Presale:

GS Mortgage Securities Corp. Trust 2018-SRP5

June 6, 2018

This presale report is based on information as of June 6, 2018. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings.

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Preliminary Ratings

Class	Preliminary rating(i)	Preliminary amount (mil. $)	LTV (%) (iii)	Market value decline (%)(iv)	Debt yield (%)
A	AAA (sf)	332,223,000	42.5	71.7	17.9
X-CP	BBB- (sf)	417,240,000(ii)	N/A	N/A	N/A
X-FP	BBB- (sf)	104,310,000(ii)	N/A	N/A	N/A
X-NCP	BBB- (sf)	521,550,000(ii)	N/A	N/A	N/A
B	AA- (sf)	78,170,000	52.5	65.0	14.5
C	A- (sf)	58,628,000	60.0	60.0	12.7
D	BBB- (sf)	52,529,000	66.7	55.5	11.4

(i)The rating on each class of securities is preliminary and subject to change at any time. The certificates will be issued to qualified institutional buyers according to Rule 144A of the Securities Act of 1933. (ii)Notional balance. (iii)Based on S&P Global Ratings' value. (iv)Reflects the decline in the $1.235 billion aggregate appraised values of the five properties that would be necessary for the transaction to experience a principal loss at each given rating level. LTV--Loan-to-value ratio. N/A--Not applicable.

Profile

Expected closing date	June 15, 2018.
Collateral	Cross-collateralized first-mortgage liens on the fee and leasehold interests in five enclosed regional malls: Plaza West Covina Mall ($152.3 million ALA; fee interest) in West Covina, Calif.; Franklin Park Mall in Toledo, Ohio ($126.5 million ALA; fee interest); Parkway Plaza mall ($116.7 million ALA; fee/leasehold interest) in El Cajon, Calif.; Capital Mall ($90.8 million ALA; fee interest) in Olympia, Wash.; and Great Northern Mall ($62.7 million ALA; fee interest) in North Olmstead, Ohio serve as the collateral.
S&P Global Ratings' aggregate trust asset LTV	66.7% (based on S&P Global Ratings' values).
Payment structure	Principal payments will be made sequentially to the class A, B, C, and D certificates. The issuer will make interest payments on the certificates to classes A, X-CP, X-FP, and X-NCP, pro rata, based on the interest due and then sequentially to the class B, C, and D certificates. Realized losses are allocated in reverse sequential order.

Profile (cont.)

Depositor	GS Mortgage Securities Corp. II.
Mortgage loan seller	Goldman Sachs Mortgage Co.
Master servicer	Wells Fargo Bank N.A.
Special servicer	KeyBank N.A.
Trustee	Wilmington Trust N.A.
Certificate administrator	Wells Fargo Bank N.A.

ALA--Allocated loan amount.

Rationale

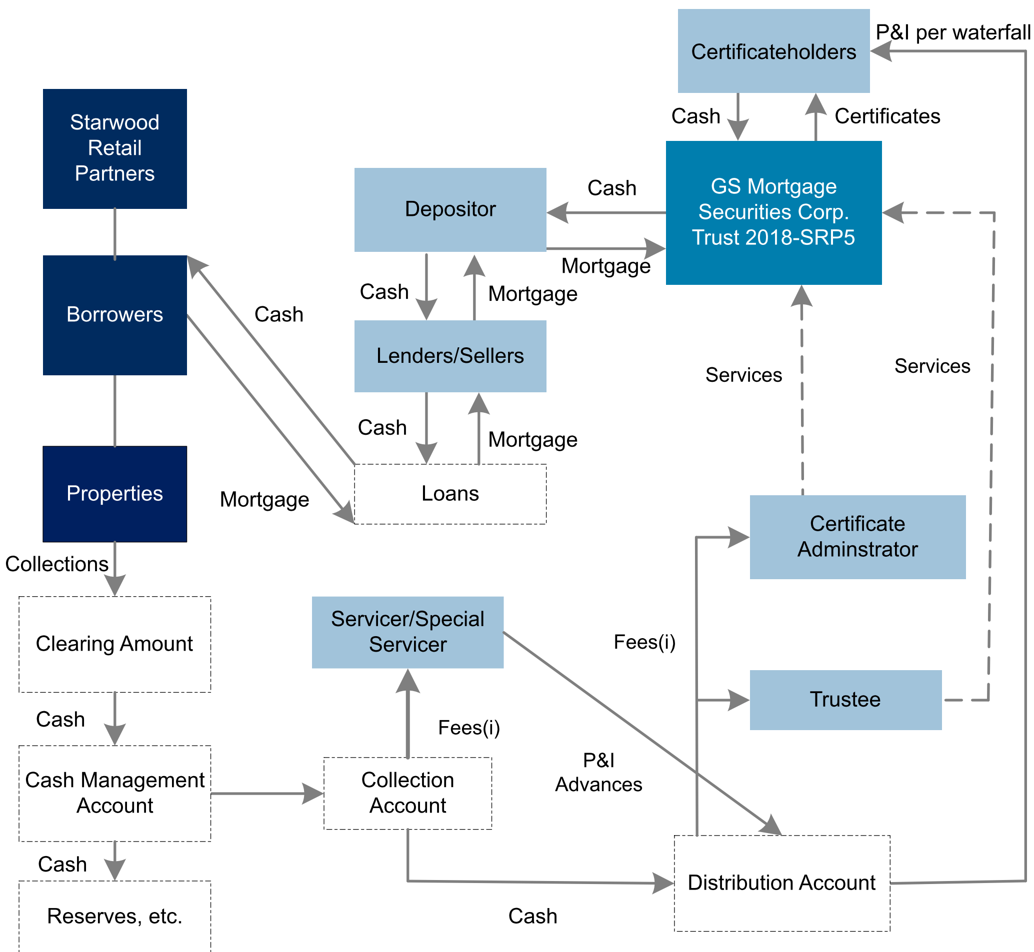
The preliminary ratings assigned to GS Mortgage Securities Corp. Trust 2018-SRP5's $521.55 million commercial mortgage pass-through certificates reflect S&P Global Ratings' view of the collateral's historical and projected performance, the sponsor's and manager's experience, the trustee-provided liquidity, the loan's terms, and the transaction's structure. We determined that the loan has a beginning and ending loan-to-value (LTV) ratio of 66.7%, based on our estimate of long-term sustainable value of the properties backing the transaction.

Transaction Overview

An overview of the transaction's structure, cash flows, and other considerations follows (see chart 1).

Chart 1

Transaction Structure



(i)Special servicing, liquidation, and workout fees and reimbursements, as applicable. P&I--Principal and interest.

Strengths

The transaction has the following strengths:

- The loan has low leverage, with a S&P Global Ratings' LTV ratio of 66.7%, based on our valuation. The LTV ratio based on the appraiser's valuation is 44.5%. Our estimate of long-term sustainable value is 33.4% lower than the appraiser's valuation.
- The loan has strong debt service coverage (DSC) of 2.08x, calculated using the 2.40% interest rate spread plus the 3.0% one-month LIBOR cap and our in-place net cash flow (NCF) for the portfolio, which is 5.5% lower than the issuer's NCF.
- The properties generally maintain strong market positions within their respective primary trade areas. The properties anchor local and regional commercial activity because of their above-average regional access and visibility from interstate and regional thoroughfares. Moreover, each trade area's demographic profile generally illustrates mature populations with

average household incomes that are near or exceed the national average.

