



Atlanta's Tower Place 100 Shows Buildings at Crossroads

The situation at Tower Place 100 in Atlanta (\$212.5 million, GSMS 2018-TWR) illustrates the struggles of multi-tenant, Class A, fully-amenitized office buildings in still-recovering markets. The trophy, Class A office sub-segment generally has fully recovered from the pandemic in places such as New York and San Francisco. The top office buildings enjoy competitive advantage amid limited construction and tenant preferences, leaving Class B office trailing [far behind](#).¹ The poor performance and murky outlook of properties such as Tower Place contrast with the Class A office resurgence.

Tower Place is one of those cases that makes it hard to pinpoint the catalyst (and timing) for turning a corner. The 29-story, 790K sf, building in Atlanta's affluent Buckhead submarket features extensive amenities, high walk and transit scores, and an attractive location right next to Simon's Lenox Square and multiple other hotels and restaurants. The property's management appears to be taking the right steps to maintain the building's positioning and attract tenants.

Yet Tower Place has meaningful vacancies across almost every floor. The loan itself has accumulated significant advances and shortfalls (Figure 1). The master servicer triggered non-recoverability. All told, it is not clear if Tower Place is mostly a victim of the yet-to-recover Atlanta office market, or if it is something more specific to the property itself. Local brokers assert that the building will do well down the road, based on conversations we had last week. If the building does bounce back, it may not be in time to prevent a substantial loss to the trust.

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Figure 1. Tower Place 100 Loan and Property Parameters

Tower Place 100			
Balance	\$212,500,000		
Deal Name	GSMS 2018-TWR		
Loan Type	Floating-rate, interest only		
Maturity	July 2023		
Coupon	SOFR + 217 bps		
Loan Status	Matured Non-Performing		
Property Type / Size	Office: 718,000 square feet Retail: 72,000 square feet		
Year Built / Renovated	1974 / 2017		
Location	Atlanta, GA		
Rent Roll As Of	<u>As Of March 2024</u>	<u>Securitization (UW)</u>	
Occupancy	55%	87%	
Largest Tenant (% SF)	Terminus Software (5.2%)	WeWork (10.7%)	
Second Largest Tenant (% SF)	Barnes & Thornburg (4.5%)	Terminus Software (5.2%)	
Third Largest Tenant (% SF)	RGN-Atlanta (2.6%)	Catlin, Inc (4.9%)	
Other Information			
Appraisal History			
		August 2024	\$153.0 MM
		June 2018	\$277.0 MM
Loan Level Cash Reserves			
		Tenant Reserves	\$99,438
		Other Reserves	\$17,825
Servicer Advancing & ASERs			
		Principal & Interest	\$16.9 MM
		Taxes & Insurance	\$1.9 MM
		Other Advances	\$4.6 MM
		Advance Interest	\$4.6 MM
		Cumulative ASERs	\$3.5 MM

Source: Bloomberg, deal documents, and Academy Securities

¹ "Office Modifications: "Left Behind" Properties in a Recovering NYC Market," CMBS Credit Focus, Academy Securities, January 7, 2026

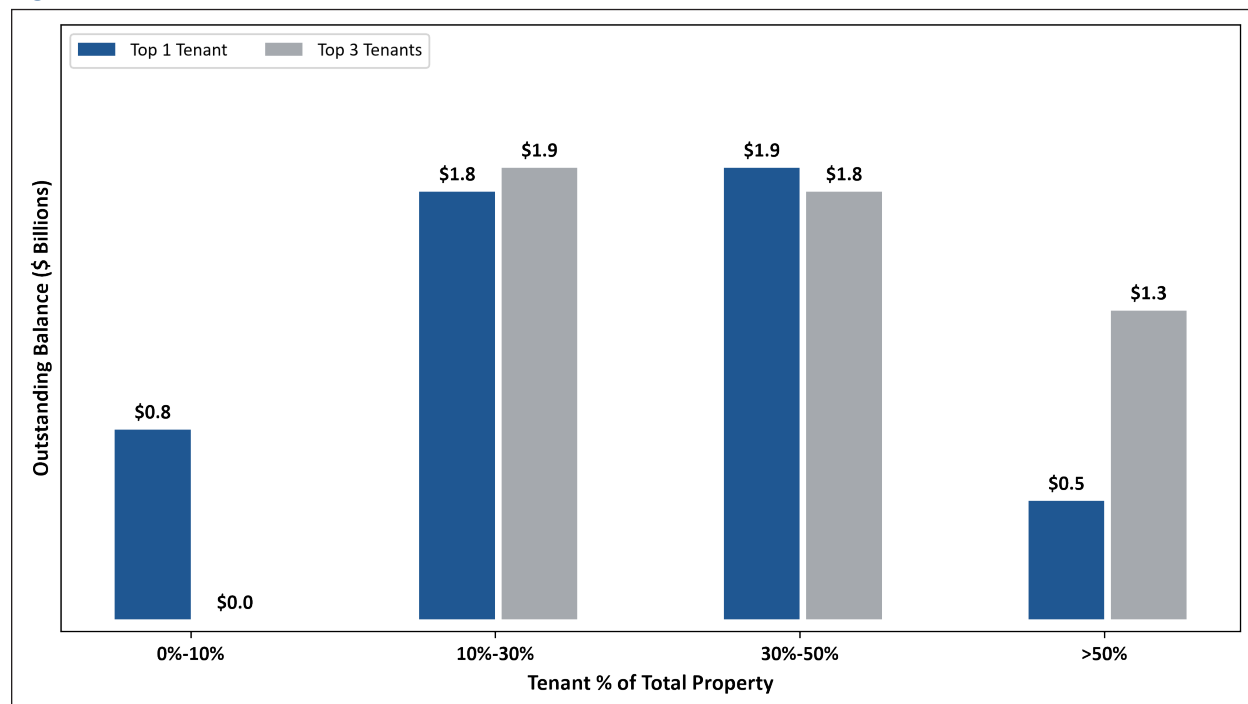
Tenant Granularity is Another Moving Part in Office Distress

