



## Trepp CMBS Delinquency Rate Resumes Decline in July 2022; Headline Number Hits Another Post-COVID Low

After a rare uptick in June 2022, the Trepp CMBS Delinquency Rate resumed its two-year long decline.

In June, the rate inched up for only the second time since June 2020. In July 2022, the rate declined anew and has now fallen for 23 of the last 25 months. The July number also represented another post-COVID-19 low.

The Trepp CMBS Delinquency Rate in July was 3.06%, a decrease of 14 basis points from June.

The percentage of loans in the 30 days delinquent bucket is 0.09%, down nine basis points for the month.

Last month, the Trepp team asked rhetorically if market volatility, inflation, and higher interest rates, combined with an uptick in June's delinquency rate represented an inflection point for the market. The July numbers reveal that it is still too early to know.

Our numbers below reflect percentages that assume defeased loans are still part of the denominator.

### The Overall Numbers

- The overall US CMBS delinquency rate fell 14 basis points in July to 3.06%. (The all-time high on this basis was 10.34% registered in July 2012. The COVID-19 high was 10.32% in June 2020.)
- Year over year, the overall US CMBS delinquency rate is down 305 basis points.
- Year to date, the rate is down 151 basis points.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 2.97%, down five basis points for the month.

### CHART 1: DELINQUENCY STATUS

Current	96.44
30 Days Delinquent	0.09
60 Days Delinquent	0.07
90 Days Delinquent	0.63
Performing Matured Balloon	0.51 <sup>1</sup>
Non-Performing Matured Balloon	0.43
Foreclosure	1.08
REO	0.76

<sup>1</sup>Loans that are past their maturity date but still current on interest are considered current.

Source: Trepp

### CHART 2: DELINQUENCY RATE BY PROPERTYTYPE (% 30 DAYS +)

	22-JUL	22-JUN	22-MAY	3 MO.	6 MO.	12 MO.
<b>Overall</b>	<b>3.06</b>	<b>3.20</b>	<b>3.14</b>	<b>3.51</b>	<b>4.18</b>	<b>6.11</b>
Industrial	0.43	0.49	0.38	0.51	0.42	0.63
Lodging	5.60	5.94	5.83	6.34	8.37	12.94
Multifamily	0.94	1.03	1.02	1.20	1.81	4.52
Office	1.62	1.68	1.63	1.71	2.00	2.16
Retail	6.57	6.69	6.57	7.36	7.96	10.54

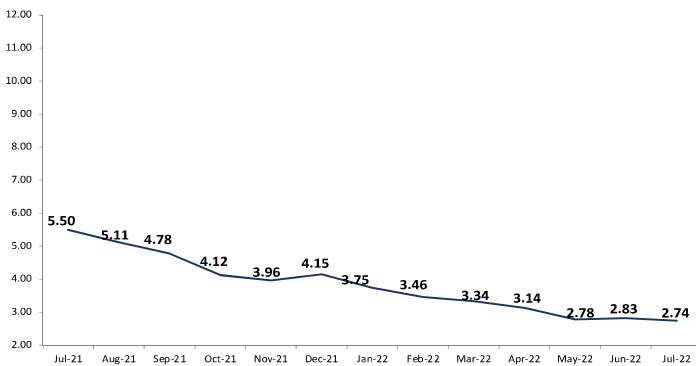
Source: Trepp

- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 3.23%, down 15 basis points from June.
- One year ago, the US CMBS delinquency rate was 6.11%.
- Six months ago, the US CMBS delinquency rate was 4.18%.

## The CMBS 2.0+ Numbers

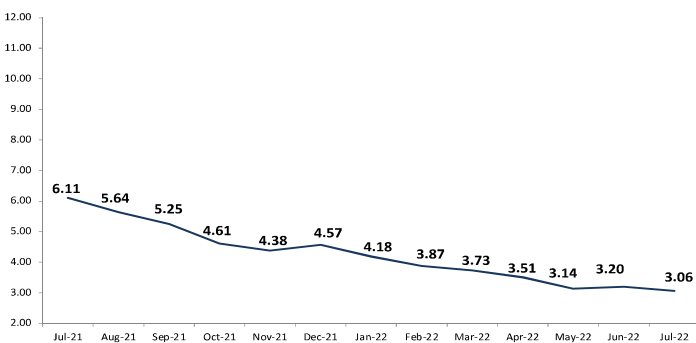
- The CMBS 2.0+ delinquency rate fell nine basis points to 2.74% in July. The rate is down 276 basis points year over year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 2.65%, unchanged for the month.
- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 2.88%, down 14 basis points for the month.

**GRAPH 1: THE CMBS 2.0+ DELINQUENCY RATE**



Source: Trepp

**GRAPH 2: PERCENTAGE OF CMBS MARKED AS 30+ DAYS DELINQUENT**



Source: Trepp

## Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate fell six basis points to 0.43%.
- The lodging delinquency rate dropped 34 basis points to 5.60%.
- The multifamily delinquency rate declined nine basis points to 0.94%.
- The office delinquency rate dipped six basis points to 1.62%.
- The retail delinquency rate fell 12 basis points to 6.57%.

## Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.19% (down four basis points month over month)
- Lodging delinquency rate: 5.51% (down 29 basis points)
- Multifamily delinquency rate: 0.94% (down 10 basis points)
- Office delinquency rate: 1.30% (up two basis points)
- Retail delinquency rate: 5.65% (down four basis points)



Looking for more Trepp content?

Subscribe to **TreppTalk**™ for free.

TreppTalk, Trepp's daily blog, leverages our market expertise and proprietary data sets in structured finance, commercial real estate, and banking.



For more information about Trepp's commercial real estate data, contact [info@trepp.com](mailto:info@trepp.com).

For inquiries about the data analysis conducted in this research, contact [press@trepp.com](mailto:press@trepp.com) or 212-754-1010.

## About Trepp

Trepp, founded in 1979, is the leading provider of data, insights, and technology solutions to the structured finance, commercial real estate, and banking markets. Trepp provides primary and secondary market participants with the solutions and analytics they need to increase operational efficiencies, information transparency, and investment performance. From its offices in New York, San Francisco, and London, Trepp serves its clients with products and services to support trading, research, risk management, surveillance, and portfolio management. Trepp subsidiary, Commercial Real Estate Direct, is a daily news source covering the commercial real estate capital markets. Trepp is wholly owned by Daily Mail and General Trust (DMGT).

The information provided is based on information generally available to the public from sources believed to be reliable.