Trepp US CMBS Delinquency Rate Continues Descent in October

The Trepp CMBS Delinquency Rate fell modestly in October as the index hit another post-crisis low.


The Trepp CMBS Delinquency Rate fell modestly in October, as the index hit another post-crisis low. The October reading is 2.47%, a month-over-month drop of four basis points. The delinquency rate is down 95 basis points year over year. The delinquency rate started to fall after June 2017 when CMBS delinquencies totaled 5.75%. Since then, the rate has fallen in 24 of the last 28 months. Year-to-date, the rate is lower by 64 basis points. The all-time high of 10.34% was registered in July 2012.

"The continuous concerns surrounding the state of the global economy and talks of a possible US recession have failed to have an impact on the CMBS market so far,” said Trepp Senior Managing Director, Manus Clancy. “October’s CMBS delinquency rate has helped to show strength in the CMBS market. As volatility touched many markets in the last month, CMBS held steady with spreads seeing only modest widening; lending and issuance continuing at a healthy rate; and delinquencies falling, once again.”

The largest rate drop among major property sectors in October belonged to the multifamily space, with its delinquency reading dropping 36 basis points to 2.07%. The office delinquency rate also fell last month, by 11 basis points, reaching 2.50%. Industrial delinquencies climbed 46 basis points to 2.46%. The retail delinquency reading climbed five basis points to 4.20% last month, maintaining its title as the worst-performing major property type.

The overall CMBS 2.0+ delinquency rate rose two basis points in October to 0.89%, while the percentage of CMBS 2.0+ loans in serious delinquency also rose, by three basis points to 0.82% from September. The CMBS 1.0 delinquency rate dropped 21 basis points to 43.66% in October and the percentage of CMBS 1.0 debt that is seriously delinquent is now 42.88, a drop of 99 basis points month over month.

For additional details, such as historical comparisons and analysis on all major property types download the October 2019 US CMBS Delinquency Report: https://www.trepp.com/october-2019-cmbs-delinquency-report. For daily CMBS and CRE commentary, follow @TreppWire on Twitter.
Contact Information
Manus Clancy
Trepp
http://trepp.com
2127541010

Online Web 2.0 Version
You can read the online version of this press release here.