CREFC Update on CMBS Loan Performance

July 2025

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The Voice of Commercial Real Estate Finance

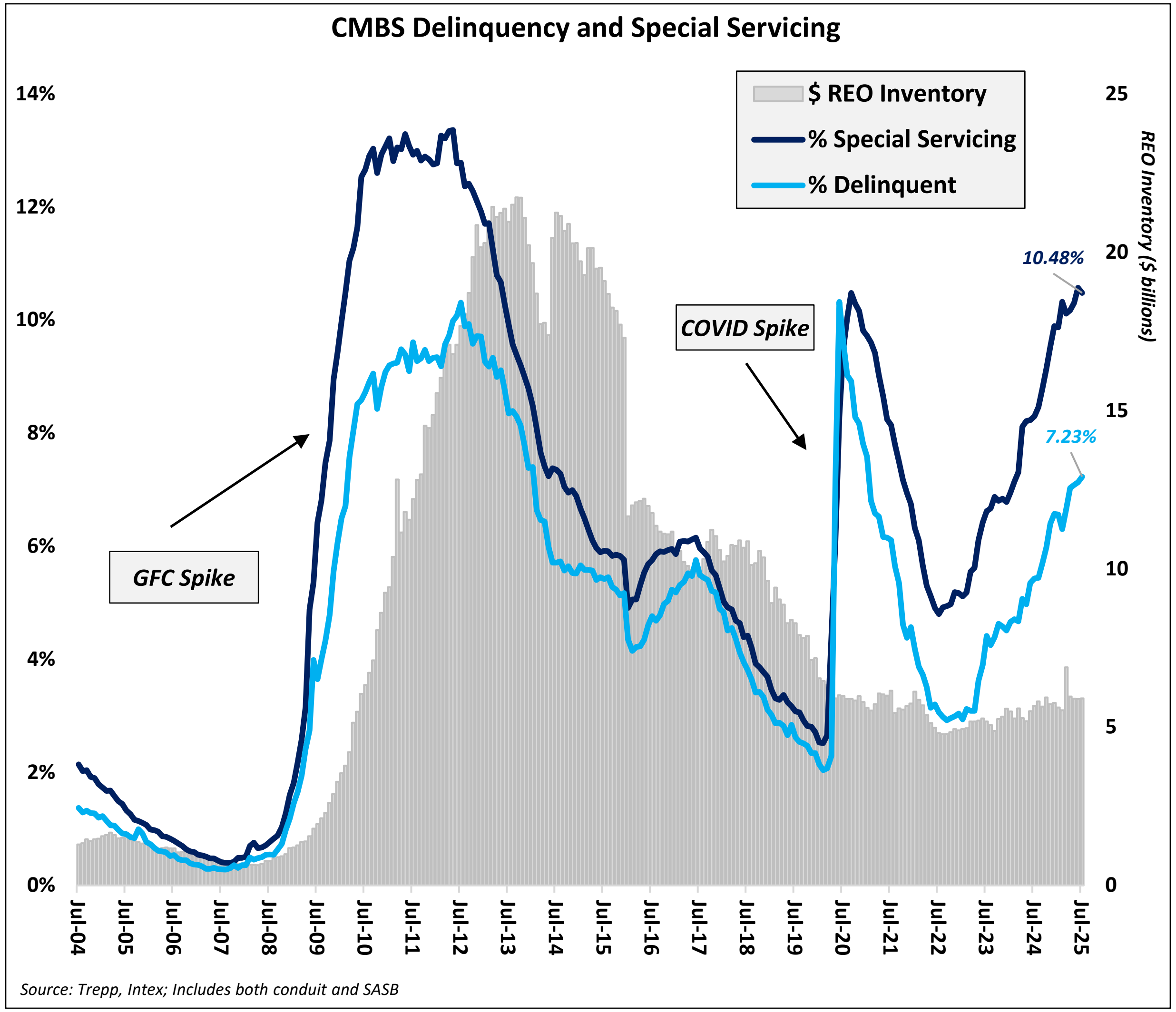
CMBS Delinquency Inches Upward

Outstanding CMBS loans totaled $642.6B at month-end July:

- ***53.9% ($346.4B) conduit CMBS***
- ***46.1% ($296.2B) single-asset/single-borrower (SASB) CMBS***

CONDUIT/SASB CMBS COMBINED DELINQUENCY OF 7.23%

- **Delinquency rate increased 10 bps in July**
  - Fifth consecutive monthly increase; follows increases of 5 bps in each of the prior two months
  - On a YOY basis, the overall combined delinquency rate is up 180 bps (7.23% vs. 5.43% in July 2024)
  - The 7.23% July delinquency rate is the highest since January 2021
- **Office delinquency fell 4 bps in July to 11.04% – a welcome but modest relief – and still tops all property types.**
  - Office delinquency rate set a record high in June (11.08%), surpassing previous peaks of 11.01% (December 2024) and 10.70% (July 2012)
- **Overall, June delinquency rate still 309 bps below the 10.32% peak in June 2020 – the height of pandemic-related lockdowns**



July Delinquency and SS Overview

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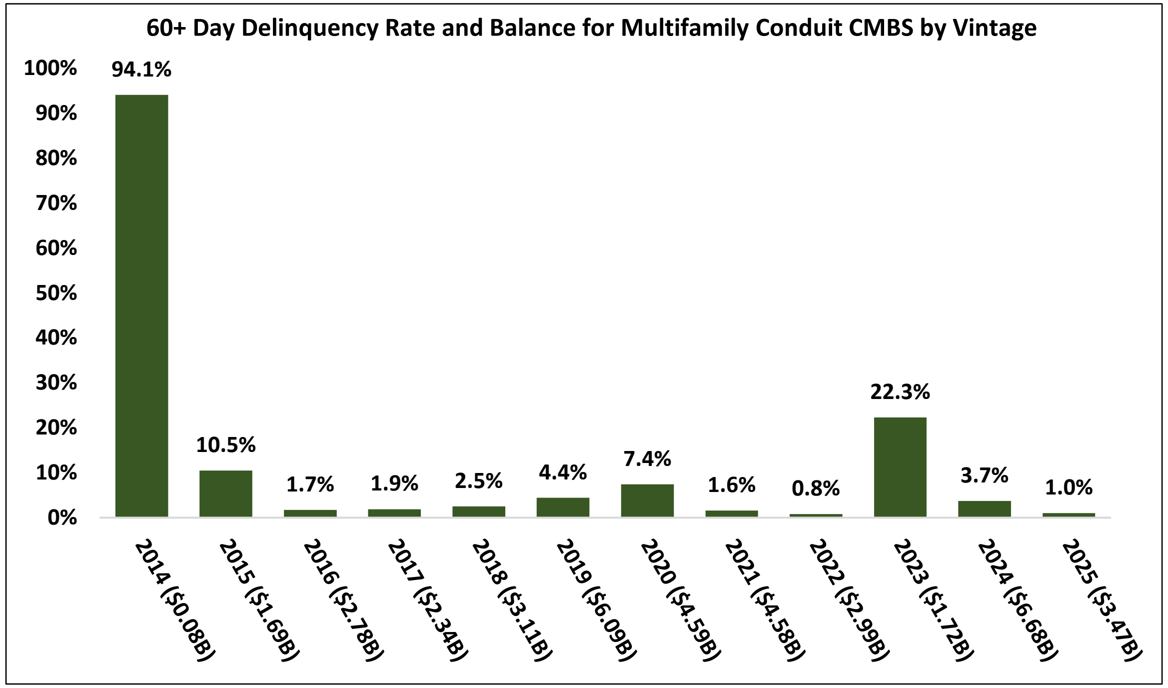
- **Loans in special servicing (SS) decreased 9 bps to 10.48% in July; SS rate has increased in 9 of the last 12 months and is up 218 bps YOY**

