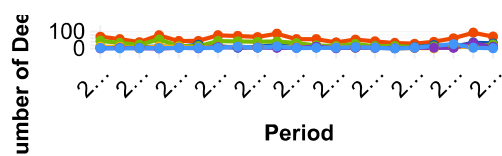


CHART OF THE DAY

Voluntary Foreclosure Activity Slows

Office Borrowers Are the Most Willing To Work With Lenders, CoStar Data Shows

Voluntary Foreclosures Come Down From Peak



All Deeds-in-Lieu Office Deeds-in-Lieu Retail Deeds-in-Lieu
Industrial Deeds-in-Lieu Multifamily Deeds-in-Lieu Hospitality Deeds-in-Lieu

Source: CoStar Group, June 2024



By [Mark Heschmeyer](#) and [Leslie Trejo](#)

CoStar News

June 12, 2024 | 12:19 P.M.

Voluntary commercial property foreclosures, called deeds-in-lieu, in the United States slowed from their peaks last year, according to CoStar data, an indication that, while still high, fewer owners are giving up their properties after failing to make loan payments.

There were 70 deeds-in-lieu in the first quarter of 2024. That is down from 93 in the fourth quarter of 2023 across office, industrial, multifamily, retail and hotel properties.

Deeds-in-lieu made up 41% of all recorded foreclosures in the first quarter, CoStar data shows. That was the second-highest percentage in the past five years, only bested by 46% in the fourth quarter of last year. The quarterly average over the past five years has been 16%.

Office deeds-in-lieu made up 43% of all voluntary foreclosures. Six in every 10 office building foreclosures in the first quarter were voluntary.

Retail was the only property sector in which deeds-in-lieu increased from the fourth quarter, from 15 to 23. For retail real estate, 40% of borrowers were willing to work with lenders in giving up properties.

Borrowers were less willing to work with lenders on the foreclosure of multifamily and industrial properties. Only 26% of all multifamily foreclosures in the first quarter were voluntary, and only 23% were for industrial properties.

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