



Trepp CMBS Delinquency Rate Continues to Fall in April 2022 – Hotel Rate Again Shows Biggest Improvement

The Trepp CMBS delinquency rate posted another sizable decline in April 2022, continuing a trend that started only a few months after the onset of COVID-19.

The rate has now fallen in 21 of the last 22 months with only a brief uptick in late 2021. The hotel delinquency rate fell sharply once again as loans in that segment continue to move from distressed to current.

The Trepp CMBS Delinquency Rate in April was 3.51%, a decline of 22 basis points from March. The percentage of loans in the 30 days delinquent bucket is 0.17% – down two basis points for the month.

Our numbers above reflect percentages that assume defaulted loans are still part of the denominator.

The Overall Numbers

- The overall US CMBS delinquency rate dropped 22 basis points in April to 3.51%. (The all-time high on this basis was 10.34% registered in July 2012. The COVID-19 high was 10.32% in June 2020.)
- Year over year, the overall US CMBS delinquency rate is down 301 basis points.
- Year to date, the rate is down 106 basis points.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 3.34%, down 20 basis points for the month.
- If defaulted loans were taken out of the equation, the overall 30-day delinquency rate would be 3.70%, down 24 basis points from March.
- One year ago, the US CMBS delinquency rate was 6.52%.
- Six months ago, the US CMBS delinquency rate was 4.61%.

CHART 1: DELINQUENCY STATUS

| | |
|--------------------------------|-------------------|
| Current | 96.35 |
| 30 Days Delinquent | 0.17 |
| 60 Days Delinquent | 0.06 |
| 90 Days Delinquent | 0.89 |
| Performing Matured Balloon | 0.14 ¹ |
| Non-Performing Matured Balloon | 0.42 |
| Foreclosure | 1.13 |
| REO | 0.84 |

¹ 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 +)

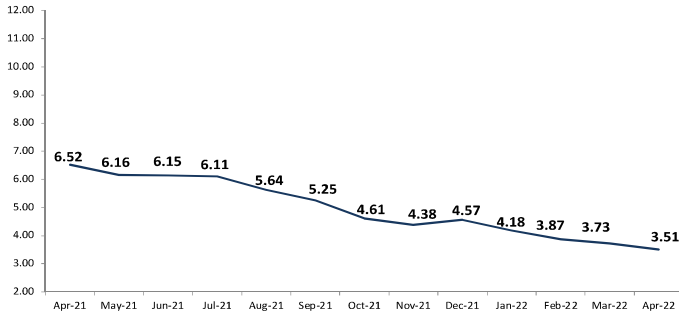
| | 22-APR | 22-MAR | 22-FEB | 3 MO. | 6 MO. | 12 MO. |
|-------------|--------|--------|--------|-------|-------|--------|
| Overall | 3.51 | 3.73 | 3.87 | 4.18 | 4.61 | 6.52 |
| Industrial | 0.51 | 0.48 | 0.66 | 0.42 | 0.53 | 0.71 |
| Lodging | 6.34 | 6.87 | 7.82 | 8.37 | 10.04 | 15.65 |
| Multifamily | 1.20 | 1.53 | 1.51 | 1.81 | 1.70 | 2.28 |
| Office | 1.71 | 1.65 | 1.67 | 2.00 | 1.80 | 2.10 |
| Retail | 7.36 | 7.50 | 7.49 | 7.96 | 8.39 | 10.83 |

Source: Trepp

The CMBS 2.0+ Numbers

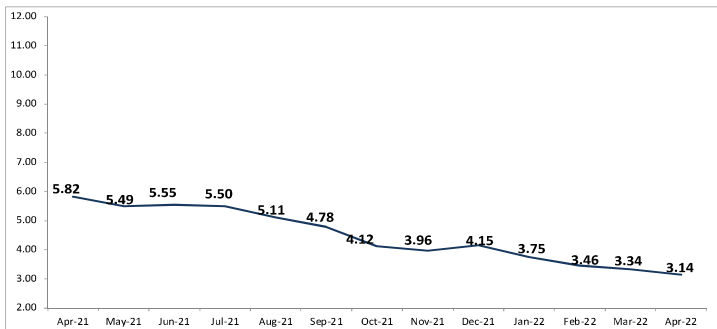
- The CMBS 2.0+ delinquency rate fell 20 basis points to 3.14% in April. That, too, is a post-April 2020 low. The rate is down 268 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is now 2.97%, down 18 basis points for the month.
- If defaulted loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 3.30%, down 22 basis points for the month.

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



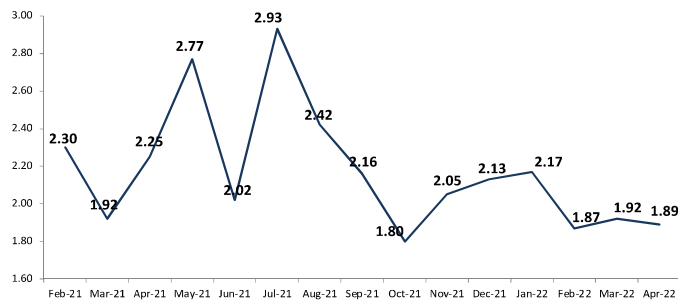
Source: Trepp

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

Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate inched up three basis points to 0.51%.
- The lodging delinquency rate dropped another 53 basis points to 6.34%.
- The multifamily delinquency rate declined 33 basis points to 1.20%.
- The office delinquency rate moved up six basis points to 1.71%.
- The retail delinquency rate fell 14 basis points to 7.36%.

Property Type Analysis CMBS 2.0+

- Industrial delinquency rate: 0.27% (up nine basis points month over month)
- Lodging delinquency rate: 6.27% (down 48 basis points)
- Multifamily delinquency rate: 1.20% (down 33 basis points)
- Office delinquency rate: 1.25% (up nine basis points)
- Retail delinquency rate: 6.34% (down 14 basis points)



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