Active SBA 7(a) Commercial Real Estate Distress By Industry

Disbursed 25-year SBA 7(a) CRE loans grouped by dollar-weighted distress rate.
Industries with ≥$500M disbursed since FY2010. 2.17% portfolio $-distress baseline.

01 Highest Distress Rates by Industry

Top 10 industries with over $500M in disbursed CRE loans since FY2010.

#	INDUSTRY	DISBURSED	DISTRESSED	RATE
1	Drinking Places (Bars)	$544.5M	$25.9M	**4.76%**
2	Used Car Dealers	$644.6M	$19.3M	**2.99%**
3	Pet Care (except Veterinary)	$627.5M	$18.8M	**2.99%**
4	Auto Body & Paint Shops	$885.8M	$26.1M	**2.94%**
5	Nonresidential Building Lessors	$1.4B	$38.1M	**2.72%**
6	Funeral Homes	$1.3B	$33.9M	**2.68%**
7	Hotels & Motels	$22.1B	$573.3M	**2.60%**
8	Assisted Living Facilities	$1.9B	$44.9M	**2.39%**
9	Car Washes	$2.5B	$58.9M	**2.38%**
10	Child Care / Day Care	$3.5B	$82.7M	**2.34%**

02 Lowest Distress Rates by Industry

Top 10 industries with over $500M in disbursed CRE loans since FY2010.

#	INDUSTRY	DISBURSED	DISTRESSED	RATE
1	Coin-Operated Laundries	$741.5M	$1.5M	**0.20%**
2	Fitness and Rec Centers	$742.1M	$4.9M	**0.66%**
3	Self-Storage Lessors	$1.1B	$8.8M	**0.78%**
4	Veterinary Services	$1.5B	$12.4M	**0.82%**
5	Beer, Wine & Liquor Stores	$2.1B	$22.5M	**1.05%**
6	Convenience Stores	$804.4M	$8.6M	**1.07%**
7	Offices of Lawyers	$835.1M	$9.7M	**1.16%**
8	Gas Stations w/ C-Store	$7.8B	$91.8M	**1.17%**
9	Offices of Dentists	$2.5B	$29.6M	**1.17%**
10	Nondurable Goods Wholesalers	$512.2M	$6.6M	**1.29%**

03 The Takeaway

1. **The lowest-distress list shares a demand profile, not a sector.** Inelastic demand, sticky customers, small repeat tickets. People keep paying for dental work, vet visits, storage, gas, and gym memberships through the cycle. The spread from most to least stressed is 23.8x on the same loan product.

2. **Hotels are the heavyweight.** $22.1B disbursed, roughly 1 in every 5 dollars in this dataset and the largest single concentration by far. They run 2.60% distress, just above the 2.17% baseline, but carry $573.3M of it, 24% of every distressed dollar in the 16-year window. At scale, size shows up on both rate and dollars.

3. **Alcohol shows where it's poured, not what's sold.** Production (Wineries 9.83% / Breweries 11.72%) runs 10x off-premise retail (Beer/Wine/Liquor Stores 1.05%). Bars sit at the top of the list at 4.76%.



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SOURCE *SBA 7(a) FOIA data as of 3/31/2026.*

METHODOLOGY *300-month term (SBA cap for owner-occupied CRE), disbursed only. Distress = active in-flight statuses (Delinq, Past Due, Liquidation, SBA-Purchased, Charged Off). Dollars and rates use gross approval amounts, not current balances (no balance or loss field in FOIA data).*

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