Falls loan (MSBAM 2016-C29, BACM 2016-UB10) paid off a month before its scheduled February 2026 maturity with help from a sizable equity contribution from the borrower. The 298,482 sf office is located approximately 12 miles northwest of Philadelphia. While the property has continued to generate positive cash flows, recent financials reflected a deterioration in performance. Occupancy was 84% as of June 2025, down from 98% at issuance. Positive leasing activity in 2025 included the addition of Brown & Brown (5%) and PM Group, which expanded from existing offices nearby. The borrower retired the existing $70 million loan with a new $58 million mortgage and closed the funding gap with $20 million in cash equity, inclusive of $6.1 million earmarked for TI/LC and free rent reserves. This new loan is securitized in BBCMS 2026-5C40.

Upcoming Maturities

A total of $38.25 billion (2,186 loans) is scheduled to mature over the next 12 months. More than one-half of the maturing balance comprises retail (29.42%) and office (27.53%) loans. Figure 3 shows the UPB of loans with scheduled maturities in each of the next 12 months.

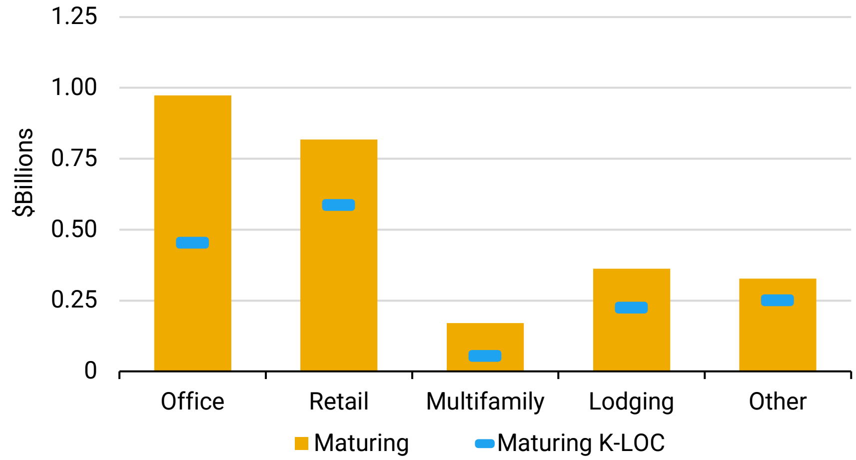
Figure 3: 12-Month Outlook by Maturing Loan Balance



Source: KBRA Credit Profile (KCP)

In February 2026, $2.65 billion is scheduled to mature. Across the major property types, retail has the highest share of identified K-LOCs by UPB within its maturing cohort at 71.75%, followed by lodging (62.15%) and office (46.66%). Notably, on a loan count basis, less than one-half of maturing retail loans have been identified as a K-LOC; the elevated distress rate is driven by several larger balance loans such as the Williamsburg Premium Outlets ($185 million), Twenty Ninth Street Retail ($75 million), and Hagerstown Premium Outlets ($68.4 million), among others. The K-LOC rate for all loans maturing next month is 59.31%. Figure 4 stratifies loans maturing in February 2026 by property type and overlays each sector's K-LOC balance.

Figure 4: January 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.

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