



## CMBS Delinquency Rate Tumbles in October: Biggest Decline Since Early 2021, Headline Rate Falls Below 5%

The Trepp CMBS delinquency rate declined sharply again in October 2021. The latest results reveal that the overall headline number fell below 5% with big drops in the lodging and retail segments. The October decline was the largest since February 2021.

The CMBS delinquency rate in October was 4.61%, a drop of 64 basis points from the September number. The percentage of loans in the 30 days delinquent bucket is 0.23%, down one basis point for the month.

After two huge increases in May and June 2020, the rate has now fallen for 16 consecutive months.

In terms of loans in grace period, 1.80% of loans by balance missed the October payment but were less than 30 days delinquent. That was down 36 basis points for the month.

### Some other overall statistics:

The percentage of loans with the special servicer fell to 7.17% in October from 7.49% in September. For lodging loans, 16.17% were with the special servicer, representing a decline of 67 basis points in October. For retail loans, 13.68% were in that category, a drop of 33 basis points in October.

The percentage of loans on servicer watchlist dropped to 28.23% in October from 29.32% in September.

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 64 basis points in October to 4.61%. (The all-time high on this basis was 10.34% registered in July 2012. The COVID-19 high was 10.32% in June 2020.)
- The percentage of A/B loans (i.e. loans in grace period or beyond grace period) was 1.80% in October.

### CHART 1: DELINQUENCY STATUS

Current	95.21
30 Days Delinquent	0.23
60 Days Delinquent	0.12
90 Days Delinquent	1.61
Performing Matured Balloon	0.18 <sup>1</sup>
Non-Performing Matured Balloon	0.45
Foreclosure	1.27
REO	0.93

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

Source: Trepp

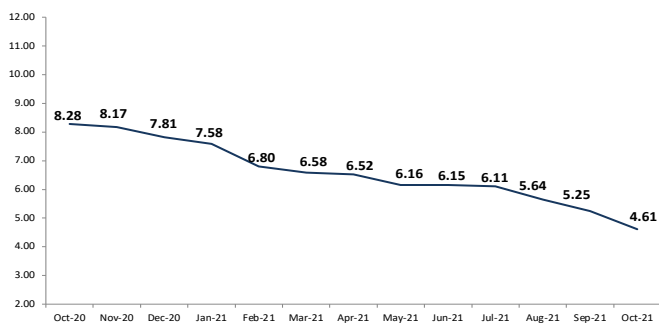
### CHART 2: DELINQUENCY RATE BY PROPERTY TYPE (% 30 DAYS +)

	OCT-21	SEP-21	AUG-21	3 MO.	6 MO.	12 MO.
Overall	4.61	5.25	5.64	6.11	6.52	8.28
Industrial	0.53	0.59	0.63	0.63	0.71	1.53
Lodging	10.04	11.45	12.05	12.94	15.65	19.43
Multifamily	1.70	1.95	2.18	4.52	2.28	2.95
Office	1.80	2.02	2.12	2.16	2.10	2.49
Retail	8.39	9.75	10.43	10.54	10.83	14.33

Source: Trepp

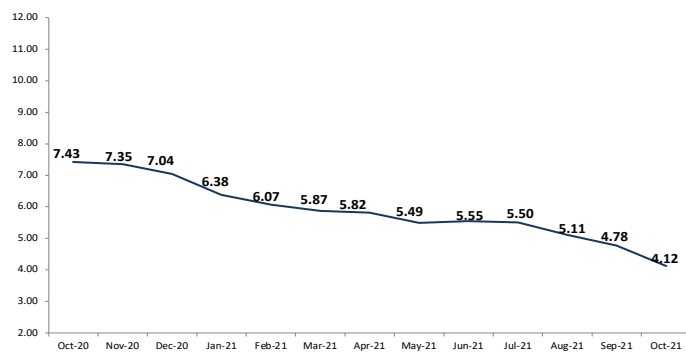
- Year over year, the overall US CMBS delinquency rate is down 367 basis points.
- Year to date, the rate is down 320 basis points.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 4.38%, down 63 basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 4.85%, down 64 basis points from September.
- One year ago, the US CMBS delinquency rate was 8.28%.
- Six months ago, the US CMBS delinquency rate was 6.52%.

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



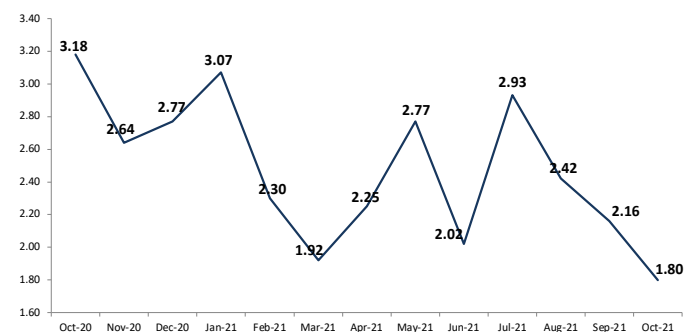
Source: Trepp

**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](mailto:info@trepp.com).  
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## About Trepp

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## The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate fell 66 basis points to 4.12% in October. The rate is down 331 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 3.89%, down 65 basis points for the month.
- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 4.34%, down 66 basis points for the month.

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

- The industrial delinquency rate fell six basis points to 0.53%.
- The lodging delinquency rate plunged 141 basis points to 10.04%.
- The multifamily delinquency rate declined 25 basis points to 1.70%.
- The office delinquency rate dropped 22 basis points to 1.80%.
- The retail delinquency rate tumbled 136 basis points to 8.39%.

## Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.16% (down seven basis points month over month)
- Lodging delinquency rate: 9.91% (down 140 basis points)
- Multifamily delinquency rate: 1.70% (down 25 basis points)
- Office delinquency rate: 1.27% (down 17 basis points)
- Retail delinquency rate: 7.12% (down 140 basis points)