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Saks Global Files Chapter 11

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Saks Global Holdings LLC, the parent company of Saks Fifth Avenue, Saks OFF 5TH, Bergdorf Goodman, Neiman Marcus, and Neiman Marcus Last Call, filed for Chapter 11 bankruptcy protection in the Southern District of Texas (Houston Division) on January 13, 2026. Saks Global was formed in July 2024 after Canada-based Hudson's Bay Co. (HBC) spun off its U.S. operations in preparation for the acquisition of Neiman Marcus Group. HBC separately filed for bankruptcy protection in March 2025 under the Companies' Creditors Arrangement Act in Canada. All 96 Canadian HBC stores, including 80 Hudson's Bay locations, three Saks Fifth Avenue stores, and 13 Saks OFF 5TH stores were either liquidated or shuttered by mid-2025. In the U.S., Saks Global operates approximately 170 locations across its four brands. KBRA Credit Profile (KCP), a division of KBRA Analytics, analyzed its commercial mortgage-backed securities (CMBS) coverage universe and identified 54 properties collateralizing 46 loans—$19.1 billion by allocated loan amount (ALA)—across 111 transactions with exposure to at least one Saks Global brand as either a collateral or non-collateral tenant. The exposure includes seven transactions with $1.9 billion in ALA tied to four properties associated with recently issued securitizations: International Plaza (INT 2025-PLAZA, BANK5 2025-5YR19, BBCMS 2025-5C38, BANK5 2025-5YR18), North Star Mall (BPR 2025-STAR), NorthPark Center (NRTH 2025-PARK), and Ellenton Premium Outlets (BANK 2025-BNK51). KCP subscribers can access a list of the identified loans and properties here.

Saks Global completed its $2.65 billion acquisition of Neiman Marcus in December 2024, which was financed by senior secured notes ($2.2 billion), an asset-based lending revolving credit facility, and equity contributions from various parties including Amazon, Authentic Brands Group, and Salesforce, among others. During 2025, Saks Global pursued cost and liquidity management measures in response to the higher interest burden, including store closures, workforce reductions, and slowing vendor payments. Notable store closures included the Saks Fifth Avenue Union Square flagship store in San Francisco and the Saks OFF 5TH Upper East Side flagship in New York. In November 2025, Saks Global announced plans to shutter nine Saks OFF 5TH locations in early 2026. Sales slowed throughout 2025, with multiple news sources reporting Q2 sales of $1.6 billion, down 13% year-over-year.

To strengthen its liquidity position, Saks Global obtained $300 million in up-front funding in June 2025 from a new $600 million financing package, consisting of a $400 million first-in, last-out (FILO) asset-based credit facility and $200 million in incremental financing. However, in mid-January 2026, the company failed to make an approximately $100 million interest payment and subsequently filed for bankruptcy protection. Following the filing, the bankruptcy court approved Saks Global's request for interim debtor-in-possession (DIP) financing, allowing the company to access $400 million of liquidity on an emergency basis. The interim approval is part of a broader $1.75 billion financing package that remains subject to final court approval.

Saks' financial position and bankruptcy filing pose risks to CMBS credit quality due to potential lease renegotiations or terminations, co-tenancy clause triggers, and possible store closures. Several large single-asset single borrower (SASB) transactions have outsized exposure to Saks, such as the Saks Fifth Avenue Building (SFAVE 2015-5AVE) and HBS Portfolio (HBCT 2015-HB10, HBCT 2015-HB7) loans.

The $1.25 billion Saks Fifth Avenue Building loan is collateralized by the ground underlying the 655,000 sf Saks Fifth Avenue flagship location in New York. A 99-year ground lease was executed between Saks & Company LLC, as ground lessor, and 12 East 49th Street, as ground lessee. Both entities were indirectly owned by HBC at issuance. KCP has been unable to verify a change in the borrower sponsor; however, with HBC having spun off its U.S. operations, sponsorship likely shifted to Saks Global. The circular ownership and lease structure adds complexity, especially if Saks vacates the non-collateral improvements through bankruptcy.

The $428.1 million HBS Portfolio loan is secured by the fee simple and leasehold interests in 26 properties totaling 3.4 million sf. The 26 properties house, or previously housed, 10 Saks Fifth Avenue stores (1.3 million sf) and 16 Lord & Taylor stores (2.1 million sf). At issuance, the loan was secured by 34 properties, with eight Lord & Taylor locations having since been released from the pool. The properties operated under master lease agreements with Saks & Company LLC (10 stores) and Lord & Taylor LLC (24 stores). Lord & Taylor was acquired by Le Tote in November 2019; however, Le Tote filed for bankruptcy in August 2020 and shuttered all stores by February 2021. The loan's sponsor at issuance, HBC, assumed the master leases related to Le Tote's Lord & Taylor locations in February 2021, thereby taking responsibility for all master lease payments associated with the collateral. The borrower failed to pay off the loan by its modified, fully extended maturity date in August 2025 and has since entered into multiple short-term forbearance agreements while pursuing a potential refinance. Special servicer comments in January 2026 reported additional forbearance was granted until March 2026, with options to extend further subject to various conditions. The recent bankruptcy announcement may further complicate refinancing efforts.

Meanwhile, Saks Global has been working to redevelop and re-tenant eight former Lord & Taylor stores as well as the Saks Fifth Avenue Beverly Hills property within the HBS Portfolio as part of ongoing efforts to repurpose legacy department store space. Plans have incorporated grocery, fitness, health care, office, life science, mixed-use, and experiential entertainment uses. Examples include the opening of Netflix House Philadelphia in the former Lord & Taylor location in King of Prussia, Pennsylvania, in November 2025. In addition, White Plains Hospital, Equinox, and Saks OFF 5TH backfilled the vacant Lord & Taylor store in Eastchester, New York. HBC also submitted plans to convert the Saks Fifth Avenue Beverly Hills property into a mixed-use complex comprising luxury retail, dining, apartments, spa, and co-working space in October 2022; the Beverly Hills City Planning Commission voted in favor of the project in August 2025. It remains unclear how the bankruptcy filing will impact redevelopment plans.

KCP will continue to monitor ongoing developments and report on potential consequences for CMBS collateral.