% of Balance Outstanding	30+ Days Delinquent	60+ Days Delinquent	90+ Days Delinquent	FCL / REO	Non-Perf Matured Balloon	Total Delinquent	Current & Specially Serviced	Delinquent & Specially Serviced	Total Specially Serviced
Conduit CMBS	0.49%	0.12%	1.11%	4.07%	2.61%	**8.40%**	3.59%	7.11%	**10.70%**
SASB CMBS	0.07%	0.00%	0.02%	3.37%	2.38%	**5.85%**	4.15%	6.07%	**10.22%**
Total CMBS	**0.30%**	**0.07%**	**0.61%**	**3.75%**	**2.50%**	**7.23%**	**3.85%**	**6.63%**	**10.48%**

Source: Trepp; data represent a snapshot as of the date pulled and may differ slightly across slides

- **JPMorgan examined conduit multifamily CMBS delinquencies in recent vintages**
  - **2023 is the outlier:** MF conduit 60+ day delinquency is 22.3% vs 3.7% (2024) and 1.0% (2025); the 2023 cohort is also relatively small (~$1.7B outstanding balance)
  - **Why it's happening:** JPM cites some quotient of weak sponsorship combined with potentially aggressive underwriting of operating expenses – ~32% in 2023 conduit vs ~40% for Freddie K/FRESB – and 2024 actuals show operating expenses up 400 bps to ~36% with revenues at −5% and expenses +3% (insurance ~+20% YoY)
  - **Context & risk:** Overall conduit 60+ day delinquency at ~7.9% (July 2025) is still concentrated in 2013-2015 maturities; 2023 MF loans average ~1.5x NOI DSCR, level at which general perception is that default risk is low, unless DSCR drifts toward ~1.2x or lower



Source: JPMorgan, CMBS Weekly (August 1, 2025)

July Delinquency by Property Type

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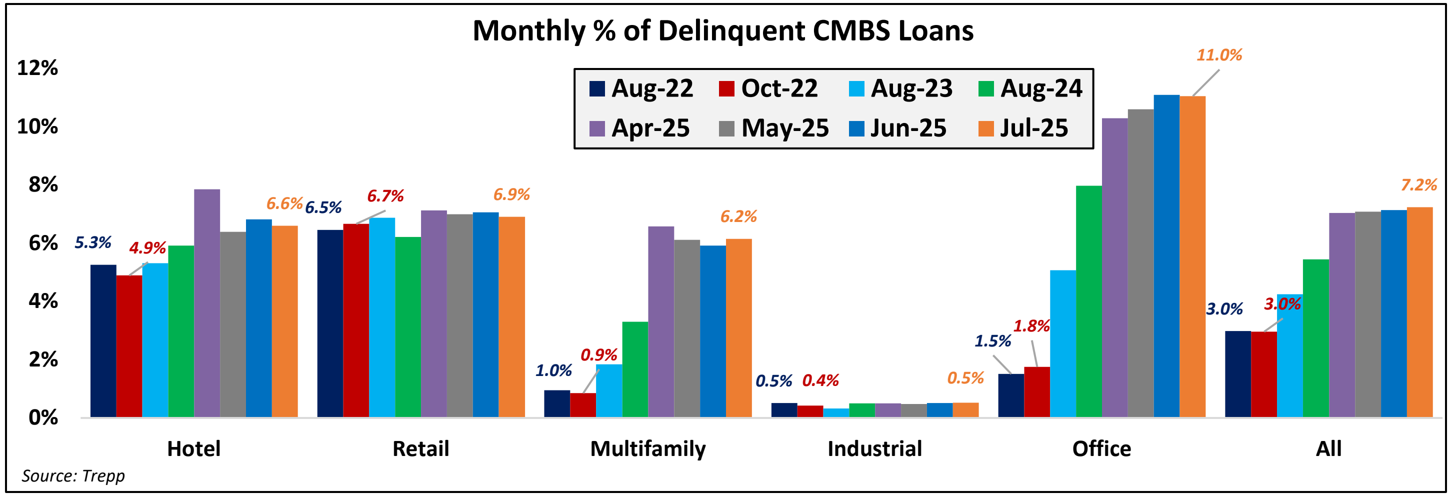
Delinquency Rate Increases. Across all property types, delinquent loans totaled 7.23% in July, up 10 bps from the prior month. Multifamily (+24) drove the increase, while hotel (-22) and retail (-16) declined; industrial (+1) and office (-4) rates were flat. Recently delinquent loans include:

- **Park West Village, $365mm (split across six 2022/2023 conduits).** Secured by three 16-story multifamily buildings totaling 850 units, located in Manhattan's UWS neighborhood, built in 1950/1958/1963 and renovated in 2014. Property has been below 1.00x DSCR since 2023 (u/w DSCR of 2.60x). Revenue in 2023 ($25.8mm) and 2024 ($26.7mm) fell well short of u/w ($32.8mm). Additionally, commentary noted lack of detail on expenses, servicer to reach out to borrower regarding plans to increase EGI. Property is owned by Chetrit Group and Stellar Management. Loan is currently 30+ days delinquent.

- **Lakeside Place & Shoreline Apartments (BMARK 2025-V14).** Secured by two garden apartment properties in Tulsa, OK totaling 671 units built in 1974 and renovated in 2022. Loan was originated earlier this year. Borrower missed June and July payments. Commentary notes that borrower is working on getting a wire out to satisfy delinquencies. Cash trap is now active. Loan is currently 60+ days delinquent.

DLQ by Property Type	Jul-25	Jun-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Jun-20	Dec-19
Hotel	6.59%	6.81%	6.14%	5.40%	4.40%	8.79%	19.80%	24.30%	1.42%
Retail	6.90%	7.06%	7.43%	6.47%	6.97%	8.27%	12.95%	18.04%	4.24%
Multifamily	6.15%	5.91%	4.58%	2.62%	2.17%	1.76%	2.77%	3.28%	1.78%
Industrial	0.52%	0.51%	0.29%	0.57%	0.42%	0.53%	1.14%	1.56%	1.36%
Office	11.04%	11.08%	11.01%	5.82%	1.58%	2.55%	2.19%	2.65%	1.85%
All	**7.23%**	**7.13%**	**6.57%**	**4.51%**	**3.04%**	**4.57%**	**7.82%**	**10.32%**	**2.17%**



