



CMBS Delinquency Rate Edges Lower for Ninth Straight Month; Retail and Lodging Improvement Continues

Following an impressive decline in February, the Trepp CMBS delinquency rate once again continued its downward trajectory in March. The rate has now declined for nine consecutive months after seeing two huge increases after the height of the coronavirus pandemic in May and June 2020.

The Trepp CMBS Delinquency Rate in March was 6.58%, a drop of 22 basis points from the February number. (In February, the rate saw the biggest drop since the start of the COVID-19 pandemic.) As for March, the percentage of loans in the 30 days delinquent bucket is 0.70%, up 12 basis points for the month.

In terms of loans in grace period, 1.92% of loans by balance missed the March payment but were less than 30 days delinquent. That was down 38 basis points for the month and could be a sign that even more delinquency rate improvements are on the way.

Some other overall statistics:

The percentage of loans with the special servicer fell to 9.39% in March from 9.60% in February. According to March servicer data, 24.2% of all lodging loans were in special servicing, virtually unchanged in March. In addition, 16.1% of retail loans are with the special servicer, down from 16.7% in February.

The percentage of loans on servicer watchlist climbed to 24.7% in March from 23.4% in February.

(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 22 basis points in March to 6.58%. (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 1.92% in March.

CHART 1: DELINQUENCY STATUS

Current	93.11
30 Days Delinquent	0.70
60 Days Delinquent	0.34
90 Days Delinquent	2.35
Performing Matured Balloon	0.29 ¹
Non-Performing Matured Balloon	0.79
Foreclosure	1.38
REO	1.02

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

Source: Trepp

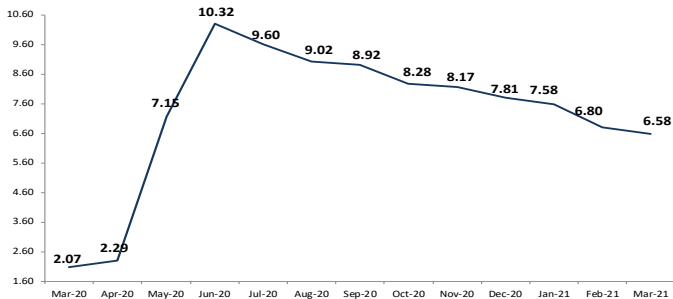
CHART 2: DELINQUENCY RATE BY PROPERTYTYPE (% 30 DAYS +)

	MAR-21	FEB-21	JAN-21	3 MO.	6 MO.	12 MO.
Overall	6.58	6.80	7.58	7.81	8.92	2.07
Industrial	0.73	0.88	1.14	1.10	1.07	1.35
Lodging	15.95	16.38	19.19	19.80	22.94	1.53
Multifamily	3.14	2.30	2.35	2.75	2.80	1.63
Office	2.21	2.04	2.14	2.18	2.28	1.86
Retail	10.89	11.83	12.68	12.94	14.76	2.89

Source: Trepp

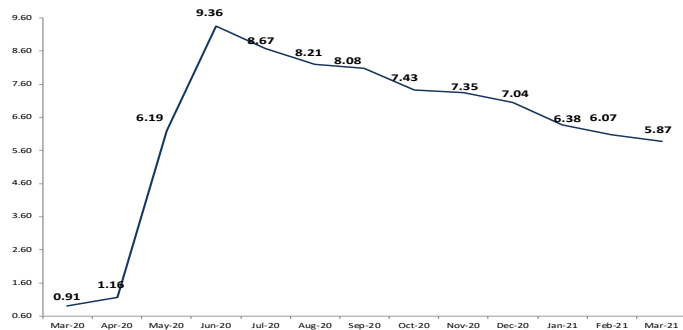
- Year-over-year, the overall US CMBS delinquency rate was up 451 basis points.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.88%, down 34 basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 6.92%, down 22 basis points from February.
- One year ago, the US CMBS delinquency rate was 2.07%.
- Six months ago, the US CMBS delinquency rate was 8.92%.

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



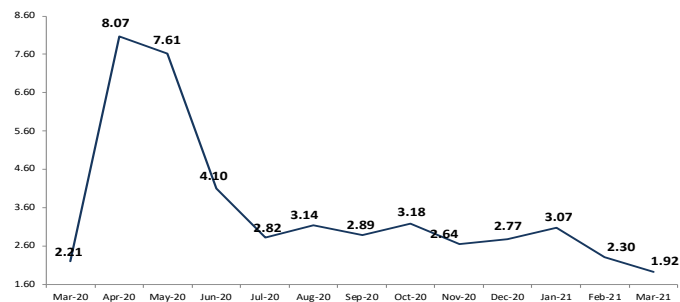
Source: Trepp

GRAPH 2: THE CMBS 2.0+ DELINQUENCY RATE



Source: Trepp

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



Source: Trepp

For more information about Trepp's commercial real estate data, contact info@trepp.com.
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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).

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

The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate fell 20 basis points to 5.87% in March. The rate is up 496 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 5.15%, which is down 33 basis points from February.
- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 6.15%, down 22 basis points for the month.

Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate fell 15 basis points to 0.73%.
- The lodging delinquency rate dropped 43 basis points to 15.95%.
- The multifamily delinquency rate moved up 84 basis points to 3.14%.
- The office delinquency rate climbed 17 basis points to 2.21%.
- The retail delinquency rate declined 94 basis points to 10.89%.

Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.16% (down 11 basis points month over month)
- Lodging delinquency rate: 15.72% (down 44 basis points)
- Multifamily delinquency rate: 3.12% (up 84 basis points)
- Office delinquency rate: 1.30% (up 18 basis points)
- Retail delinquency rate: 9.15% (down 95 basis points)