- Based on annual sales, the portfolio benefits from better anchor sales compared to chainwide averages. Aside from the Dillard's in Franklin Park Mall and the Macy's in both Parkway Plaza and Capital Mall, the anchor tenants at each property had higher-than-average sales. In particular, on average, the JC Penney anchors outperformed the chainwide average by 30.4% for annual 2017 sales, as calculated by S&P Global Ratings.
- The total occupancy rate for the loan's collateral is approximately 96.1% as of the trailing 12 months (TTM) ended February 2018. The portfolio's collateral occupancy rate has remained stable since 2015 when it was also 96.1%. The portfolio's in-line occupancy, including temporary tenants, ranged from 93.6% in the February TTM to 96.5% in 2017. As of the TTM ended February 2018, the occupancy rates for the individual properties supporting the loan range from 94.8% to 97.7%, and averaged 96.4% since 2015.
- The portfolio has a diverse tenant mix of national anchors (over 50,000 sq. ft.), major retailers (between 10,000 sq. ft. and 50,000 sq. ft.), and in-line retailers (less than 10,000 sq. ft.). The diversity of the retail income lowers the risk of sudden drops in the loan's capacity to meet its debt service obligations.
- The loan is structured with a hard lock box and springing cash management. All excess cash flow is swept into a lender-controlled reserve account when a trigger period occurs. In general, a trigger period is defined as when two or more anchor tenants at any given property go dark, bankrupt, terminate, or vacate; or the debt yield falls below 82.50% of the closing debt yield of 13.23%.
- A subsidiary of Starwood Retail Partners (SRP) is the sponsor. SRP is the fifth-largest owner of regional malls in the U.S., with a current portfolio totaling 30 malls and lifestyle centers. SRP is also a wholly owned subsidiary of Starwood Capital Group (SCG), which is a private investment firm with a primary focus on global real estate. Since its inception in 1991, Starwood has raised over $28 billion of equity capital, and currently has $56 billion of assets under management.
- The transaction is structured so that the borrowers are responsible for expenses that would typically result in shortfalls to the certificateholders, such as special servicing, work-out, and liquidation fees as well as costs and expenses for appraisals and inspections that the special servicer conducts. In addition, if deemed recoverable from the liquidation proceeds, the servicer must make administrative advances to cover interest shortfalls from these expenses if the borrower does not make timely payments (provided the collateral has sufficient value), which we believe will help avoid or mitigate shortfalls to the certificateholders.

Risk Considerations

We considered the following risks for this transaction:

- Although the trust loan exhibits low leverage, with an S&P Global Ratings' LTV of 66.7%, the last-dollar LTV, when including the approx. $270.0 million in unsecured subordinate debt, is considered to be high, with an S&P Global Ratings' LTV of 99.6%. The total debt LTV ratio based on the appraiser's valuation is 65.8%. Our long-term sustainable value estimate is 32.8% lower than the appraiser's valuation.
- The loan bears interest at a floating rate indexed to one-month LIBOR. If LIBOR increases, then the amount of interest payable on the loan will increase, therefore decreasing the loan's DSC. However, the loan has a comparably short term (36 months plus two one-year extensions and one two-month extension), which somewhat mitigates the risk of rising interest rates. In

addition, the loan is structured with a 3.0% LIBOR cap; however, the interest rate cap agreement does not support a maximum potential rating of 'AAA'. As such, we have stressed LIBOR using our Cox-Ingersoll-Ross interest rate curve and found that there was no impact on the credit enhancement levels.

- The mortgage loan is interest only for its entire term, meaning there will be no scheduled amortization during the loan term. Compared with an amortizing loan, an interest-only loan bears a higher refinance risk because of the relatively higher loan balance at maturity. We accounted for the interest-only loan structure in our determination of credit enhancement levels for the transaction.
- Brick-and-mortar retail has come under substantial pressure in recent years as online shopping, in particular Amazon.com ('AA-'), continues to upend traditional shopping experiences. Many household names have been forced to alter their strategies, close underperforming locations, or even declare bankruptcy. However, super-regional shopping centers should be more resilient because they have a diverse mix of tenants, strong sponsorship, and serve larger trade areas. We considered recent industrywide and property-specific trends and the likely continued stress over the foreseeable future in brick-and-mortar retail when determining our portfolio vacancy and capitalization rate assumptions.
- The portfolio's year-over-year net operating income (NOI) decreased 3.6% in 2016, 1.5% in 2017, and 1.0% in the February 2018 TTM. However, the portfolio's in-line sales per sq. ft. remained steady since 2015, ranging from $428 to $441, as reported by the issuer.
- We estimated that the portfolio's occupancy cost for in-line tenants to be 15.3% using our calculated in-line sales of $353 per sq. ft. for the TTM ending in February 2018. This is within the 13%-16% occupancy cost range typically supported by regional malls with in-line sales of $250-$500 per sq. ft.
- The transaction is concentrated by sponsor and property type because the collateral consists of five regional malls sponsored by SRP. We accounted for this concentration when assessing the underlying properties and the loan. In addition, the malls are geographically diverse--located in West Covina, Calif.; Toledo, Ohio; El Cajon, Calif.; Olympia, Wash.; and North Olmsted, Ohio. Moreover, the borrowers are structured as bankruptcy-remote, special-purpose entities (SPEs) with restrictions on future debt.
- The borrowers may obtain the release of four of the five properties at a premium below the 125% minimum release price we generally look for. This is somewhat mitigated by the debt yield test, which requires the debt yield for the remaining collateral to be equal to or greater than the debt yield immediately before the release, or 13.23%.
- The collateral for the loan has high exposure to JC Penney ('B/Negative') and Sears ('CCC-/Negative'). All five properties contain a JC Penney, while two properties--Plaza West Covina Mall and Great Northern Mall--contain a Sears. Anchor store closures could hurt the collateral by triggering lease terminations or rent relief due to co-tenancy clauses. This is partially mitigated by the consideration we gave to each regional mall's trade area, competitive position, in-line retailer composition and performance, anchor performance relative to broader chainwide performance, and our view that the anchor spaces could likely be re-tenanted if they were vacated. Several properties in the portfolio have already achieved some level of success repurposing previously vacated anchor and major spaces.
- According to the issuer, Seritage Growth Properties has exercised their option to reclaim their real estate and will be closing the Sears and Sears Auto Center at Parkway Plaza. Seritage is a publicly traded REIT that focuses on optimizing and redeveloping real estate occupied by Sears.

SRP has indicated that Seritage has interest from two prospective furniture tenants and is in talks with entertainment tenants to lease the second floor of the Sears space. This Sears location is not part of the collateral. None of the other anchors within this portfolio are on store closure lists as of April 2018.

- The loan's nonrecourse carve-out is limited to 20% of the loan amount to a subsidiary of SRP. In our view, this limitation generally lessens the disincentive provided by a typical nonrecourse carve-out related to "bad boy" acts or voluntary bankruptcy.
- The transaction documents include provisions for the transaction parties to seek rating agency confirmation (RAC) that certain actions will not result in a downgrade or withdrawal of the then-current ratings on the securities. The definition of RAC in the transaction documents includes an option for the transaction parties to deem their RAC request satisfied if, after having delivered a RAC request, the transaction parties have not received a response to the request within a certain period of time. We believe it is possible for a situation to arise where an action subject to a RAC request would cause us to downgrade the securities according to our ratings methodology even though a RAC request is deemed to be satisfied per this option.

Collateral Characteristics

Collateral description

The pool contains one loan secured by cross-collateralized first-mortgage liens on the fee and leasehold interests in five regional malls.

Table 1

Properties By Allocated Trust Loan Amount

Property	Allocated loan amount ($)	% of trust balance ($)	Total sq. ft.	Collateral sq. ft.	S&P Global Ratings LTV (%)	Appraisal LTV (%)
Plaza West Covina	152,300,000	27.7	1,224,352	667,814	66.8	44.4
Franklin Park Mall	126,500,000	23.0	1,307,296	705,503	65.4	44.5
Parkway Plaza	116,700,000	21.3	1,315,962	944,728	69.3	44.4
Capital Mall	90,800,000	16.5	804,065	804,065	66.5	44.5
Great Northern Mall	62,700,000	11.4	1,239,471	606,933	65.2	44.5
Portfolio total	549,000,000	100.0	5,891,146	3,729,043	66.7	44.5

Geographic distribution

The properties are located in four states (see table 2). The two California properties make up 49.0% of the portfolio by ALA.

