

This report does not constitute a rating action.

The aim of this newsletter is to provide a periodic update of selected commentaries and rating actions from S&P Global Ratings related to real estate. This edition covers the period from March 3, 2025, to 11:00 a.m. GMT on March 17, 2025.

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## Research Highlights

### North America

#### **Bulletin: CareTrust REIT Inc.'s Acquisition Of Care REIT PLC Will Enhance Scale And Diversification; Modestly Increase Leverage (March 12, 2025)**

**Practice:** Corporates

**Segment:** Commercial

Our ratings on CareTrust REIT Inc. (BB+/Stable/--) are unaffected by its agreement to acquire Care REIT PLC. The company's scale and diversification would improve following the acquisition, while its leverage would increase modestly as a result of the transaction, though we expect it to remain well within the range for the current rating. The transaction remains subject to Care REIT shareholder approval, with closing expected in the second quarter of 2025.

[Click here to access the report »](#)

#### **Bulletin: Acquisition Of Redfin May Support Rocket Mortgage LLC's Goal To Gain Share In End-To-End Home Transaction Process (March 11, 2025)**

**Practice:** Financial Institutions

**Segment:** Residential

The acquisition of Redfin, a digital real estate broker, is an important step in the strategy of Rocket Mortgage LLC (BB/Stable/--) and indirect parent Rocket Cos. Inc. (Rocket) to grow market share in originating mortgages for home purchases and to generally become more integrated in the end-to-end process of buying and selling homes.

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## Latin America

### **Bulletin: InRetail Shopping Malls' Operating Costs Will Modestly Increase After Real Plaza Trujillo Mall Accident (March 3, 2025)**

**Practice:** Corporates

**Segment:** Commercial

The collapse of shopping mall Real Plaza Trujillo's food court roof in Trujillo, Peru, will pressure costs for InRetail Shopping Malls and likely temporarily affect EBITDA and cash flow. However, we don't expect the event to have near-term implications for our ratings on InRetail Shopping Malls (ISM; BB+/Stable/--). Real Plaza Trujillo represents close to 6% of ISM's annualized revenue and EBITDA. Local authorities continue to investigate the cause of the collapse. We will monitor the outcome, including how and when ISM will resume its activities at Real Plaza Trujillo, and adjust our base case accordingly.

[Click here to access the report »](#)

## Europe, Middle East, Africa

### **Dutch Covered Bond Market Insights 2025 (March 11, 2025)**

**Practice:** Structured Finance

**Segment:** Commercial, Residential

In this report we present the local covered bond market, explain how the relevant legal framework works, provide an overview on the local mortgage market, and compare key characteristics of out rated programs.

Dutch covered bond issuance in 2024 exceeded the past decade's average and outpaced the growth of European benchmark issuances. Asset-liability mismatch continues eroding excess spread in Dutch programs, but the overcollateralization buffer provides a safe cushion around the 'AAA' ratings on the covered bonds. The key challenge for Dutch residential housing is unchanged: the supply side struggles to keep up with rising demand, thereby keeping homes at increasingly hard-to-afford levels.

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### **Bulletin: Alstria Office REIT-AG's Proposed Benchmark Sized Notes Will Support Liquidity (March 10, 2025)**

**Practice:** Corporates

**Segment:** Commercial

The proposed benchmark sized senior unsecured bond, launched by German office landlord Alstria Office REIT-AG (Alstria; BB/Negative/--) on March 10, will likely support the company's liquidity and debt maturity profile once the transaction is completed.

Our negative outlook on Alstria reflects the risk that its credit metrics may not improve back to our current 'BB' rating thresholds. We will closely monitor Alstria's refinancing and deleveraging activities over the next few quarters and update our analysis once we have more visibility on the deleveraging process.