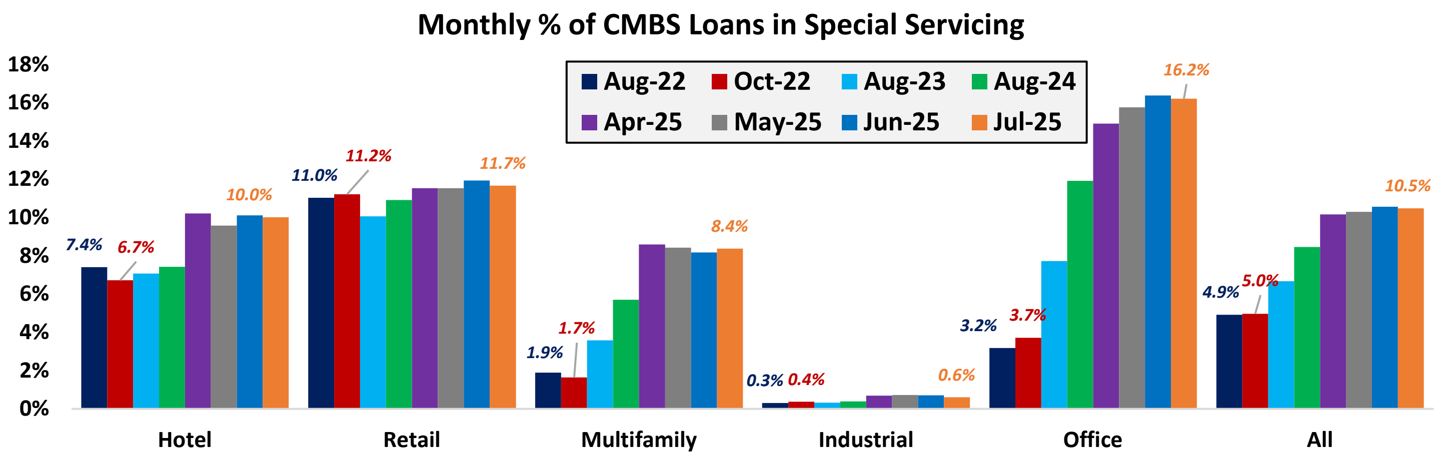
July Special Servicing by Property Type

Special Servicing Drops. SS loans totaled 10.48% in July, down 9 bps from the prior month. Multifamily (+19) saw an increase while retail (-28), office (-17), industrial (-11) and hotel (-10) declined. Recent transfers to SS include:

- **5 Bryant Park - $463mm (DBGS 2018-5BP).** Secured by a 683 ksf office tower in Midtown Manhattan, built in 1958 and renovated in 2015. Sponsor is Savanna. Loan originally matured in June 2020 but was extended five times through one-year options; failed to pay off at the final June 2025 maturity. YE 2024 financials show 81% occupancy with NCF DSCR of 0.83x. Property was appraised at $640mm in 2018. Transferred to SS for maturity default. According to commentary, borrower waiting on a term sheet from a lender.

- **7700 Parmer - $177mm (JPMCC 2015-JP1, JPMBB 2016-C1, DBJPM 2016-C1).** Secured by a four-building, 912 ksf Class A office campus on 128 acres in Austin's premier technology district. Sponsor is Accesso Partners. Occupancy fell from 99% in 2023 to 74% after eBay halved its footprint and Dun & Bradstreet exited entirely. Loan matures December 2025 with $37mm in reserves. Loan transferred to SS due to refinance risk and NOI decline ahead of maturity.

SS by Property Type	Jul-25	Jun-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Jun-20	Dec-19
Hotel	10.01%	10.11%	8.29%	7.13%	6.74%	13.72%	24.07%	20.46%	1.94%
Retail	11.66%	11.94%	11.67%	9.37%	10.97%	12.73%	17.20%	14.22%	4.99%
Multifamily	8.37%	8.18%	8.72%	3.17%	2.26%	2.11%	2.91%	1.85%	2.22%
Industrial	0.60%	0.71%	0.56%	0.37%	0.39%	0.60%	1.22%	1.40%	1.74%
Office	16.21%	16.38%	14.78%	8.45%	3.85%	3.23%	2.71%	2.66%	2.46%
All	**10.48%**	**10.57%**	**9.89%**	**6.78%**	**5.17%**	**6.75%**	**9.81%**	**8.28%**	**2.71%**



Source: Trepp

July CMBS Realized Losses

Seven loans across 9 CMBS transactions, with a total outstanding balance of $187.3mm, were liquidated in July, resulting in realized losses of $60.9mm. Based on the outstanding balance at disposition, loss severities ranged from 0.5% to 76%, with an average loss severity of 32.5% across all loans.

- **The largest loan to resolve for a loss was the $70.1mm Marriott Grand Cayman loan.** Loan was secured by a 295-key full-service hotel in the Cayman Islands. The loan transferred to special servicing during the pandemic and later received a maturity extension to July 2025 to facilitate stabilization and renovation. Property sale closed on 7/2/25 with liquidation proceeds of $70.6mm and expenses of $0.9mm resulting in a realized loss of $0.4mm or 0.5%.
- **The second largest loan to resolve for a loss was the $26.7mm Hawaii Kai Shopping Center loan.** Loan was secured by a 145 ksf retail property built in 1982, located in Honolulu, and subject to a ground lease. Asset entered receivership in 2020 amid litigation between the leasehold owner and landowner. Property was purchased by Hunt Companies at auction with liquidation proceeds of $19.5mm. After expenses of $10.6mm, realized loss was $17.9mm or 66.9%.

No.	Deal Name	Loan Name	Securitized Balance	Balance Before Disposition	Property Type	City	State	Loss Amount	Loss (on Sec. Balance)	Loss (on Disp. Balance)
1	GSMS 2017-GS7/CCUBS 2017-C1/UBSCM 2017-C5	Marriott Grand Cayman	79,786,879	70,130,739	LO-Full Service	Grand Cayman	FO	382,199.00	0.5%	0.5%
2	JPMCC 2006-CB17	Hawaii Kai Shopping Center	33,000,000	26,740,997	RT-Anchored	Honolulu	HI	17,899,529	54.2%	66.9%
3	COMM 2014-CR19	Clinton Square	32,000,000	25,457,232	OF-Urban	Rochester	NY	10,578,226	33.1%	41.6%
4	BMARK 2018-B2	Village Green of Waterford	23,600,000	22,039,373	MF-Unclassified	Waterford	MI	2,367,930	10.0%	10.7%
5	BANK 2017-BNK6	Trumbull Marriott	22,000,000	19,473,206	LO-Full Service	Trumbull	CT	14,806,113	67.3%	76.0%
6	MSBAM 2013-C10	Oak Brook Office Center	23,905,675	18,222,430	OF-Suburban	Oak Brook	IL	13,206,875	55.2%	72.5%
7	UBSCM 2017-C1	Fairfield Inn & Suites Milford	5,921,469	5,193,132	LO-Limited Service	Milford	MA	1,615,136	27.3%	31.1%
Total			**$220,214,023**	**$187,257,108**				**$60,856,008**	**27.6%**	**32.5%**

