

# S&P says sharing office space giant WeWork in 'selective default'

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WeWork is in "selective default" with creditors, according to S&P.

Embattled flexible workspace provider WeWork is in "selective default" after failing to meet conditions set by debt holders, ratings agency S&P said Wednesday.

S&P's statement came a day after WeWork recounted its latest communications with creditors, saying in a securities filing that bond holders had given it a 30-day grace period on October 2 on interest payments.

On Tuesday, WeWork said that this forbearance agreement "will terminate in seven days," according to the filing.

The filing said WeWork had opted to withhold \$6.4 million in interest payments.

While WeWork maintained that it has liquidity to make this payment, the [company](#) has a 30-day grace period "before such non-payment constitutes an 'event of default,'" the filing said.

But S&P characterized the company's status as one of "selective default."

"In our view, this represents a selective default on various tranches of its capital structure because WeWork is distressed, did not meet its contractual obligation to pay interest in a timely manner, and did not adequately compensate all lenders for agreeing to temporarily waive their rights," S&P said, adding that it will reevaluate at the end of the seven-day stretch.

WeWork had warned in August that "substantial doubt exists about the company's ability to continue as a going concern."

WeWork has lost billions of dollars during the first six months of this year, with macroeconomic [conditions](#) weakening demand for its shared office spaces, the company told regulators.

The company has received heavy funding from SoftBank and was

previously associated with controversial founder Adam Neumann, who exited the business in 2019.

WeWork had been a celebrated star in the [sharing economy](#) that put a mammoth footprint in the commercial real estate of major cities around the globe.

Shares of WeWork plunged nearly 50 percent Wednesday to finish at \$1.22

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