[Click here to access the report »](#)

## European Building Materials Issuers Could Withstand Potential U.S. Tariffs (March 3, 2025)

**Practice:** Corporates

**Segment:** Commercial, Residential

The effects of potential U.S. tariffs on European building materials issuers would be minor. This is particularly the case in heavy industry, where cross-continental trade is limited. We believe any direct effects on the profitability of European light-industry building materials producers would be temporary and moderate. Instead, indirect consequences--such as higher inflation and construction costs, reduced business confidence, and lower volumes--would be more relevant and could exacerbate the existing housing affordability crisis. Moderate macroeconomic implications alone are unlikely to put pressure on the ratings on European building materials issuers with operations in the U.S. Possible retaliation measures from the EU could weaken household confidence and volumes in Europe, which could ultimately result in more rating pressure on lower-rated and less geographically diversified European building materials companies.

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## Asia-Pacific

### Bulletin: Swire Pacific Has Resources To Control Leverage (March 14, 2025)

**Practice:** Corporates

**Segment:** Commercial, Residential

Swire Pacific Ltd.'s profit growth and capital recycling could help offset the effect of elevated investments and commitment to shareholder return. Although its credit headroom on leverage will remain limited, we expect the group to manage its financial metrics in line with the current rating level in the medium term. Swire Pacific (A-/Stable/--) is likely to deliver about 10% EBITDA growth per annum during 2025-2027 from continued investment. A gradual launch of new investment properties, sales of residential projects, and margin gains in the beverage business should drive EBITDA growth. This could compensate for further office rental declines when leases are renewed; we forecast Hong Kong's grade-A office rents to fall by 8%-10% in 2025. At the same time, the aviation contribution is likely to remain steady.

[Click here to access the report »](#)

### How We Analyze Small-Ticket Commercial Real Estate Assets In Australian And New Zealand Structured Finance (March 12, 2025)

**Practice:** Structured Finance

**Segment:** Commercial

Small-ticket commercial mortgage-backed securities are gaining attention as small commercial property lending becomes a growing segment for the nonbank lending sector. For these lenders, securitization serves as a crucial source of funding. In this report, we explain our analytical approach to assessing the small commercial property loans included in collateral pools backing Australian and New Zealand structured finance transactions and answer some frequently asked questions.

[Click here to access the report »](#)

## China's Latest Budget Shows A Willingness To Take On More Debt (March 10, 2025)

**Practice:** Cross-practice

**Segment:** Commercial, Residential

The Chinese government announced its much awaited budget for 2025 in the middle of last week. We believe the government largely delivered what it had indicated since late last year: a budget that would include significant support for the economy. Businesses and investors are reportedly looking forward to such support as Chinese economic growth continues to be weighed down by the weaknesses in real estate activities and a crackdown on off-budget local government spending.

In this report we answer some questions that may be on investors' minds regarding what the greater willingness to take on more debt means for the economy and government finances.

[Click here to access the report »](#)

## Korea's High Household Debt Will Test Policy Effectiveness And Bank Resilience (March 9, 2025)

**Practice:** Financial Institutions

**Segment:** Commercial, Residential

Korea's high household debt will likely continue to hinder economic growth and test financial institutions. The Bank of Korea has started lowering its policy interest rate since October 2024. However, heavy debt loads seem to be limiting a material recovery in consumer spending, which domestic political uncertainties have further dampened.

In our view, recent deregulation of the Seoul housing market and policy rate cuts could lead to higher credit growth, thereby challenging the government's plan to reduce the high household debt-to-nominal GDP ratio gradually over the next several years. Expectations of rising housing prices could lead to higher appetite for purchasing houses rather than other types of spending. While housing market conditions in regional areas remain weak, it's unlikely that the so-called wealth effect in certain residential districts in Seoul will spur a jump in overall domestic demand.

[Click here to access the report »](#)

## Hong Kong Banks And Property: Mapping The Contagion Effects (March 5, 2025)

**Practice:** Financial Institutions

**Segment:** Commercial, Residential

The Hong Kong property market's coordinated downturn poses contagion risks. Prices have been falling since late 2021 in the city's retail, commercial and residential property markets. We believe this downturn will undermine rated developers' credit strength and will likely continue to hit banks, particularly small and midsized banks.