Source: Trepp, Bloomberg

Largest Office Loans in SS as of July

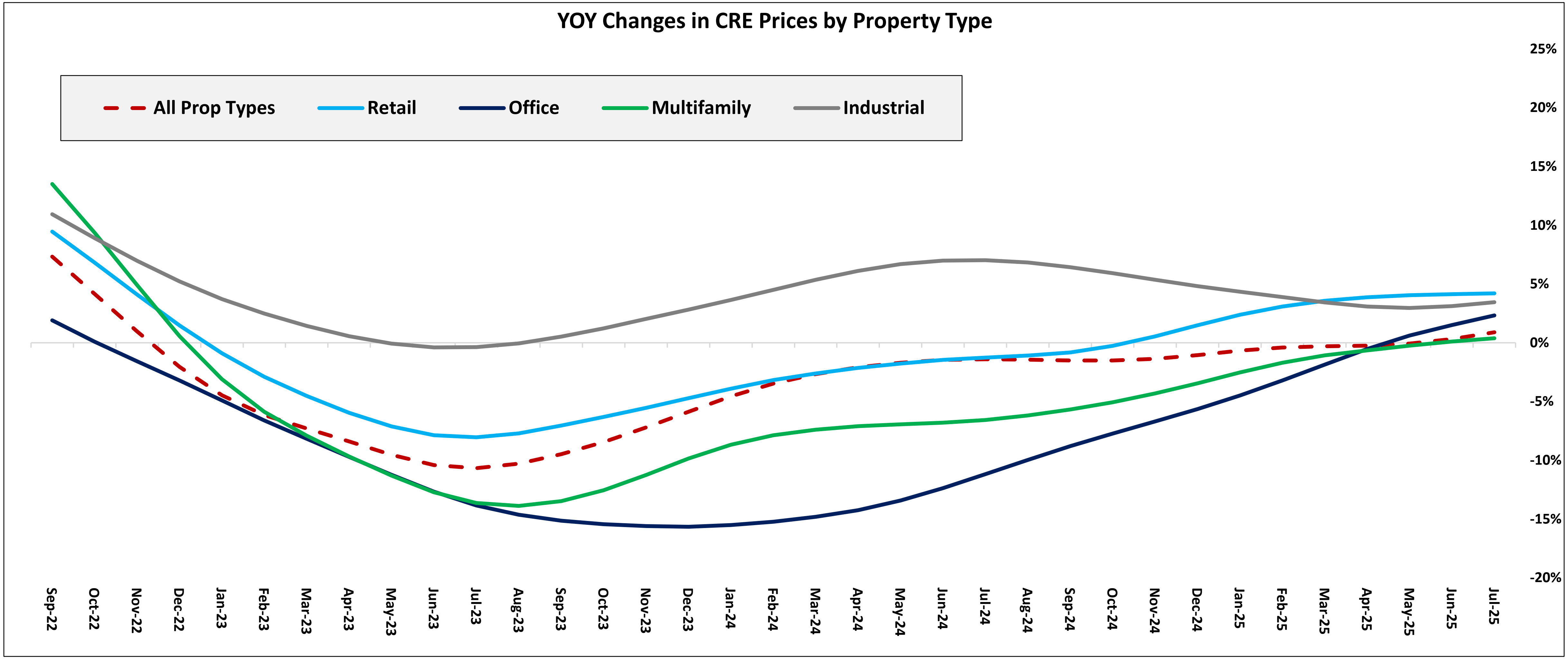
The table below includes the 25 largest office loans in SS as of July, sorted by current balance, totaling $11.9B (41.7% of $28.6B of office loans in SS):

Loan Name	Deal Name	City	State	Current Loan Balance	SS Transfer Reason
Workspace Property Trust Port.	JPMCC 2018-WPT/4 Others	Various	VR	1,229,758,350	Imminent Monetary Default (Balloon/Maturity Default)
1211 Avenue of the Americas	AOTA 2015-1211	New York	NY	1,035,000,000	Imminent Monetary Default (Balloon/Maturity Default)
Worldwide Plaza	WPT 2017-WWP/4 Others	New York	NY	940,000,000	Imminent Monetary Default (excluding Balloon/Maturity Default & Single Tenant Bankruptcy/Vacate)
230 Park Avenue	MSC 2021-230P	New York	NY	670,000,000	Imminent Monetary Default (Balloon/Maturity Default)
Stonemont Portfolio	JPMCC 2020-NNN/3 Others	Various	VR	664,691,053	Imminent Monetary Default (Balloon/Maturity Default)
NGP V GSA Portfolio	BBCCR 2015-GTP	Various	VR	660,000,000	Imminent Monetary Default (Balloon/Maturity Default)
CXP Office Portfolio	CXP 2022-CXP1	Various	VR	484,742,628	Payment Default (all payments excluding Balloon/Maturity Payment)
5 Bryant Park	DBGS 2018-5BP	New York	NY	463,000,000	Balloon Payment/Maturity Default
1440 Broadway	JPMCC 2021-1440	New York	NY	417,624,186	Balloon Payment/Maturity Default
Greenway Plaza	GSMS 2017-GPTX	Houston	TX	416,200,000	Imminent Monetary Default (Balloon/Maturity Default)
Bank of America Plaza	WFRBS 2014-C22/3 Others	Los Angeles	CA	400,000,000	Imminent Monetary Default (Balloon/Maturity Default)
Selig Office Portfolio	CGCMT 2015-GC29/4 Others	Seattle	WA	379,100,000	Imminent Monetary Default (Balloon/Maturity Default)
AMA Plaza	BCP 2021-330N	Chicago	IL	370,000,000	Imminent Monetary Default (excluding Balloon/Maturity Default & Single Tenant Bankruptcy/Vacate)
1500 Market Street	JPMCC 2020-MKST	Philadelphia	PA	368,000,000	Imminent Monetary Default (Balloon/Maturity Default)
ADV Portfolio	CSMC 2021-ADV	Various	VR	350,000,000	Imminent Monetary Default (excluding Balloon/Maturity Default & Single Tenant Bankruptcy/Vacate)
225 Bush	BMARK 2019-B14/4 Others	San Francisco	CA	350,000,000	Balloon Payment/Maturity Default
1407 Broadway	BBCMS 2019-BWAY	New York	NY	343,909,154	Payment Default (all payments excluding Balloon/Maturity Payment)
Times Square Plaza	TMSQ 2014-1500	New York	NY	335,000,000	Imminent Monetary Default (Single Tenant Bankruptcy/Vacate)
Hughes Center Las Vegas	COMM 2018-HCLV	Las Vegas	NV	325,000,000	Imminent Monetary Default (excluding Balloon/Maturity Default & Single Tenant Bankruptcy/Vacate)
535-545 Fifth Avenue	MSBAM 2015-C24/C26/C27	New York	NY	310,000,000	Balloon Payment/Maturity Default
River North Point	GSMS 2018-RIVR	Chicago	IL	309,799,056	Imminent Monetary Default (Balloon/Maturity Default)
One California Plaza	CSAIL 2017-CX10/CSMC 2017-CALI	Los Angeles	CA	300,000,000	Imminent Monetary Default (Balloon/Maturity Default)
Wells Fargo Center	MSC 2019-NUGS	Denver	CO	277,100,000	Balloon Payment/Maturity Default
EY Plaza	BFLD 2020-EYP	Los Angeles	CA	275,000,000	Payment Default (all payments excluding Balloon/Maturity Payment)
Brookwood Office Portfolio	JPMCC 2019-BKWD	Various	VR	273,126,850	Balloon Payment/Maturity Default
				$11,947,051,277	

Source: Trepp

National CRE Prices by Property Type

Asset prices edged upward (+0.9%) on a YOY basis through July. Retail (+4.2%), industrial (+3.4%), and office (+2.3%) saw increases; multifamily was flat.



Source: Bloomberg, MSCI / Real Capital Analytics

CRE Lending Landscape and Debt Outstanding

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CRE Debt Outstanding: $6.1 Trillion as of 1Q25

