



## CMBS Delinquency Rate Jumps in September, Driven by Retail Sector

The Trepp CMBS Delinquency Rate continued its uphill climb in September 2024. Overall, the delinquency rate rose 26 basis points to 5.70%.

Most of the major property types contributed to the rise in the overall rate, but the retail sector contributed to about 50% of the net change in the total delinquent loan amount.

The retail delinquency rate rose 86 basis points in September, reaching 7.07%. The last time the retail delinquency rate was above 7.0% was in April 2022. A large single-asset single-borrower (SASB) deal that had previously been current on payments but now shows a delinquency status of nonperforming matured balloon, was one of many large retail loans to turn delinquent in September.

The office sector accounted for 37% of the \$2 billion net increase in the overall dollar amount of delinquent loans in September, with the office delinquency rate increasing 39 basis points to 8.36%.

If we included loans that are beyond their maturity date but current on interest payments, the delinquency rate would be 7.15%, down six basis points from August.

The percentage of loans in the 30 days delinquent bucket is 0.17%, down eight basis points for the month.

Our numbers assume defeased loans are still part of the denominator unless otherwise specified.

### The Overall Numbers

- The overall US CMBS delinquency rate increased to 5.70%, an increase of 26 basis points for the month. (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 up 131 basis points.
- The percentage of loans that are seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.53%, up 34 basis point for the month.

### CHART 1: DELINQUENCY STATUS

Current	92.84
30 Days Delinquent	0.17
60 Days Delinquent	0.14
90 Days Delinquent	0.56
Performing Matured Balloon	1.45 <sup>1</sup>
Non-Performing Matured Balloon	2.16
Foreclosure	1.75
REO	0.92

<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 PROPERTYTYPE (% 30 DAYS +)

	SEP-24	AUG-24	JUL-24	3 MO	6 MO	12 MO
Overall	5.70	5.44	5.43	5.35	4.67	4.39
Industrial	0.32	0.50	0.64	0.62	0.47	0.30
Lodging	6.23	5.91	6.17	6.32	5.45	5.27
Multifamily	3.33	3.30	2.63	2.36	1.84	1.85
Office	8.36	7.97	8.09	7.55	6.58	5.58
Retail	7.07	6.21	6.14	6.42	5.56	6.92

Source: Trepp

- If defeased loans were taken out of the equation, the overall headline delinquency rate would be 5.93%, up 26 basis points from August.
- One year ago, the US CMBS delinquency rate was 4.39%.
- Six months ago, the US CMBS delinquency rate was 4.67%.

### The CMBS 2.0+ Numbers

- The CMBS 2.0+ delinquency rate rose 28 basis points – at 5.58% – in September. The rate is up 138 basis points year-over-year.
- The percentage of CMBS 2.0+ loans that are seriously delinquent is 5.41%, up 36 basis points from the prior month.

- If defeased loans were taken out of the equation, the overall CMBS 2.0+ delinquency rate would be 5.80%, up 29 basis points from the prior month.

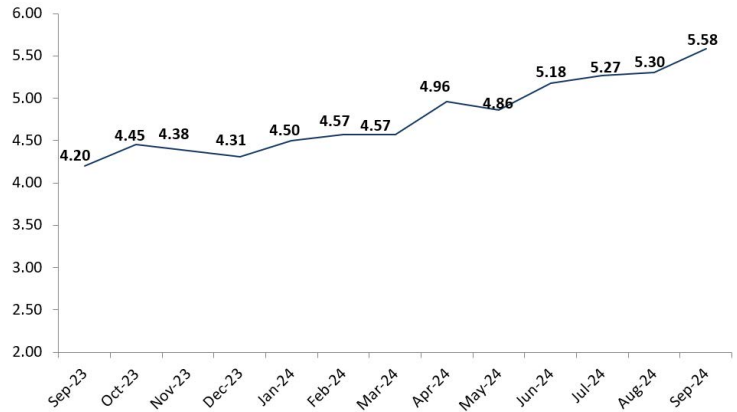
## Overall Property Type Analysis (CMBS 1.0 and 2.0+)

- The industrial delinquency rate decreased 18 basis points to 0.32%.
- The lodging delinquency rate increased 32 basis points to 6.23%.
- The multifamily delinquency rate increased 3 basis points to 3.33%.
- The office delinquency rate increased 39 basis points to 8.36%.
- The retail delinquency rate increased 86 basis points to 7.07%.

## Property Type Analysis CMBS 2.0+

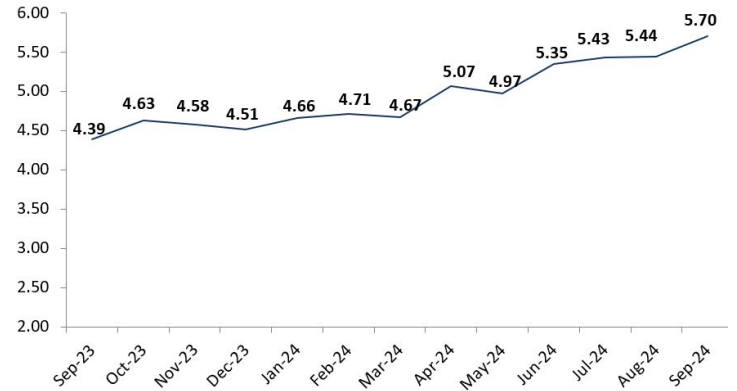
- Industrial delinquency rate: 0.32% (down 8 basis points)
- Lodging delinquency rate: 6.16% (up 32 basis points)
- Multifamily delinquency rate: 3.33% (up 3 basis points)
- Office delinquency rate: 8.30% (up 42 basis points)
- Retail delinquency rate: 6.52% (up 87 basis points)

**GRAPH 1: THE CMBS 2.0+ DELINQUENCY RATE**



Source: Trepp

**GRAPH 2: PERCENTAGE OF CMBS MARKED AS 30+ DAYS DELINQUENT**



Source: Trepp



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