Table 2

Concentrations By State

State	No. of properties	% of allocated loan amount
California	2	49.0
Ohio	2	34.5
Washington	1	16.5
Total	5	100.0

Loan Characteristics

Loan type, origination date, term, and amortization

The loan has a $549.0 million principal balance with an initial three year term. It is interest-only and pays an initial floating rate of the one-month LIBOR plus a 2.4% margin, but is hedged via an interest rate cap agreement with SMBC Capital Markets Inc. (guaranteed by Sumitomo Mitsui Banking Corp.; 'A/Positive') against the risk of rising interest rates. The LIBOR cap is 3.0%. The interest rate cap agreement does not allow the counterparty to support ratings up to 'AAA' based on our counterparty criteria because the loan agreement does not require the counterparty to maintain a S&P Global Ratings' credit rating of 'A+' or higher. As such, we have stressed LIBOR using our Cox-Ingersoll-Ross interest rate curve and found that there was no impact on the credit enhancement levels.

The loan was originated in May 2018. The initial loan term is 36 months and has two, one-year extension options, plus a third extension option of two months and 16 days. The loan's extension options are based on the debt yield on the outstanding trust balance of greater than or equal to 13.5% during the first extension period, 14.5% during the second extension period, and 16.0% for the third extension, a 0.25% increase in the loan margin during the first and second extension terms, as well as the purchase of a replacement interest rate cap and no events of default being outstanding when the extension occurs. The fully extended loan maturity date is Aug. 9, 2023.

Secondary financing

In addition to the trust loan, there is $252.8 million of unsecured subordinate debt that was funded via a public bond offering in Israel ('A+/Positive'). The debtor for the Israeli debt financing (ILS debt) is a wholly owned entity of SRP. The ILS debtor owns two other U.S. regional malls in addition to the five malls that comprise the collateral for the trust loan. The senior debt is not cross-defaulted to the ILS debt; however, the financing documents require that this five-regional-mall portfolio is at all times owned by a qualified equity holder. A qualified equity holder is defined as the guarantor, any Starwood Capital Group fund vehicle, or a qualified institutional real estate firm that has total assets under management in excess of $1 billion, shareholder's equity in excess of $500 million, and is engaged in the business of owning and operating a portfolio of at least 10 regional malls excluding the subject properties.

No less than 75% of the ILS debt proceeds are to be utilized exclusively for capital improvements and/or redevelopment opportunities. The ILS debt subject to a maximum interest rate of 5.7% and is coterminous with the first-mortgage loan. No other additional debt is permitted.

Table 3

Debt Structure

	Amount (mil. $)	Cumulative loan amount (mil. $)	Amount per sq. ft. ($)	S&P Global Ratings' LTV ratio (%)	S&P Global Ratings' debt yield (%)
Senior trust loan	549.0	549.0	147.22	66.7	11.4
ILS debt	252.8	801.8	215.00	99.5	7.6

(i)ILS debt amount represents allocated portion attributable to the five SRP5 properties. Approx. $17.7 million of additional ILS debt is available to the sponsor. LTV--Loan-to-value. DSC--Debt service coverage. NCF--Net cash flow. ILS debt--Israeli debt.

Property releases

At any time after the first year, the borrowers may obtain the release of one or more of the properties; however, only one of West Covina Mall, Capital Mall, or Parkway Plaza may be released. The releases are subject to a premium equal to 125% of the ALA for Plaza West Covina Mall if released before the fourth year and 135% if released during the fourth year and onward. For the four other properties, the release premium is 115%. Although five of the properties can be released at a price below the range that we generally consider adequate to offset adverse selection, additional restrictions on property releases apply so that they do not negatively affect the overall portfolio debt yield. Upon a release, the debt yield for the remaining collateral must be equal to or greater than the debt yield immediately before the release, or 13.23%. Thus, we believe any partial releases would result in deleveraging, based on values calculated by S&P Global Ratings.

Borrower/sponsor

The transaction's borrowers are bankruptcy-remote SPEs. The borrowers are affiliates of Starwood Capital Group (SCG). SCG is a privately held global investment firm with a core focus on global real estate. Since the group's inception in 1991, SCG has raised more than $45 billion of equity capital and currently has $56 billion in assets under management.

Starwood Retail Partners (SRP), an affiliate of SCG, was formed to oversee the operation, management, and leasing of retail assets acquired by SCG. SRP provides acquisition, development, and repositioning experience to each property. SRP is the fifth-largest owner of regional malls in the U.S., with a current portfolio totaling 30 malls and lifestyle centers.

The organizational documents require that each borrower have two independent directors. Before any borrower files for bankruptcy, the two independent directors must vote in favor of the decision. The independent directors must be selected from nationally recognized companies or service providers that provide independent director services as part of their business. The borrowers must provide three business days' written notice before removing an independent director.

Management agreement

SRP Property Management LLC (SRP Management), a division of SRP, will manage the mortgaged properties. Any management fees payable are subordinate to debt service payments in the cash management waterfall and are capped at 3% of gross revenues. The appraiser estimated the management fees to range from 2.5%-3.0% of the effective gross income (EGI). In our analysis, we assumed a management fee of 5.0% of the EGI, excluding reimbursements and capped them at $1.0 million as applicable for each respective property. The loan documents require the properties at all times to be managed by an approved property manager. An approved property manager would be SRP Management or another borrower affiliate, a similar sized firm with similar experience subject to lender approval and a RAC, or one of the following firms: Cushman & Wakefield, CBRE, Simon Property Group, Macerich, Taubman Centers, CBL & Associates, Pennsylvania REIT, Washington Prime, General Growth Properties, Urban Retail, Madison Marquette, or Jones Lang LaSalle.

Trade payables

The borrowers may accrue trade payables of up to 3.0% of each property's ALA, and they must incur these payables in the ordinary course of operations. The trade payables must be repaid within 60 days of the date due and payable.

Insurance

Each borrower must maintain comprehensive, all-risk insurance for each mortgaged property in an amount that at least equals the property's full replacement cost, and that contains an ordinance, law coverage, or enforcement endorsement if any improvements or uses of the property at any time constitute legal nonconforming structures or uses. The borrowers must also maintain boiler and machinery insurance, commercial general liability insurance, and terrorism insurance. In addition, the borrowers must have business interruption insurance in effect for at least 24 months after interruption occurs. The insurance provisions are generally consistent with S&P Global Ratings' property insurance criteria.

Reserves

A summary of the transaction's reserves is show in table 4.

Table 4

Reserves

Tax and insurance reserves	None upfront. Ongoing during a cash management sweep period or after an event of default.
Capital expenditure reserve	Monthly deposit of $77,688, or approximately $0.25 per sq. ft. of collateral, for replacements and repairs.
TI/LC reserves	Upfront: $7.4 million to fund all outstanding TI/LC and free rent obligations across the portfolio. Ongoing: Monthly deposit of $388,442, or $1.25 per sq. ft. for tenant improvement and leasing commission obligations.
Parkway Plaza ground lease reserves	None upfront. Ongoing during a cash management sweep period or after an event of default.
Plaza West Covina public financing reserve	None upfront. Ongoing during a cash management sweep period or after an event of default.
Deferred maintenance account	$23,650 upfront.
Unfunded obligations account	$2,262,686 upfront.

TI/LC--Tenant improvement/leasing commission.

Ground lease

The sponsor leases approximately 373 non-income producing surface parking spaces under a ground lease that expires in 2031. The sponsor owns approximately 3,200 parking spaces, and approximately 3,300 are required; thus, if the ground lease is terminated or not renewed, the sponsor would not be conforming to existing zoning laws. However, additional spaces are provided for via the anchor tenants that are not part of the collateral, and the PCA confirmed that additional 100 parking spaces could be created via re-striping the parking lot, thus bringing the property back into compliance.

West Covina public financing

Plaza West Covina is subject to certain payments owed under a public financing vehicle. We accounted for this risk by deducting the net present value (NPV) of the appraiser's estimated payments through maturity (2023). The total value deduction is approximately $6.5 million.

Cash management

The loan has a hard lockbox and springing cash management. The borrower has established a clearing account in its name for the lender's benefit. Tenants must deposit rents and other revenues directly into the clearing account. As long as a trigger period has not occurred, all funds deposited into the clearing account will be swept daily into a borrower-designated account. During a cash management sweep period, all funds in the clearing account are swept into the cash management account. During an event of default, the lender may apply all funds in the deposit account at its sole discretion.