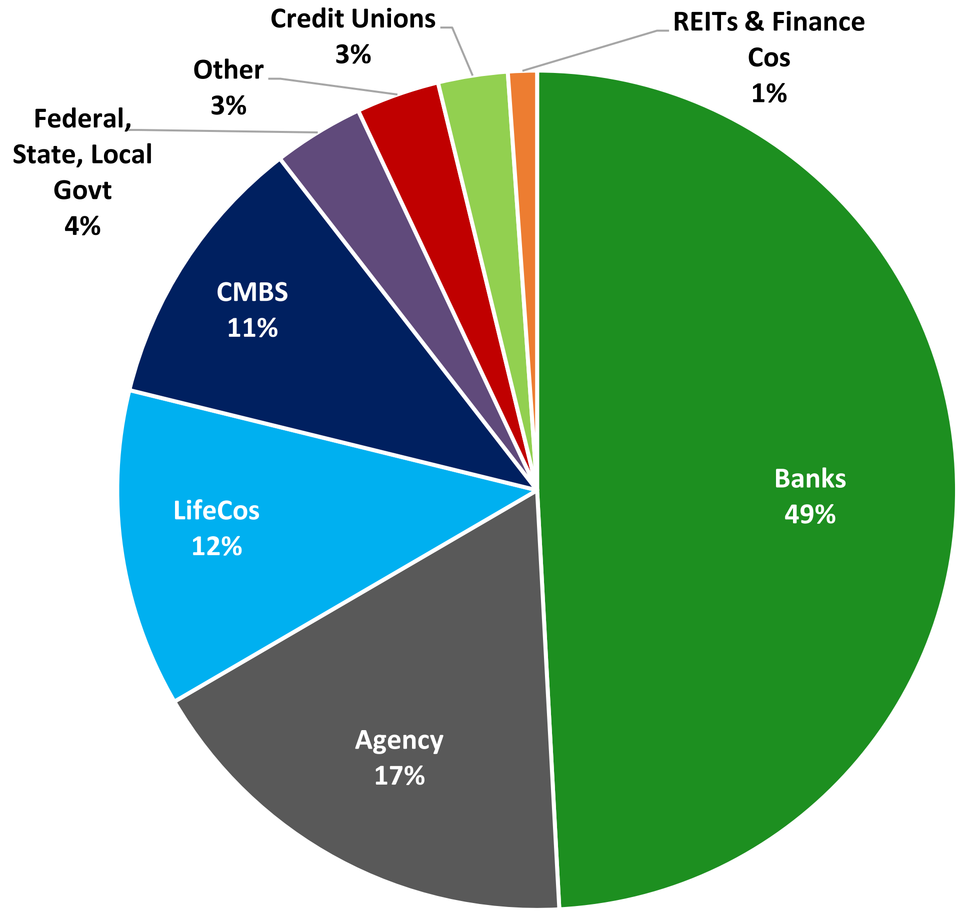
- *Banks outpace all lenders in CRE debt outstanding; GSEs take that honor on the multifamily front*
- *Bank CRE portfolios remain under heightened scrutiny by regulators; new Basel capital rules may add further to bank concerns if not softened*

CRE Debt Outstanding: 1Q 2025 ($ billions)

Holder Type	Total CRE Debt	% of CRE Debt Outstanding
Banks	3,021	49%
Agency	1,072	17%
LifeCos	752	12%
CMBS	656	11%
Federal, State, Local Govt	214	3%
Other	197	3%
Credit Unions	165	3%
REITs & Finance Cos	68	1%
Total	6,145	100%

Holder Type	Multifamily Debt Only	% of Multifamily Debt Outstanding	Non-Multifamily CRE Debt	% of Non-Multifamily CRE Debt Outstanding
Banks	743	32%	2,278	59%
Agency	1,072	46%	0	0%
LifeCos	242	10%	510	13%
CMBS	62	3%	594	16%
Federal, State, Local Govt	104	4%	111	3%
Other	24	1%	174	5%
Credit Unions	45	2%	120	3%
REITs & Finance Cos	25	1%	43	1%
Total	2,316	100%	3,829	100%

Total CRE Debt Outstanding ($6.1T)



Source: Federal Reserve

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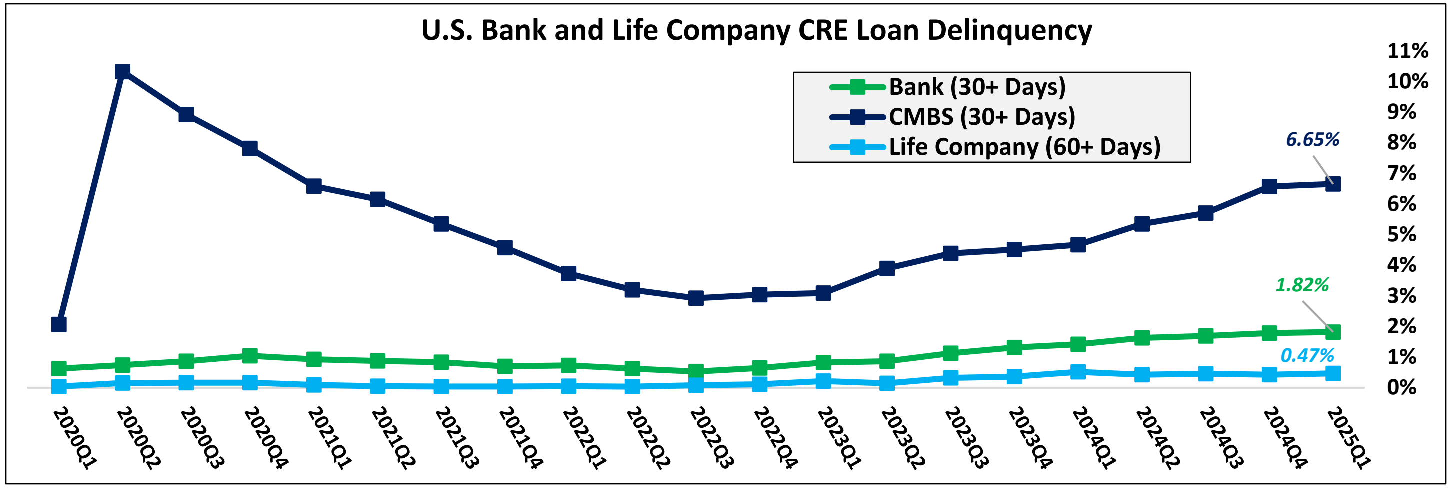
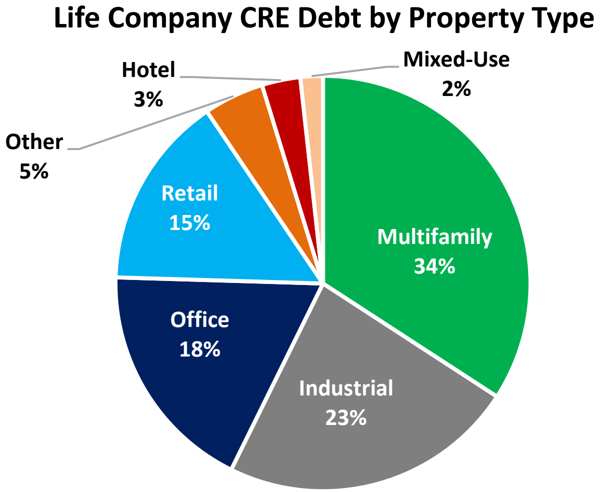
- **Bank, Life Company CRE Delinquencies Remain Low**
  - 30+-day delinquency rate for **bank loans** increased 3 bps to 1.82% in 1Q25 (FDIC)
  - 60+-day delinquency rate for **life company loans** increased 4 bps to 0.47% in 1Q25 (ACLI)
- **Troubled Debt Restructuring (TDR) Guidance**
  - CREFC advocated for TDR relief extension/ clarification during the pandemic, aiding lenders in their efforts to continue to work with borrowers impacted by the pandemic
  - Based on the success of TDR relief, a March 2022 update by FASB was put forth to eliminate its recognition for creditors that have adopted the CECL standard, saying *"…the additional designation of a loan modification as a TDR and the related accounting are unnecessarily complex and no longer provide decision-useful information"*
  - According to *BofA Global Research*, while this is *"positive on the margin, it remains to be seen whether credit problems that arise from a dramatic increase in interest rates or an economic recession qualify as 'short-term'"*





Source: ACLI (as of 2Q 2025)

