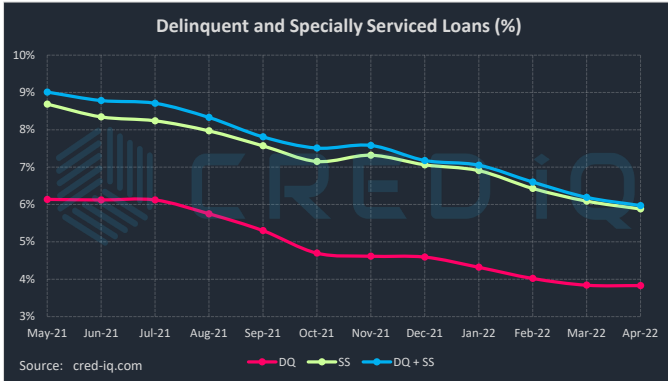
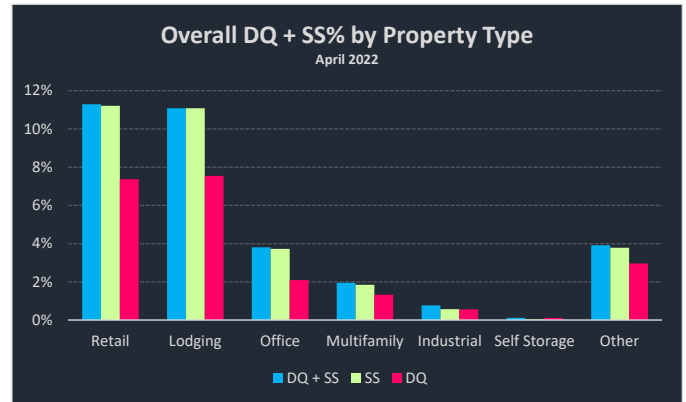


May 2022 Delinquency Report



The CRED iQ overall delinquency rate for CMBS showed nominal movement during the April 2022 remittance period but still tallied a decline for the 23rd consecutive month. The **delinquency rate**, equal to the percentage of all delinquent specially serviced loans and delinquent non-specially serviced loans, for [CRED iQ's sample universe of \\$500+ billion](#) in CMBS conduit and single asset single-borrower (SASB) loans was **3.83%**, which compares to the prior month's rate of 3.84%. CRED iQ's **special servicing rate**, equal to the percentage of CMBS loans that are with the special servicer (delinquent and non-delinquent), declined month-over-month to **5.88%** from 6.09%. The special servicing rate is now approximately 45% lower than its pandemic-era peak of 10.79% in October 2020. Aggregating the two indicators of distress – delinquency rate and special servicing rate – into an overall **distressed rate (DQ + SS%)** equals **5.97%** of CMBS loans that are specially serviced,

delinquent, or a combination of both. The overall distressed rate declined compared to the prior month rate of 6.19%. The overall distressed rates typically track slightly higher than special servicing rates as most delinquent loans are also with the special servicer.



The individual delinquency rate for the retail sector spiked higher this month to 7.34%, compared to 7.06% as of March 2022. The sharp increase can be attributed partially to a reversion to delinquent payments from the \$125 million [Westfield Palm Desert](#) loan, which is secured by a regional mall in California. The loan was marked as current in payment during previous months but became 30 days delinquent as of April 2022. Westfield Palm Desert transferred to special servicing in August 2020 and was delinquent for nearly all of 2021. Notably, the loan sponsor, Unibail-Rodamco-Westfield, was featured in the news in early-April 2022 for providing an update on its planned divestiture of U.S.-based regional malls.

The delinquency rate for lodging properties continued to show meaningful and consistent improvement. For a second

consecutive month, the outstanding balance of delinquent lodging loans declined by more than \$450 million. The lodging delinquency rate was 7.55% this month, which compared to 7.99% last month. One of the largest delinquency cures this month was the \$135.1 million [Marriott LAX](#) loan, which is secured by a 1,004-room hotel adjacent to the Los Angeles International Airport. The loan was modified in February 2022 and terms of the agreement brought the loan current in payment. The loan transferred to special servicing in December 2020 and had been delinquent in payment until the closing of the modification agreement.

Changes in special servicing rates by individual property type were a mixed bag this month. The special servicing rate for lodging declined by approximately 15% this month. A large component of the shift was caused by the \$982 million loan secured by the [Ashford Hospitality Trust Portfolio](#). The loan transferred to special servicing in June 2020. The loan returned to the master servicer this month after furniture, fixture, and equipment (FF&E) reserves were replenished from being used to pay debt service during a forbearance period.

Special servicing rates for retail (11.21%) and office (3.73%) both increased compared to the prior month. The increase in the office special servicing rate was anticipated given last month's [revelation of Blackstone's intentions](#) to hand [1740 Broadway](#) back to the lender. The increase in the special servicing rate for retail was driven by [Destiny USA](#) – a 2.1 million-sf regional mall in Syracuse, NY that is owned by Pyramid Management Group. The distressed

shopping center secures a \$430 million loan that is securitized in the JPMCC 2014-DSTY CMBS transaction. The loan transferred to special servicing due to imminent default ahead of the loan's June 2022 maturity date. The loan had previously transferred to special servicing in April 2020 and returned to the master servicer in March 2021 after a loan modification. Another one of Pyramid's properties, [Walden Galleria](#), was a major driver behind increases in retail distress last month.

