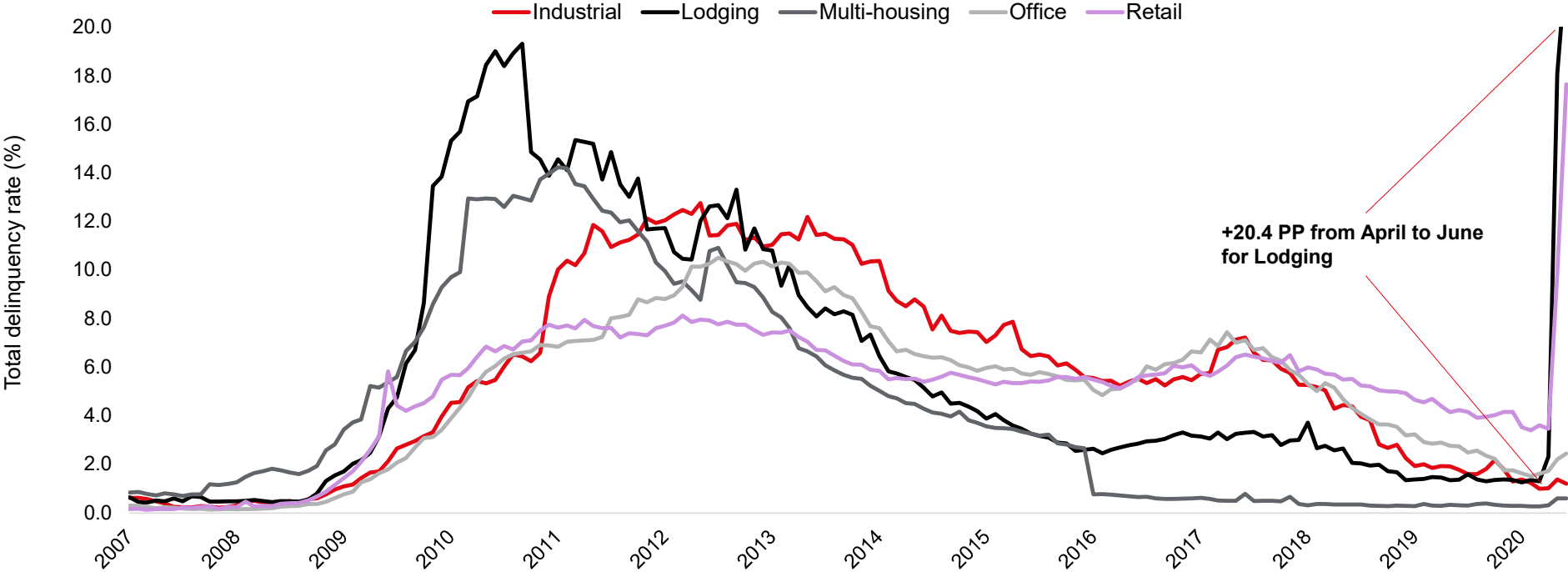
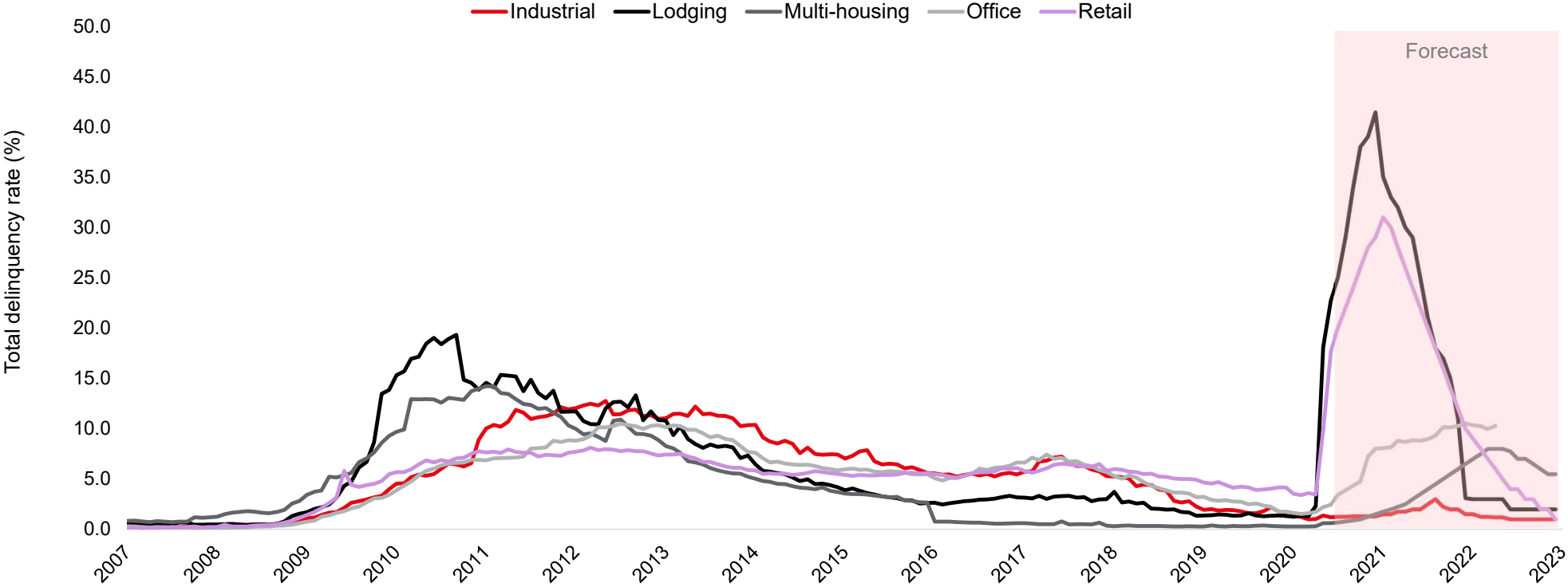