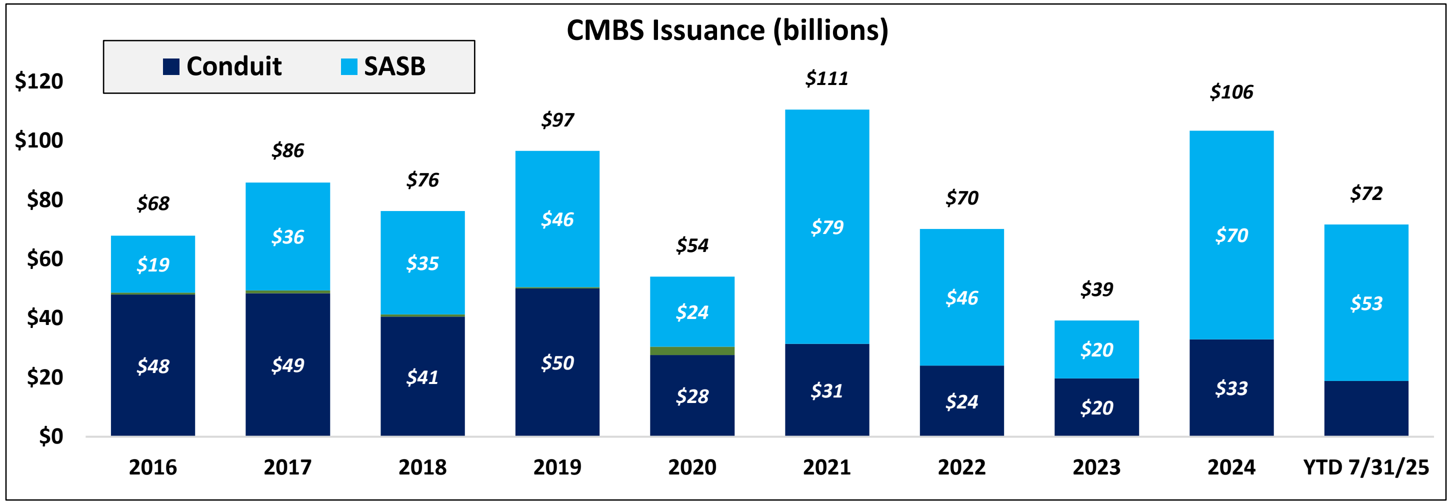
Private-Label Securitized Debt Overview

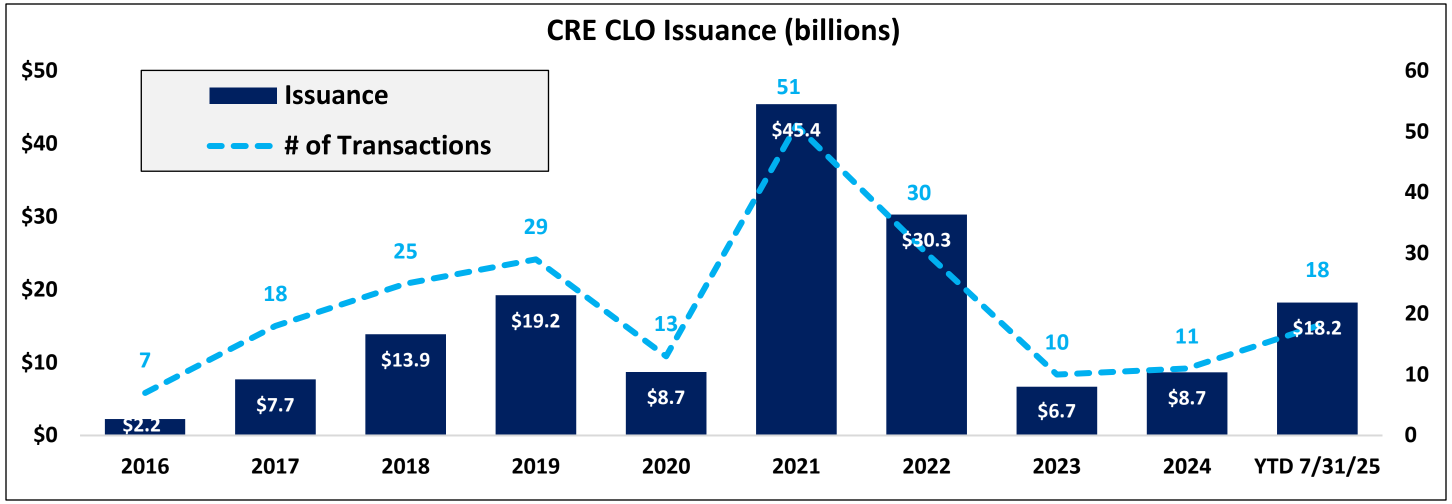
CMBS

- **Conduit CMBS** secured by fixed-rate loans collateralized by core stabilized commercial real estate assets. Each loan is secured by a single stabilized asset or portfolio of stabilized assets.
- **SASB CMBS** secured by a large loan to an institutional borrower backed by a single stabilized asset or portfolio
  - ***2024 combined issuance totaled $106B, a 170% increase over 2023's $39B. Momentum has continued into 2025, with YTD 7/31/25 issuance reaching $72B – up 29% compared to same-period 2024 ($56B).***

CRE CLOs

- **CRE CLOs** are collateralized by first mortgages of multifamily and commercial properties in transition
  - Outstanding CRE CLO universe secured ~65% by multifamily assets, many older, naturally occurring affordable housing (NOAH) properties that accommodate lower-income tenants
- **2024 CRE CLO issuance totaled $8.7B across 11 transactions.** YTD 7/31/25 issuance is significantly higher: $18.2B across 18 transactions.