During a trigger period, lockbox funds are allocated in the following order:

- Taxes and insurance;
- Parkway Plaza ground lease reserves;
- Plaza West Covina public financing reserve;
- Debt service;
- Special tax increase reserve for Plaza West Covina;
- Operating expenses to borrower;
- Extraordinary expenses to borrower;
- Capital expenses reserve;
- TI/LC reserve;
- ILS debt hedging and amortization costs;
- Permitted ILS debt swap payments to borrower; and then
- Remainder to excess cash flow reserve.

The loan documents define a trigger period as: the earliest of either, an event of default, the loss of two or more anchor tenants at one or more of the five properties, or if the debt yield falls below 10.91%.

Third-Party Reviews

We reviewed appraisal, environmental, engineering, and seismic reviews prepared within the past three months for the five properties. Phase II environmental reports were not recommended for any property, and of the three properties located within seismic zones 3 or 4 (those in California and Washington, 65.5% of the ALA), none have a probably maximum loss greater than 19%.

The environmental site assessment reports identified issues at one property relating to underground storage tanks; the borrowers have secured an insurance policy through May 23, 2027 with a $1.0 million limit and a $25,000 deductible. The estimated potential costs of remediation are 175,000.

Structural And Legal Issues

We reviewed structural matters that we believe are relevant to our analysis. This review included analysis of the major transaction documents, including the offering circular, trust and servicing agreement, and other relevant documents and opinions, to understand the transaction's mechanics and its consistency with applicable criteria. We also conducted a focused legal review of the first-mortgage loan agreement and the cash management agreement.

Extraordinary trust expenses

The borrowers are required to pay special servicing, workout, and liquidation fees, as well as costs and expenses incurred from any appraisals or inspections the special servicer may conduct. In addition, the borrowers must pay interest on all debt service advances and advances that the servicer or trustee makes from enforcing the borrowers' obligations under the loan documents. Because S&P Global Ratings' credit ratings reflect, among other factors, timely interest payments, the borrowers' obligation to pay these trust fund expenses helps mitigate the risk of interest shortfalls caused by a monetary or nonmonetary default.

Property Descriptions

Plaza West Covina Mall

Plaza West Covina Mall is a 1.2-million-sq.-ft. enclosed regional shopping mall situated on 72 acres. Of the mall's total sq. ft., 667,814 sq. ft. will serve as the loan's collateral. The property is approximately 20 miles east of Los Angeles next to an interstate.

The property was built in 1975 and expanded in 1990, 1993, and 2009. Since 2006, over $107.0 million has been spent on renovations and expansions to the property, which added new retailers Best Buy (built in 2009), Forever 21 (2010), H&M, Nordstrom Rack, Gold's Gym (2011), and five exterior-facing restaurants.

The property currently features three anchor stores, JC Penney, Macy's, and Sears, which are tenant-owned and not part of the loan collateral. As of the year-end 2017, sales for these stores exceeded the 2017 average for their respective chains (see table 5).

Table 5

Plaza West Covina Anchor Tenant Sales

	Sq. ft.	2017 sales per sq. ft. ($)	2017 total sales (mil. $)	2017 chainwide average sales per sq. ft. ($)(i)	2017 chainwide average total sales (mil. $)(i)
JC Penney	210,274	109	23.0	102	10.7
Macy's	180,000	239	43.0	151	23.0
Sears	149,764	130	19.4	91	10.9

(i)Provided by the appraiser and issuer.

The property includes nine other major tenants--Best Buy, Nordstrom Rack, Gold's Gym, Forever 21, H&M, La Amapola, Off Broadway Shoes, Victoria's Secret, Jump 'N Jammin--that comprise 37.0% of the collateral sq. ft. These major tenants generated 21.5% of the total gross rent, as calculated by S&P Global Ratings. The property also has 171 in-line, restaurant, outparcel, temporary, food court, and kiosk tenants, as well as 17 vacant units that range from 119 sq. ft.-8,484 sq. ft. The property's comparable in-line sales for tenants reporting data for at least one year and excluding food court, kiosk, and other tenants was $394 per sq. ft. as calculated by S&P Global Ratings for the TTM ending in February 2018. We calculated in-line occupancy costs of 16.0% by dividing the sum of the base rent, including rent steps one year out, and reimbursements by sales for the TTM ending in February 2018. We included heating, ventilation, and air conditioning (HVAC) and utilities reimbursements in our calculation.

Tenant rollover

The property has noteworthy rollover risk during the fully extended loan term in 2021 and 2022, when 15.8% and 13.3% of the net rentable area (NRA) and 16.5%, and 14.4% of S&P Global Ratings' calculated in-place base rent expires, respectively (see table 6).

Table 6

Plaza West Covina Tenant Rollover

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
2018	12	16,055	2.4	3.8
2019	24	55,290	8.3	10.6
2020	14	65,620	9.8	9.8
2021	17	105,206	15.8	16.5
2022	27	88,968	13.3	14.4
2023	15	45,515	6.8	6.9
2024	8	26,536	4.0	4.6
2025	3	12,880	1.9	2.0
2026	19	98,349	14.7	18.3
2027	5	25,350	3.8	3.5
2028	2	29,709	4.4	2.7
2029 and beyond	5	7,325	1.1	2.0
Non-collateral tenants	5	0.05	0.0	0.7

Table 6

Plaza West Covina Tenant Rollover (cont.)

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
MTM	38	66,557	10.0	4.1
Vacant	17	24,454	3.7	N/A
Total	211	667,814	100.0	100.0

NRA--Net rentable area. MTM--Month to month. N/A--Not applicable.

Historical performance

During 2015-2017, the property's occupancy rate, including temporary tenants, fluctuated between 95.3% and 97.5% and maintained a 95.7% average occupancy. Sales per sq. ft. for in-line tenants rose slightly during that period, though they have tapered somewhat in 2017 (see table 7). We did not calculate historical in-line sales.

Table 7

Plaza West Covina's Historical Performance(i)

Year	In-line occupancy (%)(i)	In-line sales per sq. ft. ($)
Feb. TTM	97.3	496
2017	97.5	487
2016	94.4	500
2015	95.3	459

(i)Based on historical information provided by the issuer and appraiser. TTM--Trailing 12 months.

Market summary

Plaza West Covina Mall is within the Los Angeles metropolitan statistical area (MSA). According to the appraiser, the Los Angeles MSA is an established market with a diverse economic base, considering the city's population and status as a hub for the international trade, business, entertainment, tourism, technology, and manufacturing sectors. According to the appraiser, the Los Angeles MSA's population increased by 0.7% annually between 2010 and 2017, lagging the state-wide average, which was 0.9%. According to the U.S. Department of Labor, the Los Angeles MSA's unemployment rate was 3.8% as of March 2018, down 8.5% from the December 2010 peak of 12.3%.

Plaza West Covina Mall has a five-mile primary trade area. The primary trade area's population is 510,468, and the average household income was $80,203 as of 2017, which is above the U.S. average.

Historical cash flow

We reviewed the property's historical cash flow and the cash flows that the issuer and appraiser reported to determine our view of a sustainable cash flow for the property (see table 8).

Table 8

Plaza West Covina Historical And Underwritten Cash Flow

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Effective gross income ($)(i)	34,581,649	33,495,021	33,557,361	33,458,852	34,121,451	33,337,272
Total operating expense ($)	14,446,143	13,622,462	14,243,719	14,110,264	14,269,530	14,378,443
Total capital items ($)(ii)	-	-	-	-	1,371,049	1,369,676
NCF ($)	20,135,506	19,872,559	19,313,642	19,348,589	18,480,872	17,589,153
Capitalization rate (%)						7.50
Additions/subtractions to value ($)						(6,493,247)
S&P Global Ratings' value ($)						228,028,796
S&P Global Ratings' value per sq. ft. ($)						341

See table 25b for notes.

Franklin Park Mall

Franklin Park Mall is a 1.3-million-sq.-ft. enclosed regional shopping mall situated on 45-acres of land in northwest Toledo, Ohio. Of the mall's total sq. ft., 705,503 sq. ft. will serve as collateral for the loan.