# CMBS delinquency rates already spiking for hotels and retail. May marked the largest monthly increase on record.



Source: JLL Research, Trepp

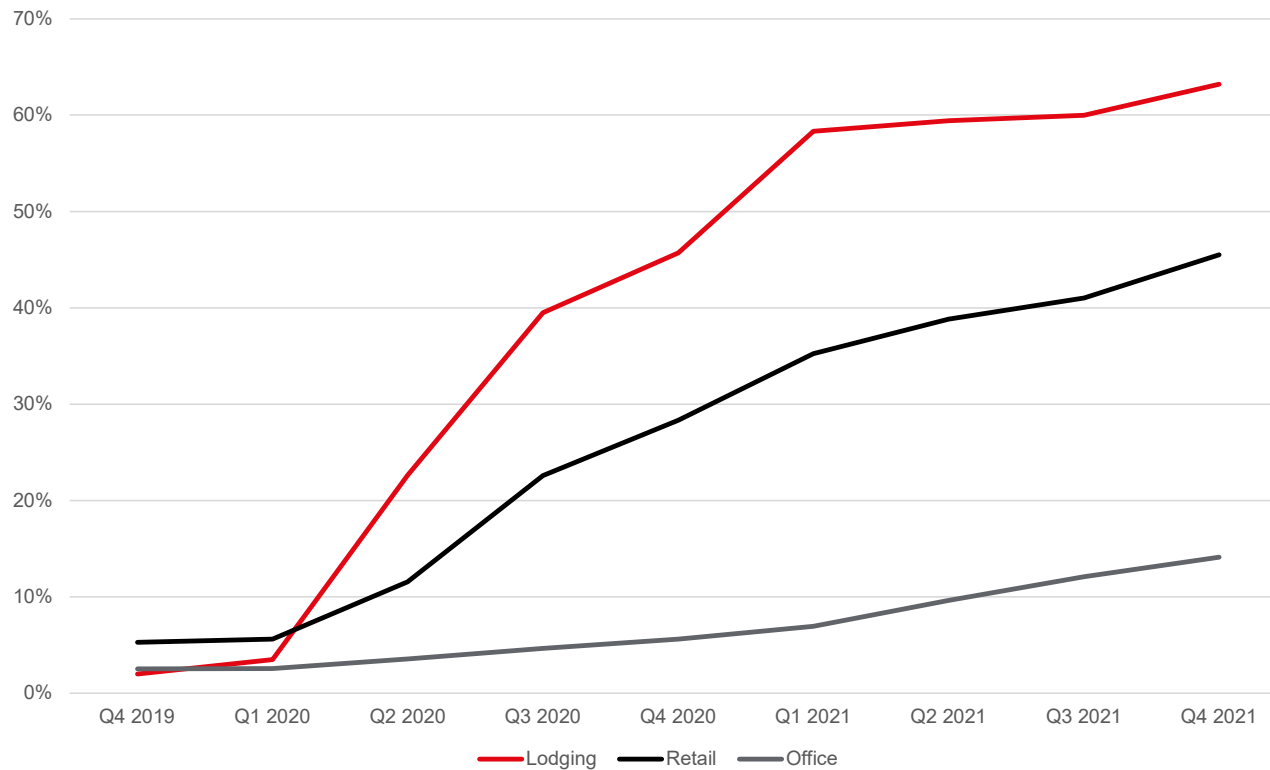
# Forecast of CMBS delinquency rates highlights continued risks for retail and lodging sectors