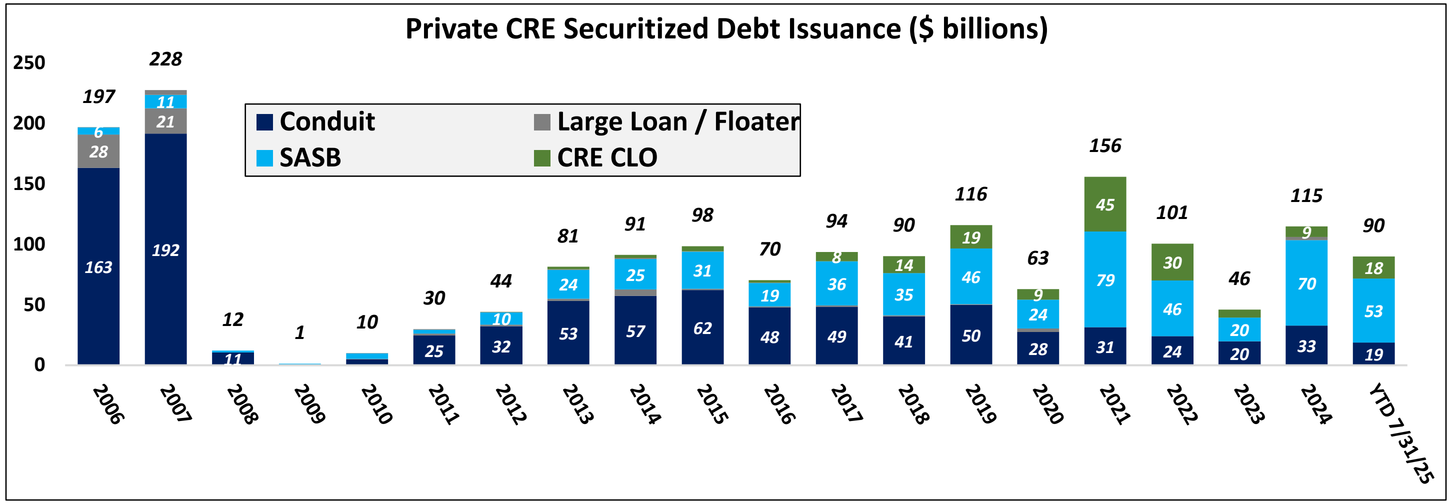


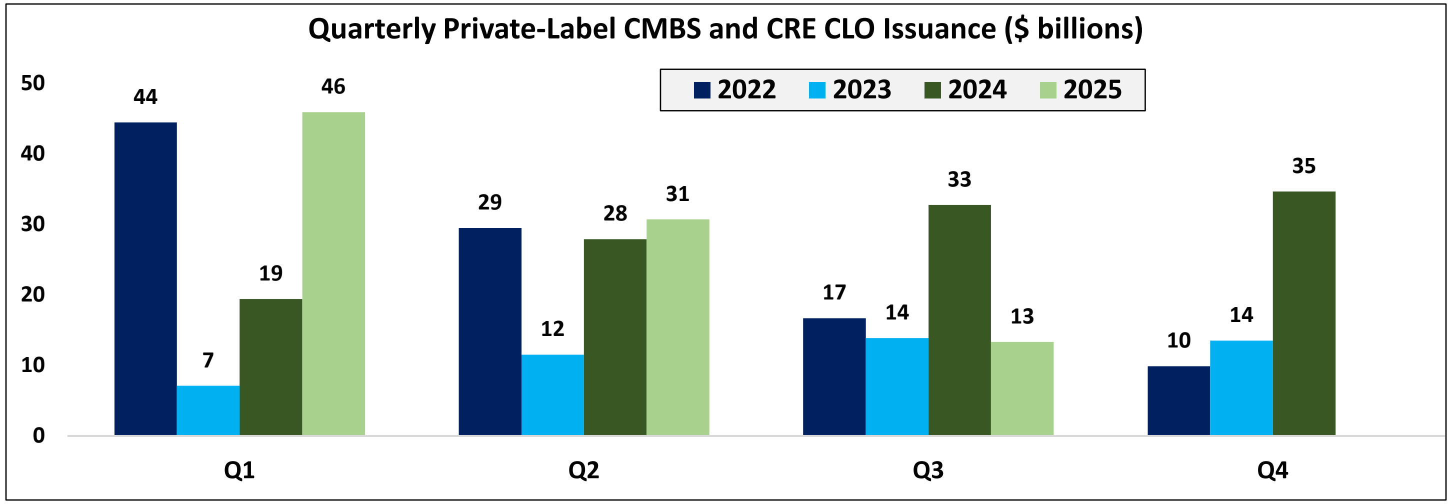
Source: Commercial Mortgage Alert

Overall CRE Debt Issuance Sharply Higher

- **Private-label CRE securitized debt issuance totaled $115B in 2024, 149% higher than 2023's $46B**
  - New issuance slowed significantly after 1Q22 due to macro uncertainty and rising rates
  - Issuance surged in 2024, and momentum has continued into 2025 as property price clarity grows, and fewer loans see extensions
  - ***YTD 7/31/25 issuance of $90B is 50% higher than the $60B for same-period 2024***

- **Commercial and multifamily mortgage loan originations across all lender types are projected to rise to $583B in 2025, a 17% increase from 2024's $498B total, based on MBA forecast**
  - Multifamily lending (included in total figures) expected to rise to $361B in 2025, an 11% increase from 2024's $326B
  - MBA anticipates total originations will increase to $709B in 2026, with $419B in multifamily