The property was built in 1971 and expanded in 1993, 2005, and 2008, and renovated in 2014. Most notably, in 2005, a renovation and expansion project established a new entertainment and lifestyle wing, which added a 75,000-sq.-ft. Dick's Sporting Goods, a 16-screen movie theatre, a relocated and expanded food court, four restaurants, approximately 25 new specialty retailers, and an 80,000-sq.-ft. expansion of the existing Dillard's store.

The property currently features three anchor stores, JC Penney, Dillard's, and Macy's, which are tenant-owned and not part of the loan collateral. As of year-end 2017, sales for JC Penney, and Macy's, exceeded the 2017 average for their respective chains (despite lower per sq. ft. sales) because these stores are significantly larger than the average store size for their respective chains. However, Dillard's sales were slightly below the chainwide average (see table 9).

Table 9

Franklin Park Mall Anchor Tenant Sales

	Sq. ft.	2017 sales per sq. ft. ($)	2017 total sales (mil. $)	2017 chainwide average sales per sq. ft. ($)(i)	2017 chainwide average total sales (mil. $)(i)
JC Penney	222,990	90	20.0	102	10.7
Dillard's	192,182	99	19.0	117	19.7
Macy's	186,621	129	24.0	151	23.0

(i)Provided by appraiser and issuer.

The property includes nine other major tenants: Rave Cinemas, Dicks Sporting Goods, Dave & Buster's, Forever 21, Old Navy, DSW Shoe Warehouse, Victoria's Secret, Express, and Ulta, which represent 38.8% of the collateral sq. ft. These major tenants generate 24.1% of the gross rental income as calculated by S&P Global Ratings. The property also has 154 in-line, restaurant, temporary, and food court tenants, and 11 vacant units ranging from 120 sq. ft. to 11,022 sq. ft. The property's comparable in-line sales for tenants reporting data for at least one year and excluding food court, kiosk, and other tenants was $376 per sq. ft., as calculated by S&P Global Ratings, for the TTM ending in February 2018. We calculated in-line occupancy costs of 15.9% by dividing the sum of the base rent, including rent steps one year out, and reimbursements by sales for the TTM ending in February 2018. We included HVAC and utilities reimbursements in our calculation because we believe it provided the most comprehensive reflection of the total costs tenants face.

Tenant rollover

The property has noteworthy rollover risk during the fully extended loan term in 2021 when 19.3% of the NRA and 17.1% of S&P Global Ratings' calculated in-place base rent expires, respectively (see table 10).

Table 10

Franklin Park Mall Tenant Rollover

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
2018	10	19,172	2.7	5.7
2019	15	84,333	12.0	9.1
2020	17	38,873	5.5	7.8
2021	22	136,024	19.3	17.1
2022	10	42,956	6.1	6.6
2023	9	26,553	3.8	6.5
2024	6	32,576	4.6	6.7
2025	12	124,031	17.6	13.0
2026	10	31,050	4.4	9.2
2027	7	25,093	3.6	4.9
2028	4	15,234	2.2	1.7
2029 and beyond	7	64,671	9.2	7.7
Non-collateral tenants	3	0.03	0.0	0.4
MTM	14	35955	5.1	3.7
Vacant	12	28,982	4.1	N/A
Total	158	705,503	100.0	100.0

NRA--Net rentable area. MTM--Month to month. N/A--Not applicable.

Historical performance

According to the appraiser, the property has had an occupancy rate in the upper-90% range over the past four years. It is currently 95.9% occupied as calculated by S&P Global Ratings. Sales per sq. ft. for in-line tenants declined slightly during that period (see table 11). We did not calculate historical in-line sales.

Table 11

Franklin Park Mall's Historical Performance(i)

Year	In-line occupancy (%)(i)	In-line sales per sq. ft. ($)
Feb. TTM	92.2	422
2017	96.5	409
2016	94.2	436
2015	92.5	448

(i)Based on historical information provided by the issuer and appraiser.

Market summary

Franklin Park Mall is located within the Toledo MSA. According to the appraiser, the Toledo MSA was hurt more by the recession compared with the rest of the nation, but is beginning to show signs of recovery. The region showed broad employment and wage growth in 2017, with nearly every major private sector adding jobs. However, the local economy continues to struggle maintaining its most educated residents, which has tempered its transition to a service-based economy from a manufacturing-based economy. According to the appraiser, the Toledo MSA's population was flat between 2010 and 2017, compared with the state-wide average, which increased by 0.3%. According to the Bureau of Labor Statistics, the Toledo MSA's unemployment rate was 4.5% as of March 2018, a decrease of 0.2% over the prior year. The Toledo MSA unemployment rate is in line with the state average and above the national average. The primary trade area for Franklin Park Mall is 15 miles. The primary trade area's population is 548,307, and the average household income was $77,005 as of 2017, which is above the U.S. average.

Historical cash flow

We reviewed the property's historical cash flow and the cash flows that the issuer and appraiser reported to determine our view of the property's sustainable cash flow (see table 12).

Table 12

Franklin Park Mall Historical And Underwritten Cash Flow

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Effective gross income ($)(i)	34,640,694	33,215,294	32,420,025	32,306,508	31,697,077	31,024,785
Total operating expense ($)	15,194,434	14,958,411	14,212,933	14,330,158	15,096,570	15,141,388
Total capital items ($)(ii)	-	-	-	-	1,455,879	1,365,582
NCF ($)	19,446,259	18,256,884	18,207,092	17,976,350	15,144,629	14,517,815
Capitalization rate (%)						7.50
S&P Global Ratings' value ($)						193,570,867
S&P Global Ratings' value per sq. ft. ($)						274

See table 25b for notes.

Parkway Plaza

Parkway Plaza is a 1.3-million-sq.-ft. enclosed regional shopping mall situated on 75 acres in El Cajon, Calif., approximately 15 miles from San Diego. Of the mall's total sq. ft., 944,728 sq. ft. serve as the loan's collateral. The property was built in 1972 and renovated and expanded in 2011. In 2011, a former Mervyn's underwent a $15 million redevelopment to accommodate a 42,000-sq.-ft. Dick's Sporting Goods and a 21,000-sq.-ft. Crunch Fitness gym.

The property currently features four anchor stores: Sears, Wal-Mart, JC Penney, and Macy's. Sears and Macy's each own their respective land and improvements and are excluded from the collateral. JC Penney owns its improvements, but leases the ground from the loan's sponsor. The Wal-Mart serves as collateral for the loan. Last year sales for Wal-Mart, Sears, and JC Penney exceeded the 2017 averages for their respective chains, despite lower per square foot sales for Wal-Mart (the Wal-Mart is significantly larger than the chainwide average store size). Macy's underperformed its 2017 chainwide average by 13.9% on a per sq. ft. basis (see table 13).

Table 13

Parkway Plaza Anchor Tenant Sales

	Sq. ft.	2017 sales per sq. ft. ($)	2017 total sales (mil. $)	2017 chainwide average sales per sq. ft. ($)(ii)	2017 chainwide average total sales (mil. $)(ii)
Sears	255,622	94	24.0	91	10.9
Wal-Mart	160,000	426	68.1	400	39.9
JC Penney(i)	153,047	103	15.8	102	10.7
Macy's	115,612	130	15.0	151	23.0

(i)JC Penney is ground leased. (ii)Provided by appraiser and issuer.

The property includes ten other major tenants-- Regal Cinemas Dicks Sporting Goods, Best Buy, HomeGoods, Office Depot, H&M, Forever 21, Crunch Fitness, Ulta, and Pink/Victoria's Secret--representing 31.3% of the collateral sq. ft. These major tenants generated 26.1% of the gross rental income, as calculated by S&P Global Ratings. The property has 151 in-line, restaurant, temporary, and food court tenants, and 19 vacant units ranging from 100 sq. ft.-2,636 sq. ft. The property's comparable in-line sales for tenants reporting data for at least one year and excluding food court, kiosk, and other tenants was $308 per sq. ft., as calculated by S&P Global Ratings, for TTM ending in February 2018. We calculated in-line occupancy costs of 14.5% by dividing the sum of the base rent, including rent steps one year out, and reimbursements by sales for trailing the twelve months ending in February 2018. We included HVAC and utilities reimbursements in our calculation.

