



CMBS Delinquency Rate Wraps Up 2020 On Lower Note: Retail Improves, Lodging Worsens

The Trepp CMBS delinquency rate continued to recede for the last month of 2020. After two huge jumps in May and June, the rate has now declined for six consecutive months.

The Trepp CMBS Delinquency Rate in December was 7.81%, a decline of 36 basis points from the November number. The percentage of loans in the 30-days delinquent bucket is 0.84% – down 10 basis points for the month.

Hotel loans continued to be the worst-performing segment, with the overall delinquency rate for that property sector climbing for the second straight month.

In terms of loans in grace period, 2.77% of loans by balance missed the December payment but were less than 30 days delinquent. That was up 14 basis points from November.

Some other overall statistics:

The percentage of loans with the special servicer dipped to 9.81% in December from 10.16% in November. According to December servicer data, 24.1% of all lodging loans were in special servicing, down from 25.6% in November. In addition, 17.2% of retail loans were with the special servicer, down from 17.5% in November.

The percentage of loans on servicer watchlist in December was 21.4%, which was down from 21.9% the month before.

(Our numbers above reflect percentages that assume defeased loans are still part of the denominator.)

The Overall Numbers

- The overall US CMBS delinquency rate dropped 36 basis points in December to 7.81%. (The all-time high on this basis was 10.34% registered in July 2012.)
- The percentage of A/B loans (i.e. loans in grace period or beyond grace period) was 2.77% in December.
- Year over year, the overall US CMBS delinquency rate was up 547 basis points.

CHART 1: DELINQUENCY STATUS

Current	92.12
30 Days Delinquent	0.84
60 Days Delinquent	0.53
90 Days Delinquent	3.05
Performing Matured Balloon	0.06 ¹
Non-Performing Matured Balloon	1.11
Foreclosure	1.24
REO	1.04

¹Loans that are past their maturity date but still current on interest are considered current.

Source: Trepp

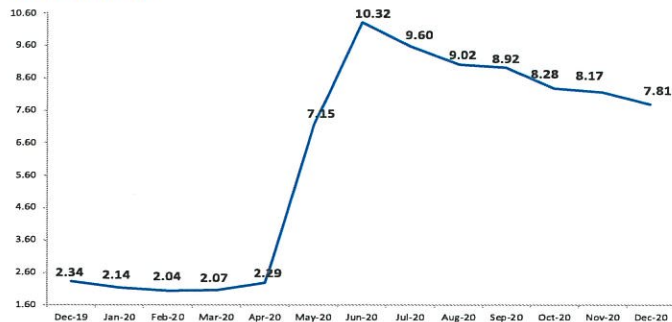
CHART 2: DELINQUENCY RATE BY PROPERTYTYPE (% 30 DAYS +)

	DEC-20	NOV-20	OCT-20	3 MO.	6 MO.	12 MO.
Industrial	1.14	1.10	1.53	1.07	1.57	1.45
Lodging	19.80	19.66	19.43	22.94	24.30	1.53
Multifamily	2.75	3.11	2.95	2.80	3.29	2.00
Office	2.18	2.27	2.49	2.28	2.66	1.98
Retail	12.94	14.21	14.33	14.76	18.07	4.42

Source: Trepp

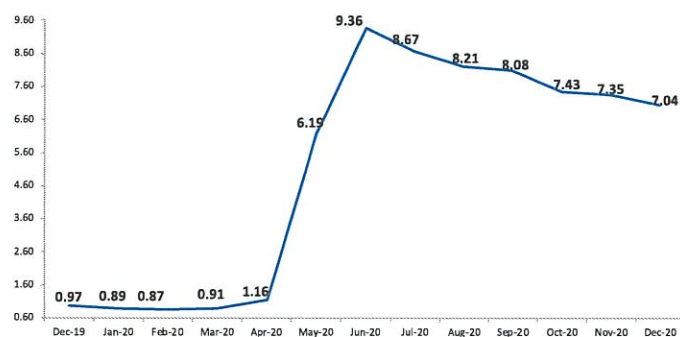
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 6.97%, down 26 basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 8.24%, down 35 basis points from November.
- One year ago, the US CMBS delinquency rate was 2.34%.
- Six months ago, the US CMBS delinquency rate was 10.32%.

GRAPH 1: PERCENTAGE OF CMBS MARKED AS 30+ DAYS DELINQUENT

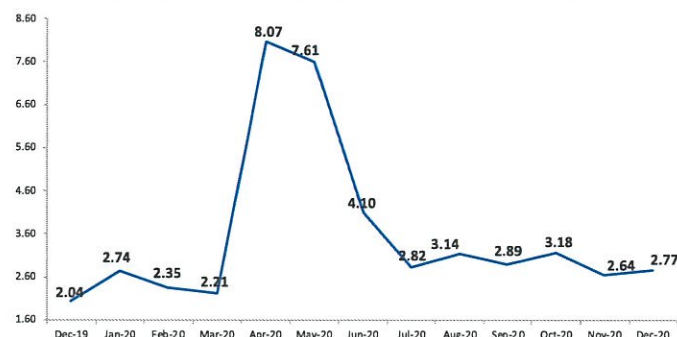


Source: Trepp

GRAPH 2: THE CMBS 2.0+ DELINQUENCY RATE



GRAPH 3: PERCENTAGE OF CMBS IN GRACE PERIOD OR BEYOND GRACE PERIOD (<30 DAYS BEHIND PAYMENT)



Source: Trepp

The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate fell 31 basis points to 7.04% in December. The rate is up 607 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 6.18%, which is down 21 basis points from November.
- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 7.42%, down 29 basis points for the month.

Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate inched up four basis points to 1.14%. (One year ago, the rate was 1.45%.)
- The lodging delinquency rate moved up 14 basis points to 19.80%. (One year ago: 1.53%)
- The multifamily delinquency rate dropped 36 basis points to 2.75%. (One year ago: 2.00%)
- The office delinquency rate fell nine basis points to 2.18%. (One year ago: 1.98%)
- The retail delinquency rate declined 127 basis points to 12.94%. (One year ago: 4.42%)

Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.54% (up eight basis points month over month)
- Lodging delinquency rate: 19.60% (up 11 basis points)
- Multifamily delinquency rate: 2.74% (down 33 basis points)
- Office delinquency rate: 1.16% (up nine basis points)
- Retail delinquency rate: 11.20% (down 133 basis points)

For more information about Trepp's commercial real estate data, contact info@trepp.com.
For inquiries about the data analysis conducted in this research, contact press@trepp.com or 212-754-1010.

About Trepp

Trepp, founded in 1979, is the leading provider of information, analytics and technology to the CMBS, commercial real estate and banking markets. Trepp provides primary and secondary market participants with the web-based tools and insight they need to increase their 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 is wholly-owned by Daily Mail and General Trust (DMGT).

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