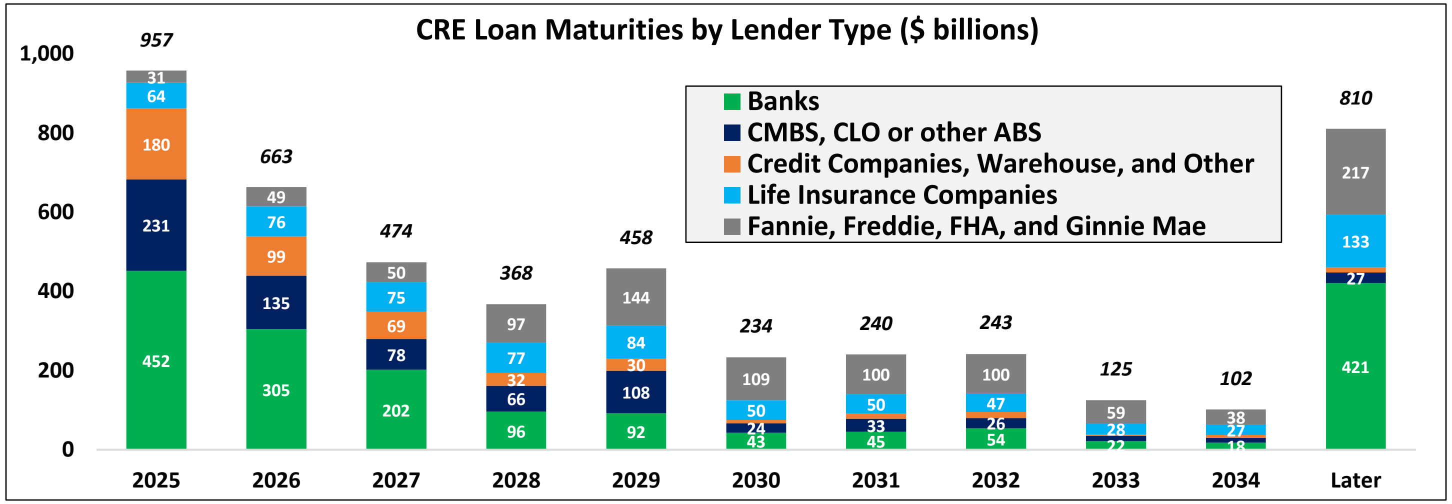


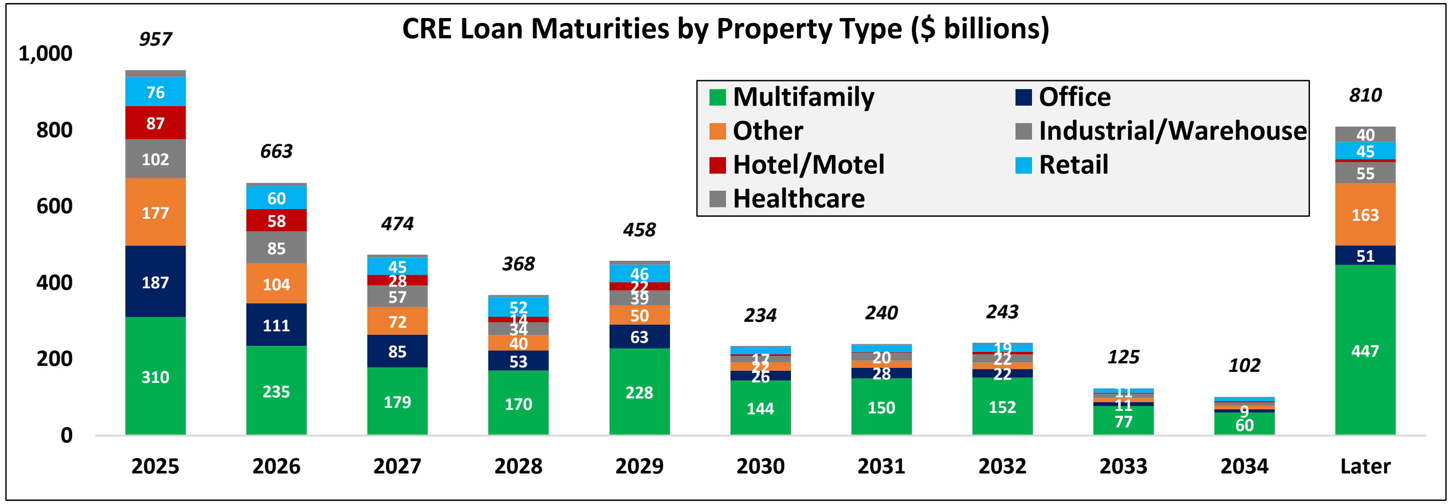


Source: Commercial Mortgage Alert

CRE Loan Maturities

- **$957B CRE loans will mature in 2025**
  - 2025 maturities were revised upward to $957B from $574B (+383B increase) primarily due to loans maturing in 2024 that were extended or modified
- **2025 maturities by lender type:**
  - Banks, $452B (47%)
  - CMBS, CLO or other ABS $231B (24%)
  - Credit Companies, Warehouse, and Other, $180B (19%)
  - Life Insurance Companies, $64B (7%)
  - Fannie, Freddie, FHA, and Ginnie, $31B (3%)
- **2025 maturities by property type:**
  - Multifamily (32%)
  - Office (20%)
  - Other (18%)
  - Industrial/Warehouse (11%)
  - Hotel/Motel (9%)
  - Retail (8%)





Source: Mortgage Bankers Association

The CRE Maturity Wall Rolls Forward

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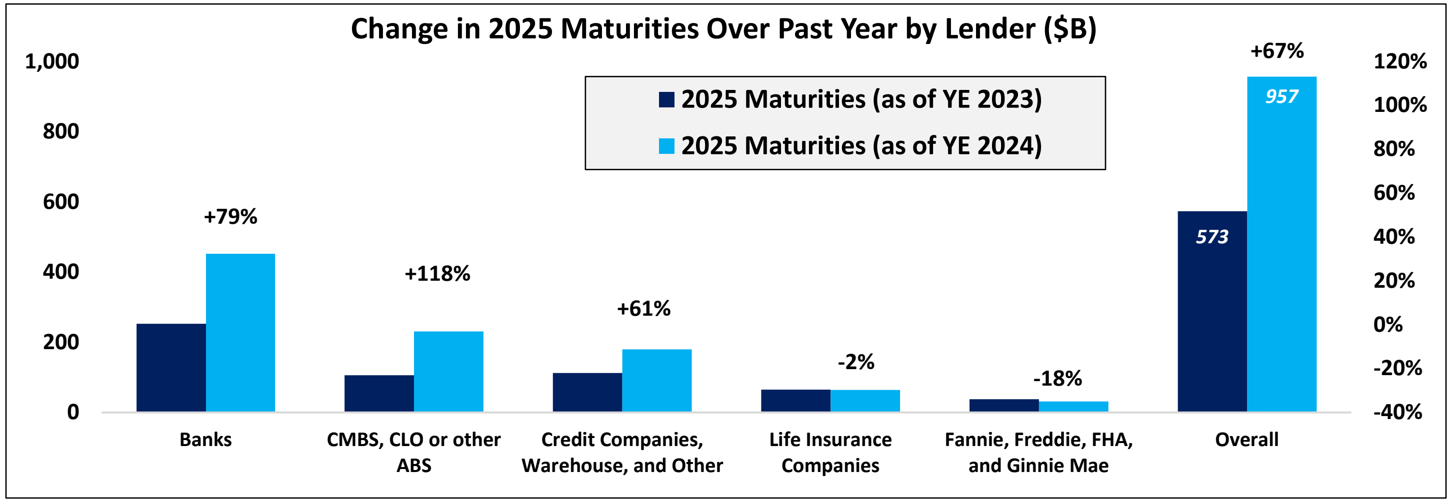
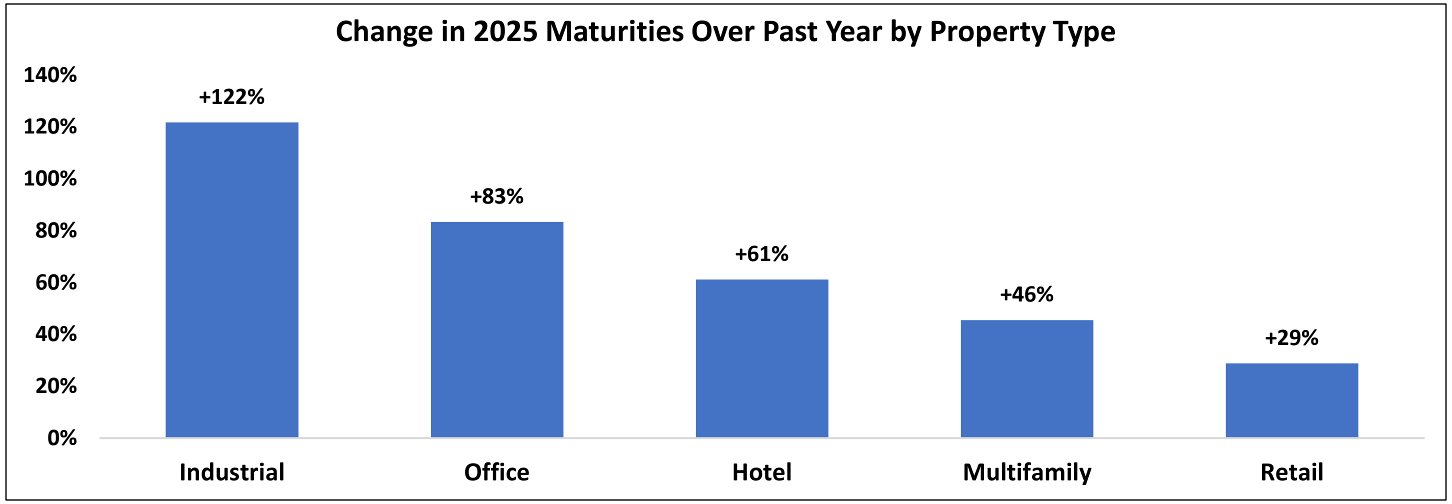
- **Wave of Maturities: 2025 CRE loan maturities surged to $957B, up 67%**, as extended 2024 loans roll forward – creating a major refinancing challenge.
- **Who Holds the Debt? Banks hold 50% of these loans**, and their ability to refinance will shape market conditions.
- **Property Types: The largest share of these maturities is in multifamily ($310B) and office ($187B)**, raising concerns about refinancing liquidity.
  - **Multifamily has stronger liquidity support** from agency lenders (Fannie/Freddie/Ginnie Mae), while office faces major refinancing hurdles, though some investors are selectively stepping back in.
  - **Industrial loans saw the largest proportional increase in 2025 maturities** due to extensions, while retail loans had the smallest increase.





Source: Mortgage Bankers Association

About CREFC

The CRE Finance Council (CREFC) is the trade association for the more than $6 trillion commercial real estate finance industry. More than 400 companies and 19,000 individuals are members of CREFC. Member firms include balance sheet and securitized lenders, loan and bond investors, private equity firms, servicers and rating agencies, among others.

Our industry plays a critical role in the financing of office buildings, industrial and warehouse properties, multifamily housing, retail facilities, hotels, and other types of commercial real estate that help form the backbone of the American economy.

CREFC promotes liquidity, transparency, and efficiency in the commercial real estate finance markets. It does this by acting as a legislative and regulatory advocate for the industry, playing a vital role in setting market standards and best practices, and providing education for market participants.

CREFC also hosts globally recognized events that bring together market participants from leading companies and organizations. Complementing these major conferences are regular After-Work Seminars and regional conferences held throughout the year.

For questions regarding this update, please contact:

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