Tenant rollover

The property has noteworthy rollover risk during the fully extended loan term in 2022, and 2023 when 22.7% and 15.6% of the NRA and 21.4% and 17.4% of S&P Global Ratings' calculated in-place base rent expires, respectively (see table 14).

Table 14

Parkway Plaza Tenant Rollover

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
2018	5	14,195	1.8	4.4
2019	19	38,586	5.0	6.9
2020	22	62,052	8.0	12.7
2021	13	30,330	3.9	5.2
2022	16	175,076	22.7	21.4
2023	15	120,172	15.6	17.4
2024	4	164,084	21.2	11.0
2025	4	29,260	3.8	3.9
2026	8	19,497	2.5	6.5
2027	4	10,362	1.3	1.8
2028	5	15,625	2.0	2.8
2029 and beyond	1	0	0.0	0.4
Non-collateral tenants	1	0.01	0.0	0.4
MTM	33	70124	9.1	5.0
Vacant	22	23,253	3.0	N/A
Total	172	772,616	100.0	100.0

NRA--Net rentable area. MTM--Month to month. N/A--Not applicable.

Historical performance

During 2015-2017, the property's occupancy rate, including temporary tenants, fluctuated between 95.6% and 96.8% and maintained a 96.2% average occupancy. Sales per sq. ft. for in-line tenants rose slightly during that period, though they have flatten somewhat in 2017 (see table 15). We did not calculate historical in-line sales.

Table 15

Parkway Plaza's Historical Performance(i)

Year	Overall occupancy (%)(i)	In-line sales per sq. ft. ($)
Feb. TTM	96.0	420
2017	96.8	409
2016	96.3	409
2015	95.6	409

(i)Based on historical information provided by the issuer and appraiser. TTM--Trailing 12 months.

Market summary

Parkway Plaza is within the San Diego MSA. According to the appraiser, the San Diego MSA has recovered from the recession, and in 2012 began to outpace the nation in employment growth. The appraiser expects this performance trend to continue through 2021, propelled by growth in the area's tech sector. According to the appraiser, the San Diego MSA's population increased by 1.0% annually between 2010 and 2017, slightly higher than the statewide average during the same time period. According to the Bureau of Labor Statistics, the San Diego MSA's unemployment rate was 3.2% as of March 2018, lower than California's rate of 4.3% and 0.9% below the national average. Parkway Plaza's primary trade area is within a five- to 10-mile radius. The primary trade area's population ranges between 351,826 and 899,637. The average household income in both the five- and 10-mile trade areas is approximately $82,000 as of 2017, which is above the U.S. average.

Historical cash flow

We reviewed the property's historical cash flow and the cash flows that the issuer and appraiser reported to determine our view of a sustainable cash flow for the property (see table 16).

Table 16

Parkway Plaza Historical And Underwritten Cash Flow

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Effective gross income ($)(i)	27,829,999	27,245,212	25,716,294	25,572,512	25,930,821	25,255,901
Total operating expense ($)	9,945,04	9,847,183	9,164,800	9,308,631	10,392,461	10,614,064
Total capital items ($)(ii)	-	-	-	-	1,484,888	1,583,336
NCF ($)	17,884,957	17,398,029	16,551,494	16,263,881	14,053,471	13,058,501
Capitalization rate (%)						7.75
S&P Global Ratings' value ($)						168,496,793
S&P Global Ratings' value per sq. ft. ($)						218

See table 25b for notes.

Capital Mall

Capital Mall is an 804,065-sq.-ft. enclosed regional shopping mall and open-air lifestyle center situated on 75 acres. Both the lifestyle center and mall serve as the loan's collateral. The property is in the northwest quadrant of Black Lake Boulevard and Capital Mall Drive in Olympia, Wash. The mall was built in 1978 and renovated in 2003. The sponsor has invested roughly $28.5 million in various capital projects since acquiring the property in 2013, including the addition of Dick's Sporting Goods in 2016.

The property currently features two anchor stores, Macy's and JC Penney. Macy's and JC Penney own their improvements, but lease the ground from the loan's sponsor. JC Penney's 2017 sales exceeded the chainwide average. On the other hand, Macy's gross sales were 12.2% below the chainwide 2017 average (despite higher per sq. ft. sales) because the store is significantly smaller than the chain's average store size (see table 17).

Table 17

Capital Mall Anchor Tenant Sales

	Sq. ft.	2017 sales per sq. ft. ($)	2017 total sales (mil. $)	2017 chainwide average sales per sq. ft. ($)(ii)	2017 chainwide average total sales (mil. $)(ii)
Macy's(i)	113,190	179	20.2	151	23.0
JC Penney(i)	93,481	193	18.0	102	10.7

(i)Ground lease. (ii)Provided by appraiser and issuer.

The property includes 14 other major tenants--Dicks Sporting Goods, Century Theatres, Best Buy, Bed Bath & Beyond, 24 Hour Fitness, Recreational Equipment Inc., Total Wine & More, TJ Maxx, H&M, Cost Plus World Market, Old Navy, Party City, Chuck E Cheese, and Recreational Equipment Inc.--which represent 41.3% of the collateral sq. ft. These major tenants generate 31.2% of the gross rental income, as calculated by S&P Global Ratings. The property also has 85 in-line, restaurant, temporary, and food court tenants, and 23 vacant units ranging from 100 sq. ft.-5,243 sq. ft. The property's comparable in-line sales for tenants reporting data for at least one year and excluding food court, kiosk, and other tenants was $322 per sq. ft., as calculated by S&P Global Ratings, for the TTM ending in February 2018. We calculated in-line occupancy costs of 14.1% by dividing the sum of the base rent, including rent steps one year out, and reimbursements by sales for the TTM ending in February 2018. We included HVAC and utilities reimbursements in our calculation.

Tenant rollover

The property has noteworthy rollover risk during the fully extended loan term in 2019, 2021, and 2022 when 13.8%, 16.2%, and 21.3% of the NRA and 15.6%, 15.3%, and 17.2% of S&P Global Ratings' calculated in-place base rent expires, respectively (see table 18).

Table 18

Capital Mall Tenant Rollover

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
2018	3	4,306	0.8	2.3
2019	19	78,229	13.8	15.6
2020	7	22,695	4.0	6.1
2021	17	92,082	16.2	15.3
2022	13	121,067	21.3	17.2
2023	11	48,378	8.5	12.0
2024	3	1,476	0.3	1.9
2025	1	0	0.0	1.8
2026	2	5,850	1.0	2.2
2027	5	94,028	16.6	11.4
2028	3	41,740	7.4	3.9
2029 and beyond	0	0	0.0	0.0
Non-collateral tenants	0	0	0.0	0.0

Table 18

Capital Mall Tenant Rollover (cont.)

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
MTM	11	17886	3.2	10.3
Vacant	23	39,561	7.0	N/A
Total	118	567,298	100.0	100.0

NRA--Net rentable area. MTM--Month to month. N/A--Not applicable.

Historical performance

Since 2015, the property's occupancy rate has been declining from 98.1% to 90.2%. However, sales per square foot have remained flat (see table 19). According the appraiser, in-line occupancy has decreased due to the relocation of food court tenants. We did not calculate historical in-line sales.

Table 19

Capital Mall's Historical Performance(i)

Year	In-line occupancy (%)(i)	In-line sales per sq. ft. ($)
Feb. TTM	90.2	438
2017	94.4	433
2016	96.2	426
2015	98.1	418

(i)Based on historical information provided by the issuer and appraiser. TTM--Trailing 12 months.

Market summary

Capital Mall is in the Olympia-Tumwater MSA. According to the appraiser, the Olympia MSA's employment base has low industrial diversity and is heavily concentrated in the public sector. While other regions in Washington were propelled out of the recession by employment growth in the manufacturing and tech industries, Olympia's growth has remained sluggish. Following a period of public sector downsizing between 2009 and 2012, economic growth was reignited by industries such as leisure and hospitality. Although Olympia benefits from strong demographic traits, future economic growth will be constrained by its dependence on the government sector. According to the appraiser, the Olympia MSA's population increased by 1.2% annually between 20010 and 2017, which was in line with the statewide average. According to the Bureau of Labor Statistics, the Olympia MSA's unemployment rate was 5.3% as of March 2018, above Washington's rate of 4.8% and the national average of 4.1% during the same time period.