Source: JLL Research, Trepp, STR

# Cumulative CMBS loans in default are expected to increase rapidly\*

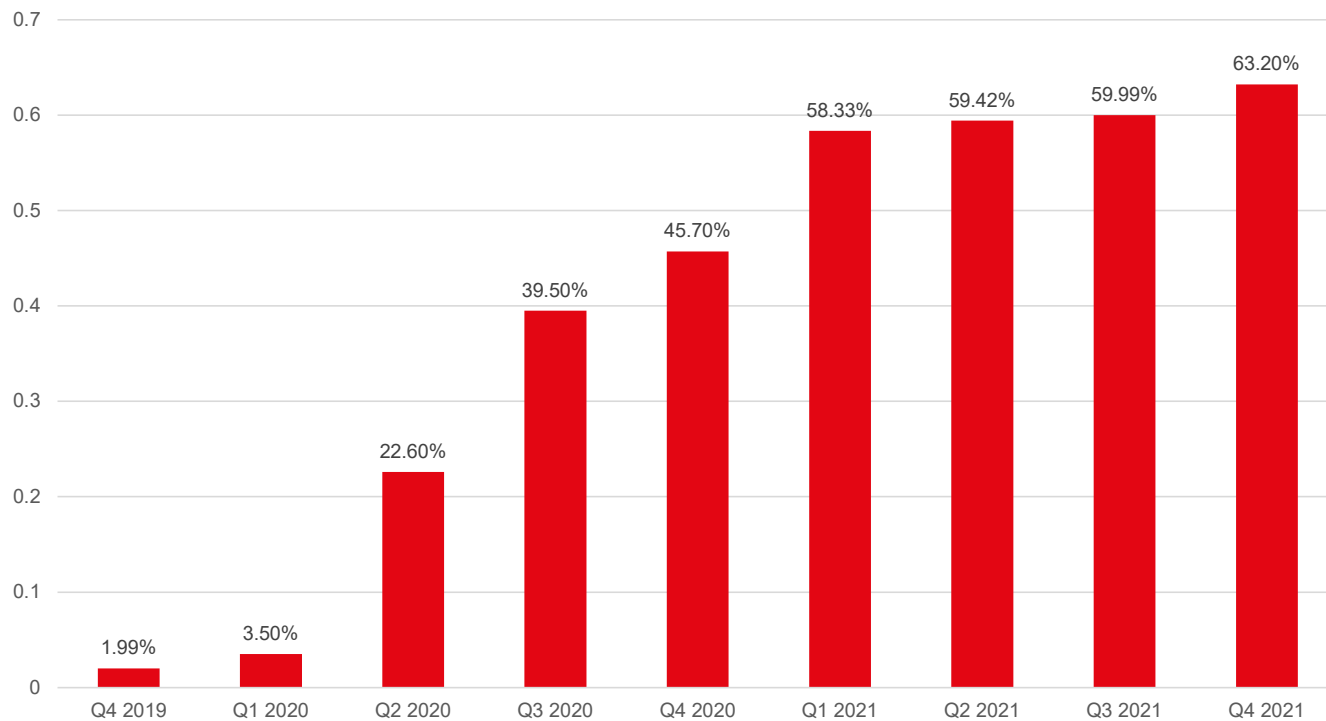
Forecast Cumulative CMBS Loans in Default by Asset Type



- \*Cumulative forecast default rates are estimates, and are dependent on several uncertain variables at the time of forecast, most notably including, but not limited to:
  - The duration and severity of the public health challenges related to COVID-19;
  - The macroeconomic impact of further or renewed shelter-in-place requirements as a result of the pandemic;
  - Various local and regional variances in restrictions, economic activity, or recovery;
  - The level and impact of additional government stimulus that may or may not be provided;
  - The financial conditions of any specific properties or owners within the set of analysed securities.
- For the purposes of this analysis, loans “in default” are defined as all those including loans with principal and/or interest payments late beyond the contractual grace period, loans that are 30+ days delinquent, loans in foreclosure, REO loans, and maturity defaults.

