



## CMBS Delinquency Rate Falls Thanks to Legacy Loan Resolutions

The Trepp CMBS Delinquency Rate fell sharply in May, as more troubled loans have been squeezed out of the system and new CMBS issuance remains steady. The May reading declined 16 basis points to 2.66%, hitting another post-financial crisis low in the process.

The delinquency rate is down 146 basis points year over year. The delinquency rate started to fall after June 2017 when CMBS delinquencies amounted to 5.75%. Since then, the rate has fallen in 20 of the last 23 months. Year-to-date, the rate is lower by 45 basis points.

The all-time high of 10.34% was registered in July 2012.

### The Overall Numbers

- The overall US CMBS delinquency rate decreased 16 basis points to 2.66% in May.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 2.56%, down 13 basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 2.78%, down 18 basis points from April.
- One year ago, the US CMBS delinquency rate was 4.12%.
- Six months ago, the US CMBS delinquency rate was 3.33%.

**CHART 1: DELINQUENCY STATUS**

Current	97.30
30 Days Delinquent	0.10
60 Days Delinquent	0.03
90 Days Delinquent	0.15
Performing Matured Balloon	0.04
Non-Performing Matured Balloon	0.21
Foreclosure	0.49
REO	1.68

Source: Trepp

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

	MAY-19	APR-19	MAR-19	3 MO.	6 MO.	1 YR.
Industrial	2.05	2.10	2.02	2.17	3.00	4.69
Lodging	1.42	1.55	1.60	1.49	1.93	2.92
Multifamily	2.16	1.99	2.01	2.31	2.04	2.27
Office	2.98	3.11	3.07	3.13	3.83	5.02
Retail	4.29	4.62	4.90	4.77	5.30	5.72

Source: Trepp

### The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate climbed four basis points to 0.74% in May.
- The percentage of 2.0+ loans that are seriously delinquent is now 0.64%, which is up eight basis points from April.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 0.80%, up six basis points for the month.

### The CMBS 1.0 Numbers

- The CMBS 1.0 delinquency rate was 44.37% in May, a decrease of 209 basis points.
- The percentage of 1.0 debt that is seriously delinquent was also 44.37% in May, as there were no legacy loans marked as exactly 30 days delinquent. This figure is also down 209 basis points month over month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate for CMBS 1.0 would be 50.73%, a drop of 65 basis points from April.
- The big drops in the CMBS 1.0 delinquency numbers come from previously delinquent loans that were resolved with losses.

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

- The industrial delinquency rate dipped five basis points to 2.05%.

- The lodging delinquency reading declined 13 basis points to 1.42%. Lodging remains the best performing major property type.
- The multifamily delinquency rate climbed 17 basis points to 2.16%.
- The office delinquency rate fell 13 basis points to 2.98%.
- The retail delinquency rate dropped 33 basis points to 4.29%. Retail remains the worst performing major property type.

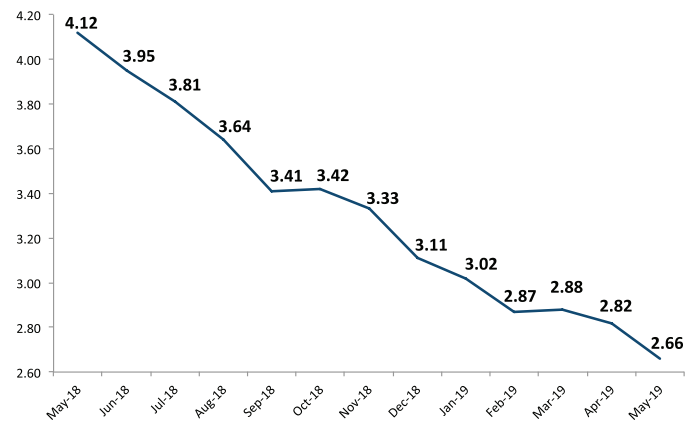
### Property Type Analysis CMBS 2.0+:

- Industrial delinquency rate: 0.27% (up one basis point month over month)
- Lodging delinquency rate: 0.69% (down three basis points)
- Multifamily delinquency rate: 1.65% (up 17 basis points)
- Office delinquency rate: 0.54% (up five basis points)
- Retail delinquency rate: 0.97% (up two basis points)

### Property Type Analysis CMBS 1.0:

- Industrial delinquency rate: 44.12% (up 32 basis points month over month)

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



- Lodging delinquency rate: 43.48% (down 309 basis points)
- Multifamily delinquency rate: 27.38% (up 124 basis points)
- Office delinquency rate: 40.43% (down 103 basis points)
- Retail delinquency rate: 59.49% (down 216 basis points)

**CHART 3: FIVE LARGEST NEWLY DELINQUENT CMBS LOANS**

LOAN NAME	BALANCE	PROPTYPE	CITY	STATE	DELINQUENCY STATUS	CMBS DEAL
State House Square	87,550,000.00	OF	Hartford	CT	Foreclosure	GSMS 2007-GG10
Outlets of Mississippi	62,000,000.00	RT	Pearl	MS	30 Days Delinquent	MSBAM 2014-C16
Eagle Ridge Village	56,537,423.43	MF	Evans Mills	NY	30 Days Delinquent	GSMS 2013-GC12
Sea Harbor Office Center	40,000,000.00	OF	Orlando	FL	30 Days Delinquent	WFCM 2015-NXS2
Ridgmar Mall	31,011,354.25	RT	Fort Worth	TX	Non-Performing Beyond Maturity	COMM 2014-UBS5

Source: Trepp

For more information about Trepp's commercial real estate data, contact [info@trepp.com](mailto:info@trepp.com).  
For inquiries about the data analysis conducted in this research, contact [press@trepp.com](mailto: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).

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