CRED iQ's overall CMBS distressed rate (DQ + SS%) by property type accounts for loans that qualify for either delinquent or special servicing subsets. This month, overall distressed rates for retail, office, industrial, and self storage increased while lodging and multifamily exhibited declines in overall distress. Two of the largest loans added to the distressed category this month, both via transfers to special servicing, were the aforementioned 1740 Broadway and Destiny USA.



April 2022 Delinquency and Special Servicing Rates

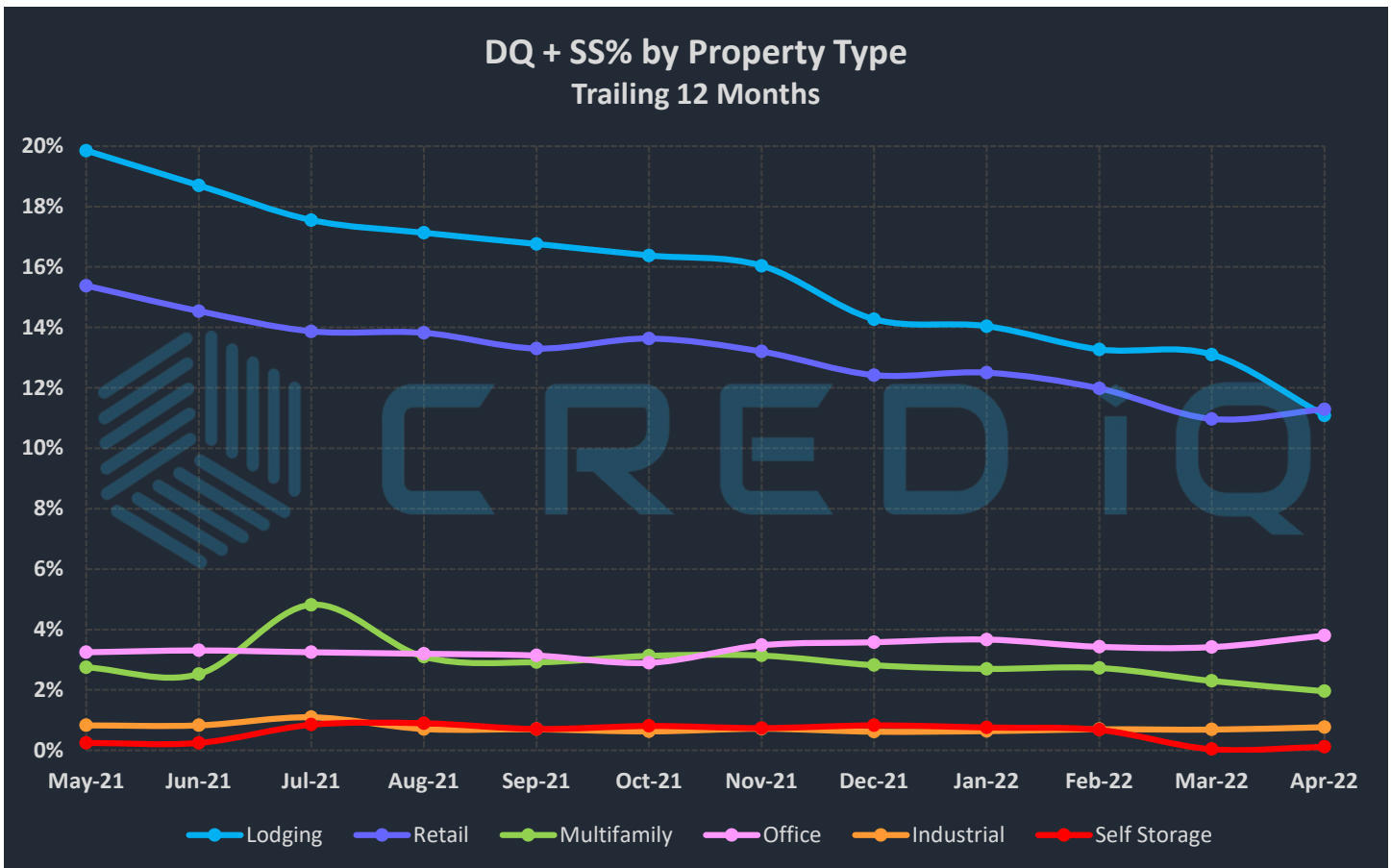
Property Type	DQ	SS	DQ + SS
Overall	3.83%	5.88%	5.97%
Lodging	7.55%	11.09%	11.09%
Retail	7.37%	11.21%	11.29%
Office	2.09%	3.73%	3.80%
Multifamily	1.32%	1.85%	1.96%
Industrial	0.56%	0.57%	0.77%
Self Storage	0.10%	0.04%	0.12%

Source: cred-iq.com

DQ = All delinquent CMBS loans in the conduit and SASB universe, including specially serviced and non-specially serviced loans

SS = All specially serviced CMBS loans in the conduit and SASB universe, including current, delinquent and REO

DQ + SS = All distressed CMBS loans in the conduit and SASB universe that are delinquent, specially serviced, or a combination of both



About CRED iQ

[CRED iQ](#) is a commercial real estate data, analytics, and valuation platform designed to unlock investment, financing, and leasing opportunities. CRED iQ provides real-time property, loan, tenant, ownership, and valuation data for over \$2.0 trillion of commercial real estate.

Data & Research Access

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