



February Sees Fifth Monthly Decline in Overall CMBS Special Servicing Rate

In February, the Trepp CMBS Special Servicing rate saw a reduction of 12 basis points, coming in at 9.60%, in comparison to 9.72% in January. This marks the fifth consecutive monthly decline in special servicing rates.

The recent reductions can be mainly attributed to a significant reduction in the CMBS special servicing rate for the retail and lodging sectors.

Retail special servicing rates, which have been on a downhill path since last September, came in at 16.67%, a 38-basis point reduction from January. Lodging special servicing rates, which increased by 42 basis points in January, saw a reduction of 26 basis points in February. Office and multifamily special servicing rates saw an increase of five and eight basis points, respectively.

The special servicing rate for CMBS 2.0+ notes saw a reduction of five basis points, clocking in at 8.87% in February. In terms of the outstanding balance of loans that are currently in special servicing, the total reduced by roughly \$164 million to \$47.13 billion in February.

In the legacy CMBS universe, the overall special servicing rates saw a significant reduction of 254 basis points, coming in at 47.35% in February. The total outstanding balance of these loans fell from \$5.21 billion in January to \$4.83 billion in February.

The number of loans newly transferred to special servicing saw an increase last month. A total of 51 loans were sent to special servicers in February in comparison to 44 the month before. Together, these loans hold an outstanding balance of \$1.19 billion. About 42% of the new specially serviced loan balance was attributed to lodging CMBS loans followed by retail CMBS loans which accounted for about 24%.

CHART 1: CMBS SPECIAL SERVICING RATE (FEBRUARY 2020 - FEBRUARY 2021)



Source: Trepp

TABLE 1: SPECIAL SERVICING RATE BY PROPERTY TYPE CMBS FULL

	FEB-21	JAN-21	DEC-20	3 MO.	6 MO.	1 YR.
Industrial	0.93%	1.06%	1.22%	1.26%	1.21%	1.61%
Lodging	24.23%	24.49%	24.07%	25.56%	24.99%	2.04%
Multifamily	2.83%	2.75%	2.90%	2.89%	2.56%	2.14%
Office	2.57%	2.52%	2.71%	2.82%	2.93%	2.37%
Retail	16.67%	17.04%	17.20%	17.47%	17.31%	4.96%

Source: Trepp

TABLE 2: SPECIAL SERVICING RATE BY PROPERTY TYPE CMBS 2.0+

	FEB-21	JAN-21	DEC-20	3 MO.	6 MO.	1 YR.
Industrial	0.32%	0.45%	0.62%	0.60%	0.49%	0.43%
Lodging	24.01%	24.27%	23.85%	25.37%	24.73%	1.41%
Multifamily	2.82%	2.74%	2.89%	2.87%	2.53%	1.96%
Office	1.59%	1.50%	1.56%	1.58%	1.63%	0.84%
Retail	15.02%	15.19%	15.36%	15.62%	15.45%	2.68%

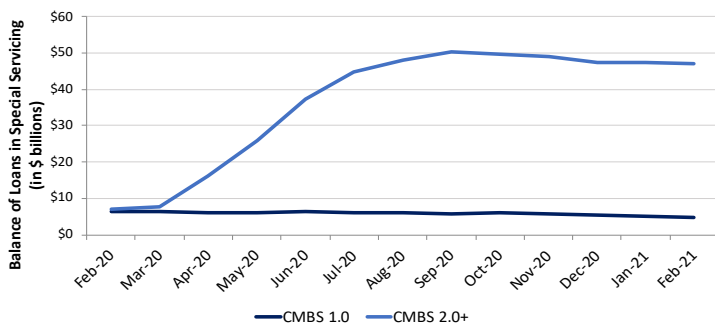
Source: Trepp

TABLE 3: SPECIAL SERVICING RATE BY PROPERTY TYPE CMBS 1.0

	FEB-21	JAN-21	DEC-20	3 MO.	6 MO.	1 YR.
Industrial	44.15%	43.90%	43.45%	44.88%	44.65%	46.96%
Lodging	46.54%	46.46%	46.38%	43.06%	46.65%	47.02%
Multifamily	6.07%	9.27%	9.46%	9.13%	11.53%	17.30%
Office	44.74%	45.18%	48.09%	49.50%	38.84%	38.18%
Retail	75.55%	81.87%	80.04%	79.73%	76.41%	64.42%

Source: Trepp

CHART 2: BALANCE OF LOANS IN SPECIAL SERVICING (FEBRUARY 2020 - FEBRUARY 2021)



Source: Trepp

Overall Numbers (CMBS 1.0 and 2.0+)

- The overall US CMBS special servicing rate decreased by 12 basis points last month and came in at 9.60% in February.
- One year ago, the US CMBS special servicing rate was 2.74%.
- Six months ago, the US CMBS special servicing rate was 10.04%.

The CMBS 2.0+ Numbers

- The overall US CMBS 2.0+ special servicing rate reduced by five basis points to 8.87%.
- One year ago, the US CMBS 2.0+ special servicing rate was 1.49%.
- Six months ago, the US CMBS 2.0+ special servicing rate was 9.12%.

The CMBS 1.0 Numbers

- The overall US CMBS 1.0 special servicing rate declined by 254 basis points to 47.35%.
- One year ago, the US CMBS 1.0 special servicing rate was 43.25%.
- Six months ago, the US CMBS 1.0 special servicing rate was 46.81%.

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

- Industrial special servicing rate: 0.93% (down 13 basis points)
- Lodging special servicing rate: 24.23% (down 26 basis points)
- Multifamily special servicing rate: 2.83% (up eight basis points)
- Office special servicing rate: 2.57% (up five basis points)
- Retail special servicing rate: 16.67% (down 38 basis points)

Property Type Analysis CMBS 2.0+:

- Industrial special servicing rate: 0.32% (down 13 basis points)
- Lodging special servicing rate: 24.01% (down 26 basis points)
- Multifamily special servicing rate: 2.74% (up eight basis points)
- Office special servicing rate: 1.59% (up nine basis points)
- Retail special servicing rate: 15.02% (down 17 basis points)

Property Type Analysis CMBS 1.0:

- Industrial special servicing rate: 44.15% (up 25 basis points)
- Lodging special servicing rate: 46.54% (up eight basis points)
- Multifamily special servicing rate: 6.07% (down 310 basis points)
- Office special servicing rate: 44.74% (down 44 basis points)
- Retail special servicing rate: 75.55% (down 631 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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