Capital Mall's primary trade area is 15 miles. The primary trade area's population is 263,212, and the average household income is $88,352 as of 2017, which is above the U.S. average.

Historical cash flow

We reviewed the property's historical cash flow and the cash flows that the issuer and appraiser reported to determine our view of the property's sustainable cash flow (see table 20).

Table 20

Cash Flows: Capital Mall

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Effective gross income	19,120,604	18,170,930	18,401,317	18,330,952	17,654,726	17,609,998
Total operating expense	5,912,165	5,657,612	6,066,912	6,014,136	6,027,746	6,204,817
Total capital items	-	-	-	-	885,022	817,046
NCF ($)	13,208,439	12,513,318	12,334,406	12,316,815	10,741,957	10,588,135
Capitalization rate (%)						7.75
S&P Global Ratings' value ($)						136,621,097
S&P Global Ratings' value per sq. ft. ($)						241

See table 25b for notes.

Great Northern Mall

Great Northern Mall is a 1.2-million-sq.-ft. enclosed regional shopping mall situated on 84 acres in North Olmstead, Ohio, about 13 miles from downtown Cleveland. Of the mall's total sq. ft., 606,933 sq. ft. will serve as collateral for the loan. The property was built in 1976 and renovated in 2013. The sponsor has invested roughly $32.0 million in capital projects at the property since acquiring it in 2013, these projects include the addition of a 10-screen Regal Cinema, and two restaurants with outdoor seating.

The property currently features four anchor stores: Macy's, Dillard's, Sears, and JC Penney. Macy's, Dillard's, and Sears are tenant-owned and not part of the loan collateral. JC Penney owns its improvements, but leases the ground from the sponsor. Last year sales for all four anchors exceeded the 2017 average for their respective chains (despite lower per sq. ft. sales for Dillard's and Sears because these stores are significantly larger than the chains' average store sizes) (see table 21).

Table 21

Great Northern Mall Anchor Tenant Sales

	Sq. ft.	2017 sales per sq. ft. ($)	2017 total sales (mil. $)	2017 chainwide average sales per sq. ft. ($)(ii)	2017 chainwide average total sales (mil. $)(ii)
Macy's	238,261	155	37.0	151	23.0
Dillard's	214,653	93	20.0	117	19.7
Sears	179,624	76	13.7	91	10.9
JC Penney(i)	165,428	102	16.9	102	10.7

(i)Ground lease. (ii)Provided by appraiser and issuer.

The property includes four other major tenants--Dicks Sporting Goods, Regal Cinemas, Forever

21, and H&M--representing 27.2% of the collateral sq. ft. These major tenants generate 15.0% of the gross rental income, as calculated by S&P Global Ratings. The property also has 107 in-line, restaurant, temporary, and food court tenants, and 13 vacant units ranging from 120 sq. ft.-5,038 sq. ft. The property's comparable in-line sales for tenants reporting data for at least one year and excluding food court, kiosk, and other tenants was $336 per sq. ft., as calculated by S&P Global Ratings, for the TTM ending February 2018. We calculated in-line occupancy costs of 15.6% by dividing the sum of the base rent, including rent steps one year out, and reimbursements by sales for the TTM ending February 2018. We included HVAC and utilities reimbursements in our calculation.

Tenant rollover

The property has noteworthy rollover risk during the fully extended loan term in 2020 and 2021 when 19.4% and 31.4% of the NRA and 17.6% and 9.0% of S&P Global Ratings' calculated in-place base rent expires, respectively (see table 22). JC Penney (27.9% of NRA) is the largest tenant expiring in 2021.

Table 22

Great Northern Mall Tenant Rollover

Year	No. of leases expiring	NRA (sq. ft.)	% per sq. ft.	% of S&P Global Ratings' base rent
2018	9	35,376	6.0	6.2
2019	15	45,027	7.6	9.9
2020	17	115,049	19.4	17.6
2021	9	186,009	31.4	9.0
2022	8	13,203	2.2	5.6
2023	5	29,916	5.1	8.3
2024	9	27,631	4.7	11.8
2025	3	12,232	2.1	5.7
2026	7	15,710	2.7	5.6
2027	3	2,882	0.5	1.5
2028	1	43,995	7.4	6.1
2029 and beyond	6	6,696	1.1	3.8
Non-collateral tenants	3	0	0.0	1.2
MTM	11	35,44	6.0	7.6
Vacant	14	22,818	3.9	N/A
Total	120	592,018	100.0	100.0

NRA--Net rentable area. MTM--Month to month. N/A-—Not applicable.

Historical performance

During 2015-2017, the property's occupancy rate, including temporary tenants, fluctuated between 88.4% and 96.5% and maintained a 92.5% average occupancy. Sales per sq. ft. for in-line tenants declined slightly during that period (see table 23). We did not calculate historical in-line sales.

Table 23

Great Northern Mall's Historical Performance(i)

Year	In-line occupancy (%)(i)	In-line sales per sq. ft. ($)
Feb. TTM	91.0	392
2017	96.5	392
2016	94.1	419
2015	88.4	407

(i)Based on historical information provided by the issuer and appraiser. TTM--Trailing 12 months.

Market summary

Great Northern Mall is located in the Cleveland MSA. According to the appraiser, the Cleveland MSA is the largest in Ohio with 2.8 million residents. However, the population has been shrinking for many years resulting in an older, median age of 41--three years older than the national average--and a less wealthy population, with a household income level roughly 9.0% below the national average. However, the cost of living is lower as well. Recent employment growth was driven primarily by industries such as leisure/hospitality, education/health services, trade/transportation/utilities, and financial services, while the manufacturing, construction, information, and business services industries all experienced employment losses over the same period. According to the appraiser, Northeast Ohio's manufacturing job losses should be countered by growth in high-paying jobs across the health and medical fields over the next several years. According to the appraiser, the Cleveland MSA's population remained flat between 2010 and 2017, which is in contrast to statewide average annual growth of 0.3% during the same time period. According to the Bureau of Labor Statistics, the Cleveland MSA's unemployment rate averaged 6.5% between 2006 and 2016, which is below the state and nationwide averages of 7.0% and 6.8%, respectively, during the same time period. The unemployment rate in the Cleveland was 4.7% as of March 2018, in line with the state average and 0.6% above the national average during the same period. Great Northern Mall's primary trade area is 10 miles. The primary trade area's population is 599,035 and the average household income is $74,567 as of 2017, which is in line with the U.S. average.

Historical cash flow

We reviewed the property's historical cash flow and the cash flows that the issuer and appraiser reported to determine our view of a sustainable cash flow for the property (see table 24).

Table 24

Great Northern Mall Historical And Underwritten Cash Flow

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Effective gross income ($)(i)	17,649,490	18,587,700	18,413,695	18,266,011	17,594,052	17,434,264
Total operating expense ($)	8,008,622	9,213,375	8,557,368	8,681,364	8,597,225	8,680,456
Total capital items ($)(ii)	-	-	-	-	1,271,788	1,303,980

Table 24

Great Northern Mall Historical And Underwritten Cash Flow (cont.)

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
NCF ($)	9,640,868	9,374,325	9,856,328	9,584,647	7,725,040	7,449,827
Capitalization rate (%)						7.75
S&P Global Ratings' value ($)						96,126,806
S&P Global Ratings' value per sq. ft. ($)						162

See table 25b for notes.

