

# CRE FINANCE TRENDS

Sylvan Lake Capital keeps a close eye on the changing commercial real estate landscape. Here is what we're seeing in today's market



## Growing Delinquencies

Each of the past five quarters, commercial real estate lenders have reported increasing late or defaulted accounts. As of Q3 2023 there was more than \$17.5 Billion in past due commercial debt. A large majority of that is 90 or more days late.

The largest change was seen from Q2 to Q3 last year. The data from Q4 is still being reported with early signs showing the trend continuing.

## What Lenders Are Seeing

### 1. Maturing loans

Large number of shorter term CRE Loans that will come due in the next 12-24 months

### 2. More Strict Underwriting

Less investment property financing. Focused on full service approach for owner occupied spaces

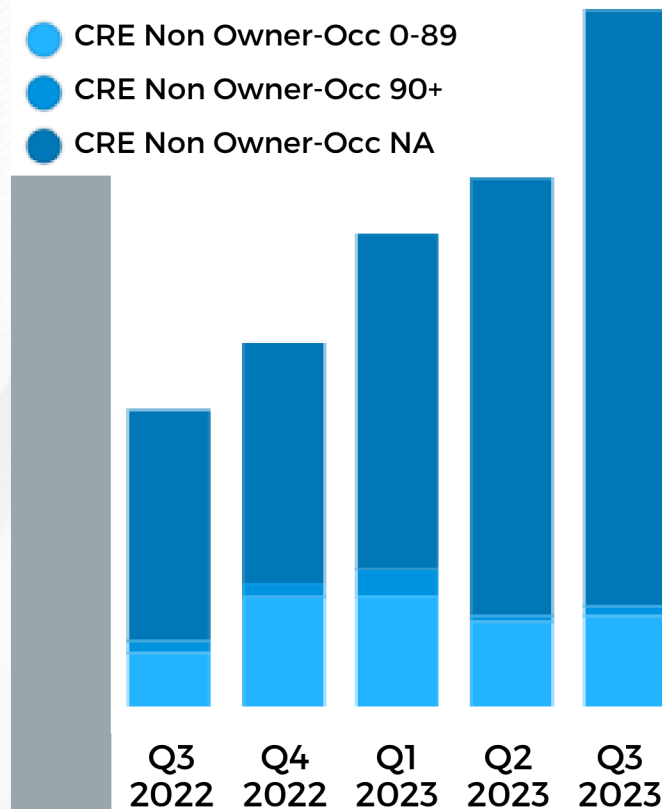
### 3. Increased Bankruptcies

From small businesses to large real estate portfolios, banks are taking back more properties

## At a Glance

- Increased amount of distressed loan accounts
- The trend will likely continue into 2024
- Nearly \$15 Billion in non-accruing investment property loans

- CRE Non Owner-Occ 0-89
- CRE Non Owner-Occ 90+
- CRE Non Owner-Occ NA



\* <https://www.distressedpro.com/app/banks/commercial/>