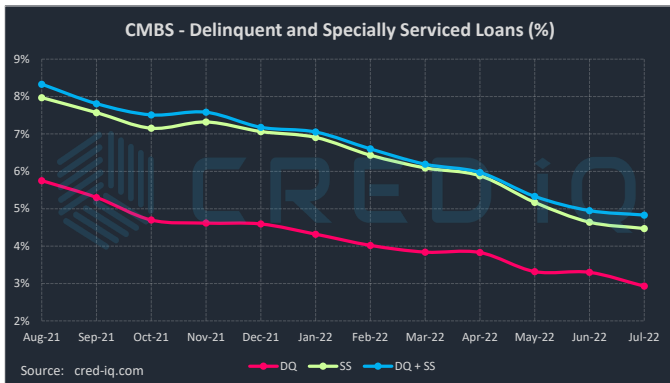
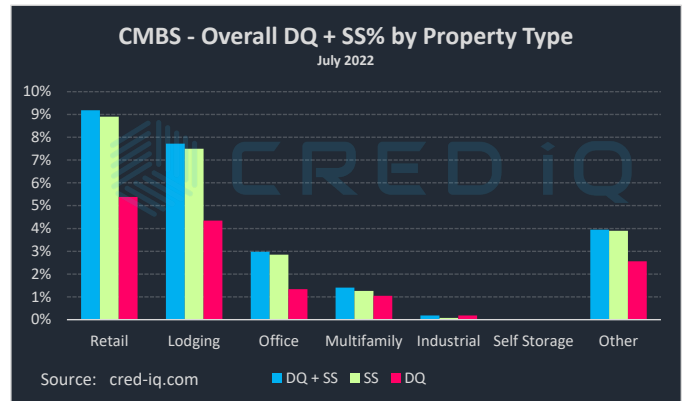


August 2022 Delinquency Report



The CRED iQ delinquency rate for CMBS declined by 37 bps during the July 2022 remittance period. Overall delinquency has continuously declined since June 2020 when the rate was at its COVID-induced high of 10.66%. This 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 **2.93%**, which compares to last month’s rate of 3.30%. 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 **4.47%** from 4.64%. The CMBS special servicing rate has declined for eight consecutive months. Aggregating the two indicators of distress – delinquency rate and special servicing rate – into an overall **distressed rate (DQ + SS%)** equals **4.83%** 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 4.95%. These

distressed rates typically track slightly higher than special servicing rates as most delinquent loans are also with the special servicer.



By property type, the delinquency rate declined in July across all sectors with delinquency cures totaling over \$2 billion by outstanding balance. Delinquency cures were led by loans secured by lodging properties. The lodging sector exhibited the sharpest month-over-month decline in delinquency with a rate of 4.34%, which was 58% lower than the prior month. More than half of the loans with delinquency cures in July, based on outstanding balance, were secured by hotels. One of the largest lodging delinquency cures was the \$134.5 million [Marriott LAX](#) loan, which is secured by a 1,004-room hotel adjacent to the Los Angeles International Airport. The loan has had issues staying current after a February 2022 modification agreement but returned to the master servicer in June 2022 after nearly a year and a half in special servicing.

A pair of maturity defaults were highlights among newly delinquent loans in July. First, a \$57.5 million loan secured by a 575,359-sf portion of the [Greenwood Mall](#) in Bowling

Green, KY failed to pay off on its July 5, 2022 maturity date. Updated servicer commentary indicated loan sponsor Brookfield Property Partners was in the process of a sale of the loan collateral. Second, a \$25.4 million loan secured by [989 Sixth Avenue](#) — a 105,555-sf office building in Midtown Manhattan, NY — failed to pay off at maturity on July 10, 2022. The property's performance has been hampered by low occupancy, which was most recently reported as 40% as of December 2021.

Special servicing rates also declined across all major property types this month, although the velocities of the declines were more subdued than delinquency improvements. The majority of special servicing cures were loans secured by lodging properties. The lodging special servicing rate declined to 7.49%, compared to 7.72% in the previous month. One of the largest special serving cures during the July remittance period was the \$155 million [Hilton Garden Inn W 54th Street](#) loan, secured by a 401-key hotel in Manhattan, NY that was temporarily closed for a short time due to COVID. The loan transferred to special servicing in May 2020 but returned to the master servicer in June 2022.

CRED iQ's 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 all property types declined. The distressed rate for retail was the highest by property type for the fourth consecutive month with a rate of 9.18%. Two of the more notable loans added to the distressed category this month, both via

transfers to special servicing, were [West Covina Village](#) — a \$36 million loan secured by a 220,00-sf mixed-use (retail/office) property in West Covina, CA — and [4141 N Scottsdale](#) — a \$24.9 million loan secured by a 147,864-sf office building in Scottsdale, AZ.



