



CMBS Delinquency Rate Drops Sharply in September 2021: All Property Types Improve, Retail Falls Below 10%

The Trepp CMBS delinquency rate declined sharply in September with the latest number being a little over half the level seen at the peak of the COVID-19 pandemic.

After two huge jumps in May and June 2020, the rate has now fallen for 15 consecutive months. The September number represented another sizable decline, with the rate falling almost 1% over the last two months.

The delinquency rate in September was 5.25%, a drop of 39 basis points from the August number. The percentage of loans in the 30 days delinquent bucket is 0.24%, down 17 basis points for the month.

In terms of loans in grace period, 2.16% of loans by balance missed the September payment but were less than 30 days delinquent. That was down 26 basis points for the month.

Some other overall statistics:

The percentage of loans with the special servicer fell to 7.49% in September from 7.79% in August. For lodging loans, 16.84% were with the special servicer, representing a decline of 56 basis points in September. For retail loans, 14.01% were in that category, a drop of 17 basis points last month.

The percentage of loans on servicer watchlist climbed to 29.32% in September from 29.00% the month prior.

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 39 basis points in September to 5.25%. (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 2.16% in September.
- Year over year, the overall US CMBS delinquency rate is down 367 basis points.

TABLE 1: DELINQUENCY STATUS

Current	94.59
30 Days Delinquent	0.24
60 Days Delinquent	0.19
90 Days Delinquent	1.81
Performing Matured Balloon	0.161
Non-Performing Matured Balloon	0.76
Foreclosure	1.29
REO	0.96

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

Source: Trepp

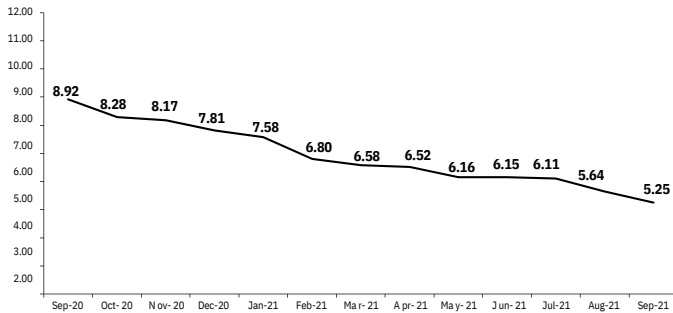
TABLE 2: DELINQUENCY RATE BY PROPERTY TYPE (% 30 DAYS +)

	SEP-21	AUG-21	JUL-21	3 MO.	6 MO.	12 MO.
Overall	5.25	5.64	6.11	6.15	6.58	8.92
Industrial	0.59	0.63	0.63	0.65	0.73	1.07
Lodging	11.45	12.05	12.94	14.27	15.95	22.94
Multifamily	1.95	2.18	4.52	2.02	3.14	2.80
Office	2.02	2.12	2.16	2.09	2.21	2.28
Retail	9.75	10.43	10.54	10.71	10.89	14.76

Source: Trepp

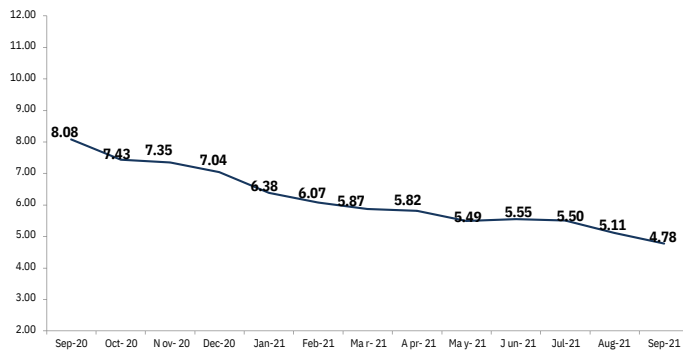
- Year to date, the rate is down 256 basis points. The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.01%, down 22 basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.49% down 42 basis points from August.
- One year ago, the US CMBS delinquency rate was 8.92%.
- Six months ago, the US CMBS delinquency rate was 6.58%.

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



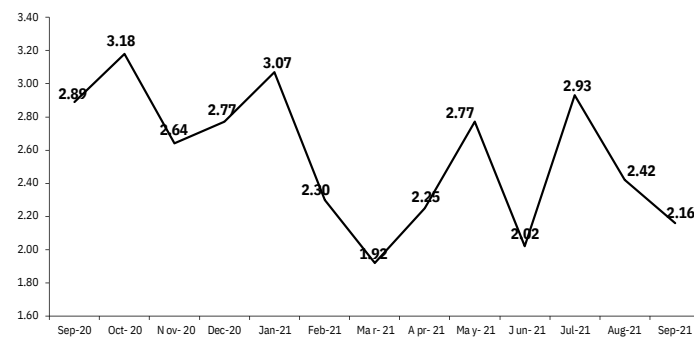
Source: Trepp

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

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The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate fell 33 basis points to 4.78% in September. The rate is down 330 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 4.54%, down 16 basis points for the month.
- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 5.00%, down 37 basis points for the month.

Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate fell four basis points to 0.59%.
- The lodging delinquency rate dropped 60 basis points to 11.45%.
- The multifamily delinquency rate declined 23 basis points to 1.95%
- The office delinquency rate dipped 10 basis points to 2.02%.
- The retail delinquency rate fell 68 basis points to 9.75%.

Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.23% (up three basis points month over month)
- Lodging delinquency rate: 11.31% (down 61 basis points)
- Multifamily delinquency rate: 1.95% (down 24 basis points)
- Office delinquency rate: 1.44% (up six basis points)
- Retail delinquency rate: 8.52% (down 70 basis points)