# Cumulative CMBS loans in default are expected to increase rapidly\*

Cumulative Lodging CMBS Loans in Default (Forecast Estimate)



- \*Cumulative forecast default rates are estimates, and are dependent on several uncertain variables at the time of forecast, most notably including, but not limited to:
  - The duration and severity of the public health challenges related to COVID-19;
  - The macroeconomic impact of further or renewed shelter-in-place requirements as a result of the pandemic;
  - Various local and regional variances in restrictions, economic activity, or recovery;
  - The level and impact of additional government stimulus that may or may not be provided;
  - The financial conditions of any specific properties or owners within the set of analysed securities.
- For the purposes of this analysis, loans “in default” are defined as all those including loans with principal and/or interest payments late beyond the contractual grace period, loans that are 30+ days delinquent, loans in foreclosure, REO loans, and maturity defaults.

# Volume of hotel CMBS loans in special servicing skyrockets as operating performance remains pressured by COVID-19

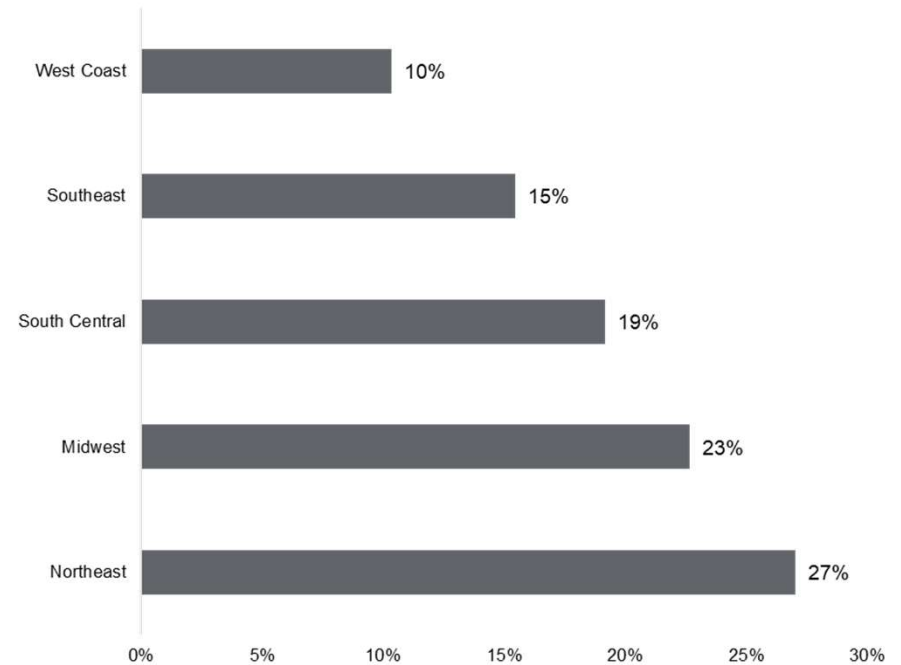


\$13B worth of hotel CMBS loans transferred to special servicing is driving the industry's record-high delinquency

## Proportion of U.S. Hotel CMBS Loans in Special Servicing by Region

### Top 5 Markets by Special Servicing Balance:

Market (MSA)	CMBS Loans in Special Servicing	Proportion of Total CMBS Loan Balance in Special Servicing
1. New York	\$1.2B	36%
2. Miami	\$1.0B	39%
3. Chicago	\$905M	38%
4. Los Angeles	\$552M	27%
5. Hawaii	\$400M	9%



Source: JLL Research

Note: Data as of May 2020 and represents CMBS loans that are \$5M and above. Bulleted special servicing loans represent the largest accrued balance by region.

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