The Hong Kong property market suffers from oversupply--this is the thread that connects the downturn in the three subsegments: residential, commercial and retail.

Hong Kong's three largest banks--The Hongkong and Shanghai Banking Corp. Ltd. (including Hang Seng Bank Ltd.), Bank of China (Hong Kong) Ltd., and Standard Chartered Bank (Hong Kong) Ltd.--have manageable exposure. They mainly lend to the largest developers and landlords, which typically own property in prime locations, and which have pledged substantial collateral against their loans. The picture shifts for small and midsize banks. We believe such lenders are more exposed to small property firms, or developers that are aggressively leveraged or heavily exposed to nonprime properties.

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## **RMBS Performance Watch: Australia Market Overview Q4 2024**

**Practice:** Structured Finance

**Segment:** Residential

"RMBS Performance Watch: Australia" provides a comprehensive analysis of arrears statistics on loans underlying Australian RMBS.

[Click here to access the report »](#)

## **An Overview Of India's Residential Mortgage And RMBS Market (March 3, 2025)**

**Practice:** Structured Finance, Financial Institutions

**Segment:** Residential

Growing issuer and investor interest has increased attention to the securitization of financial assets in India. As one of the fastest-growing economies in the world, India's favorable demographics, pace of urbanization, growth in disposable income, and government incentives support market growth. In time, developing offshore investor interest will likely lead to further issuance of residential mortgage-backed securities (RMBS), with the potential for cross-border issuance. In this article, we share an overview of India's housing, mortgage, and RMBS markets; the financial landscape that supports their growth; and highlights key rating considerations.

[Click here to access the report »](#)

## **Bulletin: Aeon Mall: Group Integration To Further Constrain Creditworthiness (March 3, 2025)**

**Practice:** Corporates

**Segment:** Commercial

If Aeon Mall becomes a wholly owned subsidiary of Aeon, our rating on the Japanese mall operator will be further constrained by its parent. Therefore, our rating on Aeon Mall would likely remain at the current level if it becomes a wholly owned subsidiary of parent company Aeon.

[Click here to access the report »](#)

## **Bulletin: Sun Hung Kai's Financial Discipline Will Mitigate Margin Pressure, Aid Debt Reduction (March 3, 2025)**

**Practice:** Corporates

**Segment:** Commercial, Residential

Sun Hung Kai Properties Ltd. (SHKP) will likely continue to reduce debt by prudently spending on land and controlling capital expenditure. Such financial discipline will help the company tide over further margin declines amid continued soft home prices in Hong Kong.

[Click here to access the report »](#)

## Selected Rating Actions

### Non-Financial Corporations

- [Emaar Properties Upgraded To 'BBB+' On Strong Business Performance; Outlook Stable](#), March 17, 2025
- [Rayonier Inc. Ratings Placed On CreditWatch Positive On New Zealand Joint Venture Sale](#), March 12, 2025
- [STORE Capital LLC Outlook Revised to Positive on Sustained Low Leverage and Healthy Operating Performance; Ratings Affirmed](#), March 12, 2025
- [Property Company New Immo Holding Downgraded To 'BB-' After Same Action On Parent ELO; Outlook Stable](#), March 6, 2025
- [Longfor Downgraded To 'BB' From 'BB+' On Weakening Property Sales; Outlook Negative](#), March 5, 2025
- [China Vanke 'B-' Ratings Placed On CreditWatch Developing On Management Changes And Evolving Liquidity Situation](#), March 5, 2025
- [Tanger Inc. Outlook Revised To Positive On Low Leverage And Healthy Performance. Ratings Affirmed](#), March 3, 2025

### Financial Institutions

- [Deutsche Pfandbriefbank Outlook Revised To Stable On Stabilizing Asset Quality; 'BBB-/A-3' Ratings Affirmed](#), March 11, 2025

