

In The News

# Akerman Partner William Bernfeld Projects Distressed Real Estate Increase in 2024

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Real Estate Partner William Bernfeld spoke with *Law360* about the increasing rate of commercial mortgage-backed securities loans and which asset classes are experiencing the most delinquency or special servicing. Given the high interest-rate environment, he projects the distress rate to increase over the next 18-24 months.

Regarding the multifamily market, Bernfeld said: “Multifamily is impacted because of interest rates. When a loan becomes due, the rents aren’t quite there to support it. Multifamily used to be the safe haven. Real estate follows the laws of physics. It’s not immune. There’s no alchemist out there that’s figured out a way around that.”

Bernfeld also described the office market: “There’s a flight to quality. It’s a tenant market. If you have an A class office building in a major market, you’re doing better than the office buildings that are maybe a B class.”

“[Tenants] want more free rent, more concessions. Inflation makes for strange bedfellows. Now the tables have turned.”

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William J. Bernfeld

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