July 2022 Delinquency and Special Servicing Rates

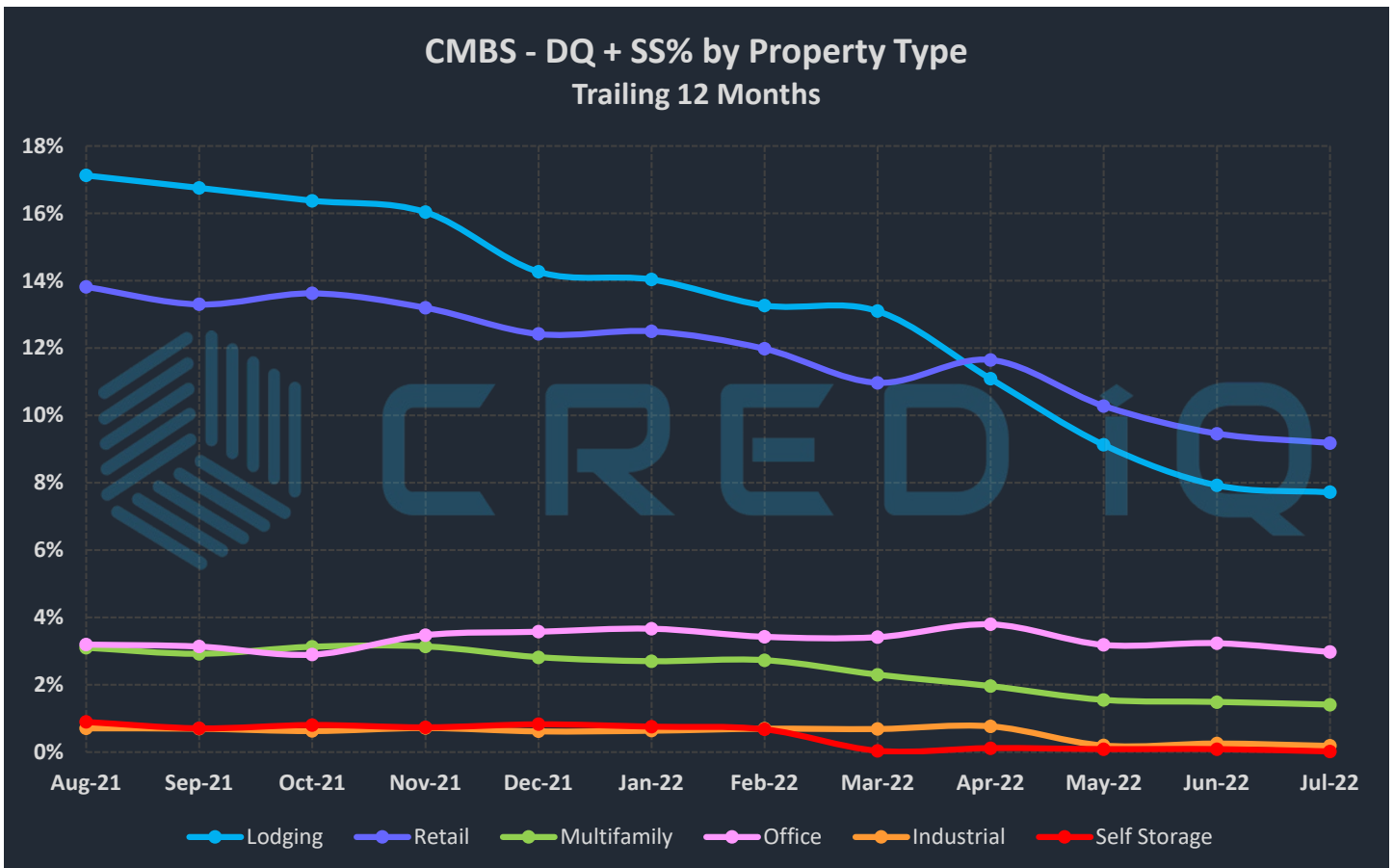
Property Type	DQ	SS	DQ + SS
Overall	2.93%	4.47%	4.83%
Retail	5.38%	8.90%	9.18%
Lodging	4.34%	7.49%	7.72%
Office	1.34%	2.85%	2.98%
Multifamily	1.05%	1.27%	1.41%
Industrial	0.19%	0.08%	0.19%
Self Storage	0.02%	0.02%	0.02%

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

For access to the CRED iQ Data & Valuation platform, please reach out to:

team@cred-iq.com

Follow us on Social Media



Contact Us

CRED iQ Headquarters
290 King of Prussia Road
Radnor, PA 19087

team@cred-iq.com

(215) 622-0249

THE DATA, INFORMATION AND/OR RELATED MATERIAL ("DELIVERABLES") IS BEING SOLD IN AS-IS/WHERE-AS CONDITION. CRED-IQ MAKES NO REPRESENTATION OR WARRANTY AS TO QUALITY OR ACCURACY OF SUCH DELIVERABLES BEING PURCHASED, WHETHER EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTE, OR OTHERWISE, AND CRED-IQ SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED OR STATUTORY WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE, TECHNICAL PERFORMANCE, AND NON-INFRINGEMENT. WITHOUT LIMITING THE FOREGOING, YOU AS CUSTOMER ACKNOWLEDGE THAT YOU HAVE NOT AND ARE NOT RELYING UPON ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, OR UPON ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE DELIVERABLES IN ANY REGARD WHATSOEVER, AND ACKNOWLEDGE THAT CRED-IQ MAKES NO, AND HEREBY DISCLAIMS ANY, REPRESENTATION, WARRANTY OR GUARANTEE THAT THE PURCHASE, USE OR COMMERCIALIZATION OF ANY DELIVERABLES WILL BE USEFUL TO YOU OR FREE FROM INTERFERENCE. BY ACCEPTANCE OF THE DELIVERABLES, YOU HEREBY RELEASE CRED-IQ AND ITS AFFILIATES AND AGENTS FROM ALL CLAIMS, DAMAGES AND LIABILITY ARISING HEREUNDER.