Tower Place spotlights the role of tenant granularity in driving property performance and prospects. Tower Place features highly granular tenancy. The top tenant occupies only 5.25% of the gross leasable area (GLA). The top-3 tenants occupy 12.36% of the GLA. At issuance, Tower Place’s largest tenant was WeWork, occupying 11% of the GLA. The WeWork space closed following the coworking company bankruptcy in 2023. The subsequent departure of other tenants left the building with 55% occupancy, compared to 87% at issuance.

Tower Place granular tenancy contrasts with the anchor-driven tenancy of other distressed office properties such as [Worldwide Plaza](#) in Manhattan (\$940 million, WPT 2017-WWP and a few conduits), [Bravern Office Commons](#) in Bellevue, WA (\$304 million, BAMLL 2020-BOC and BANK 2020-BN26) and 181 West Madison Street in Chicago (\$230 million, JPMCC 2020-LOOP and three 2020-vintage BMARK conduits).²

The departure of an anchor tenant with no replacement can deal an immediate devastating blow to a property. In multi-tenant buildings, such as Tower Place, an occupancy downward spiral can be more gradual. In turn, successful leasing of a vacant anchor space can quickly revive distressed office performance. In contrast, Tower Place most likely will need a fairly long successive lease executions to stabilize the property cashflows. Tenant granularity across large distressed office properties varies a bit (Figure 2). The aggregate data does not necessarily send a clear message on how, or if tenant concentration is driving distress. Still, the volume of distressed office loans with highly granular tenancy, such as Tower Place, is relatively low compared to the volume of properties reliant on large/anchor tenants.

Figure 2. Multi- and Anchor-tenant Distressed Office



Source: Morningstar Credit and Academy Securities

² “Control Rights: Track the Interplay of Co-Lender and Intercreditor Agreements,” CMBS Credit Focus, Academy Securities, December 3, 2025; “Mod Substantiations: Tracking a Shift in Distressed Workouts,” CMBS Credit Focus, Academy Securities, June 2, 2026

Multi-Tenant Office: Pinpointing Recovery Catalysts

Leasing Intel and Property Visit Offer Mixed Signals

Detailed public information on Tower Place’s leasing availability, as well as a visit to the property last week, underscore open questions about the building’s future. There is space availability across most floors of the building, ranging from 917 sf on floor 16 to 20,744 sf on floor 10. Interestingly, the publicized asking rates are almost the same across all floors. For example, the rate on the four available spaces on floor 1 is \$39.5/sf. The spaces available on floors 17 through 26 have a rate of \$42/sf. Tower Place asking rates are in line with the average asking rate for Class A space in Buckhead, which reached \$40.23/sf as of Q2 2026, according to commercial brokers.

A visit to Tower Place last week suggested potential for a brighter future. The building and some of the common areas we visited clearly look inviting and well-maintained (Figure 3). The nearby Lenox Square was buzzing with activity. The neighborhood around Tower Square feels like an active business district. On the flip side, foot traffic right around Tower Square was thin on a weekday afternoon. A bit convoluted street configuration did make Tower Place feel slightly isolated, rather than an urban office building at the center of all action. Still, we did not sense this creates a major headwind for the property in and of itself.

Figure 3. Tower Place 100, as of September 22, 2026



Source: Academy Securities

Our visit to the building reinforced the question mark over the recovery catalyst for Tower Place. Across Buckhead, as well as the overall Atlanta market, there is essentially no new office construction. Atlanta has numerous office-to-alternative-use conversion projects in process, which will further limit the office supply across the metro. Fundamentals begin to show signs of stabilization in Buckhead, according to commercial brokers. The overall vacancy rate in the submarket declined by 60 basis points QoQ in Q2 2026, to 28.2%. A full-fledged office recovery in Atlanta could lift Tower Place with it. It is not clear if Tower Place itself can precede a broader market recovery.

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