Historical Cash Flow And S&P Global Ratings' Cash Flow Notes

Table 25A

Cash Flows: SRP5 Portfolio

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Income ($)						
Gross potential rent(i)					89,801,078	86,369,619
Base rent	77,497,112	78,339,677	82,302,535	82,160,398	-	
Less: vacancy loss(ii)	-	-	-	-	(8,072,107)	(8,003,954)
Expense reimbursement(iii)	38,548,229	35,036,212	29,304,727	29,028,696	28,608,755	30,219,688
Percentage rent(v)	1,857,273	1,877,062	1,382,003	1,214,959	1,129,618	973,594
Other income(iv)	1,222,421	1,702,836	1,089,788	1,090,610	1,090,610	1,090,610
Kiosks / temporary / specialty(v)	7,874,691	8,281,464	8,917,881	8,907,584	8,907,584	8,318,530
Marketing revenue(iv)	2,900,855	2,366,086	1,962,288	1,970,372	1,970,372	1,970,372
Utility reimbursement(vi)	3,921,855	3,110,820	3,549,471	3,562,215	3,562,215	3,723,760
Effective gross income	133,822,436	130,714,158	128,508,693	127,934,835	126,998,126	124,662,220
Expenses ($)						
Real estate taxes(vii)	21,386,621	21,870,898	19,555,731	19,595,192	21,664,928	21,678,627
Property insurance(v)	1,977,671	1,712,952	1,568,961	1,544,495	1,557,280	1,745,039
Utilities(iv)	7,610,616	6,872,954	7,099,294	7,173,229	7,173,229	7,173,229
Repairs and maintenance(iv)	5,185,802	4,793,871	5,082,617	5,068,588	5,068,588	5,218,108
Janitorial(iv)	2,715,476	2,926,968	2,849,193	2,837,957	2,837,957	2,837,957
Management fees(viii)	3,863,027	3,802,286	4,057,105	4,145,830	3,995,794	4,280,452
Payroll(iv)	6,692,964	7,234,637	7,476,260	7,529,188	7,529,188	7,529,188
Other(iv)	3,945,988	3,956,236	4,428,327	4,421,833	4,421,833	4,421,833

Table 25A

Cash Flows: SRP5 Portfolio (cont.)

	2015	2016	2017	TTM (ended February 2018)	Issuer	S&P Global Ratings
Ground rent(vii)	128,241	128,241	128,241	128,241	134,733	134,733
Total operating expense	53,506,407	53,299,042	52,245,731	52,444,553	54,383,531	55,019,167
Capital items ($)						
Leasing commissions(ix)	-	-	-	-	2,764,301	2,154,629
Tenant improvements(x)	-	-	-	-	2,764,301	3,344,969
Capital reserves (xi)	-	-	-	-	940,022	940,023
Total capital items	-	-	-	-	6,468,625	6,439,621
NCF ($)	80,316,030	77,415,116	76,262,961	75,490,282	66,145,969	63,203,432
Capitalization rate (%)						7.62
Additions/subtractions to value ($)						(6,493,247)
S&P Global Ratings' value ($)						822,844,360
S&P Global Ratings' value per sq. ft. ($)						249

See table 25b for notes.

Table 25B

Cash Flow Notes: Great Northern Mall

(i)	Based on in-place rents as of the Feb. 2018 rent roll. Vacant tenant spaces are grossed up at the average in-place rent.
(ii)	Based on actual economic vacancy as of Feb. 2018, as calculated by S&P Global Ratings, for Capital Mall and Great Northern Mall. Based on 6% for Plaza West Covina, Franklin Park Mall, and Parkway Plaza Mall.
(iii)	Based on in-place reimbursements as of the Feb. 2018 rent roll. Vacant tenant spaces are grossed up at the average in-place reimbursement amount.
(iv)	Based on Feb. 2018 TTM.
(v)	Based on average of 2015, 2016, and Feb 2018 TTM .
(vi)	Based on TTM grossed up less underwritten vacancy.
(vii)	Based on 2018 actual.
(viii)	Based on 5% of the effective gross income minus reimbursements, capped at $1 million.
(ix)	4% for new leases and 2% for lease renewals.
(x)	Calculated using the TI costs in table 26.
(xi)	Based on $0.30 per sq. ft. of the owned collateral.

TTM--Trailing 12 months. NCF--Net cash flow. TI--Tenant improvement. LC--Leasing commission.

S&P Global Ratings' Leasing Costs

Table 26

S&P Global Ratings' Leasing Costs

	Anchor	Major	In-line	Kiosk	Food court	Restaurant
New TIs ($)	5.00-6.00	5.00-8.00	8.00-15.00	54.00	30.50	8.50-17.00
Renewal TIs ($)	2.50-3.00	2.50-4.00	4.00-7.50	27.00	15.25	4.25-8.50
Renewal probability (%)	65	65	65	65	65	65
Assumed lease term (years)	10	10	5	5	5	10

TI--Tenant improvements.

Property Evaluation Details

During our property evaluation, we performed the following reviews:

- Conducted site inspections for all five of the properties;
- Derived NCFs for each of the five properties and valued each of the properties based on a review of property-level operating statements, the borrowers' budgets, and appraisal reports;
- Reviewed management and sponsorship, which included discussions with property management;
- Reviewed third-party appraisals, environmental reports, engineering reports, and, if applicable, seismic reports for the properties; and
- Reviewed the legal matters that we believed were relevant to our analysis, as outlined in our criteria. We reviewed the current drafts of the major transaction documents, including the loan agreement, offering circular, and trust and servicing agreement to verify compliance with our criteria and to understand the mechanics of the underlying loans and the transaction.

Scenario Analysis

We performed several 'AAA' stress scenario analyses to determine how sensitive the certificates would be to a downgrade during the loan term.

Effect of declining rental income

A decline in net rental income may constrain cash flows available for debt service. A decline in cash flows may occur because of falling rental rates, occupancy levels, changes to operating expenses, or other factors that may decrease a property's net income. To analyze the effect of a decline in cash flows on our ratings, we have developed scenarios in which the NCF from the portfolio decreases by 10%-40% from our current cash flow conclusion, which is 5.5% lower than the issuer's underwritten NCF. (See table 27 for the effect on S&P Global Ratings' LTV under these scenarios, holding constant S&P Global Ratings' weighted average capitalization rate of 7.62%, and the resulting potential transition in the ratings on the certificates).

Table 27

Effect Of Declining Rental Income On S&P Global Ratings' Ratings

Decline in S&P Global Ratings' NCF (%)	0.00	(10.00)	(20.00)	(30.00)	(40.00)
Potential rating migration from 'AAA'	AAA	AA	A+	BBB+	BB+

NCF--Net cash flow.

Related Criteria

- General Criteria: U.S. Government Support In Structured Finance And Public Finance Ratings, Dec. 7, 2014
- Criteria - Structured Finance - CMBS: Insurance Criteria For U.S. And Canadian CMBS Transactions, June 13, 2013
- General Criteria: Methodology And Assumptions: Assigning Ratings To Bonds In The U.S. Based On Escrowed Collateral, Nov. 30, 2012
- Criteria - Structured Finance - CMBS: CMBS Global Property Evaluation Methodology, Sept. 5, 2012
- Criteria - Structured Finance - CMBS: Rating Methodology And Assumptions For U.S. And Canadian CMBS, Sept. 5, 2012
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria - Structured Finance - CMBS: Assessing Borrower-Level Special-Purpose Entities In U.S. CMBS Pools: Methodology And Assumptions, Nov. 16, 2010
- Criteria - Structured Finance - General: Global Methodology For Rating Interest-Only Securities, April 15, 2010
- General Criteria: Understanding S&P Global Ratings' Rating Definitions, June 3, 2009
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009
- Legal Criteria: Legal Criteria For U.S. Structured Finance Transactions: Special-Purpose Entities, Oct. 1, 2006
- Legal Criteria: U.S. Legal Criteria for "Recycled" Special-Purpose Entities, Sept. 19, 2002

Related Research

- Global Structured Finance Outlook 2017, Jan. 4, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- U.S. And Canadian CMBS Diversity Adjustment Factor Matrices, Sept. 5, 2012

- Application Of CMBS Global Property Evaluation Methodology in U.S. And Canadian Transactions, Sept. 5, 2012

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?," March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings," Oct. 24, 2013; "Counterparty Risk Framework Methodology And Assumptions," June 25, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," Oct. 1, 2012; "Methodology: Credit Stability Criteria," May 3, 2010; and "Use of CreditWatch And Outlooks," Sept. 14, 2009.