### Structured Finance – CMBS

- [BBCMS Mortgage Trust 2025-5C33 Certificates Assigned Ratings](#), March 13, 2025
- [Ratings Lowered On 12 Classes From Six U.S. CMBS Transactions Due To Interest Shortfalls; Three IO Classes Downgraded](#), March 11, 2025
- [Ratings Lowered On Five Morgan Stanley Capital I Trust 2018-BOP Classes](#), March 6, 2025
- [J.P. Morgan Chase Commercial Mortgage Securities Trust 2019-FL12 Ratings Lowered On Four Classes](#), March 4, 2025
- [BAMLL Commercial Mortgage Securities Trust 2019-BPR Ratings Lowered On Three Classes; Four Others Affirmed](#), March 4, 2025
- [Three J.P. Morgan Chase Commercial Mortgage Securities Trust 2013-LC11 Ratings Lowered](#), March 4, 2025

## Structured Finance – RMBS

- [QPCU Heroes Trust Repo Series No.1 Class A Notes Rating Affirmed After Additional Note Issuance](#), March 17, 2025
- [OBX 2025-NQM4 Trust Notes Assigned Ratings](#), March 14, 2025
- [Verus Securitization Trust 2025-2 Notes Assigned Ratings](#), March 14, 2025
- [Elstree 2025-1 1ST PLC U.K. RMBS Notes Assigned Ratings](#), March 13, 2025
- [A&D Mortgage Trust 2025-NQM1 Certificates Assigned Ratings](#), March 13, 2025
- [Triton Bond Trust 2025-1 Series 1 Prime RMBS Assigned Ratings](#), March 13, 2025
- [Castell 2023-2 PLC's Class B-Dfrd To F-Dfrd U.K. RMBS Ratings Raised; Two Ratings Affirmed](#), March 12, 2025
- [Various Rating Actions Taken On 182 Classes From 70 U.S. RMBS Transactions](#), March 11, 2025
- [Various Rating Actions Taken On 86 Classes From 11 U.S. RMBS Transactions](#), March 5, 2025
- [Think Tank Residential Series 2025-1P Trust RMBS Assigned Ratings](#), March 5, 2025
- [AFG 2025-1NC Trust In Respect Of Series 2025-1NC Nonconforming And Prime RMBS Assigned Ratings](#), March 4, 2025
- [APOLLO Series 2025-1 Trust Prime RMBS Assigned Ratings](#), March 4, 2025
- [Castell 2023-1 PLC Class B-Dfrd to E-Dfrd U.K. RMBS Ratings Raised; Two Ratings Affirmed](#), March 3, 2025

## Public Finance

- [Missouri Housing Development Commission Single-Family Mortgage Revenue Bonds Assigned 'AA+' Rating; Outlook Is Stable](#), March 13, 2025
- [U.K.-Based Social Housing Provider Bromford Flagship Ltd. 'A+' Rating Affirmed; Outlook Stable](#), March 4, 2025

## Covered Bonds

- [Korea Housing Finance Corp. US\\$15 Billion Global Covered Bond Series 2025-1 Rated 'AAA'; Other Ratings Affirmed](#), March 5, 2025

## Podcasts

- [Covered Bonds Uncovered - Episode 2](#), Feb. 7, 2025
- [Covered Bonds Uncovered](#), Dec. 17, 2024

## Webinar Replays

- [Request for Comment on Proposed Global CMBS Criteria](#), March 13, 2025
- [Australia's Home Underinsurance Could Spread Risks](#), Feb. 26, 2025
- [Is A Storm Brewing For The Hong Kong Property Sector?](#), Feb. 20, 2025
- [Outlook 2025 For European Social Housing Providers](#), Feb. 6, 2025
- [Australia And New Zealand Structured Finance Outlook 2025: Exploring New Horizons](#), Feb. 4, 2025
- [European Structured Finance Outlook 2025](#), Jan. 21, 2025

## Previous Edition Of Real Estate Digest

- [Real Estate Digest](#), March 3, 2025



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