



US CMBS Delinquency Report: Delinquency Rate Inches Up After Large Drops in Prior Two Months

The Trepp CMBS Delinquency Rate, which plunged in January and February, inched higher in March. The delinquency rate for US commercial real estate loans in CMBS is now 4.22%, an increase of seven basis points from February. The rate is 136 basis points lower than the year-ago level. The all-time high was 10.34% in July 2012.

In March, CMBS loans that were previously delinquent but paid off with a loss or at par totaled over \$700 million. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 15 basis points. Over \$600 million in loans were cured last month, which helped push delinquencies lower by another 12 basis points. About \$1.7 billion in loans became newly delinquent, which put 33 basis points of upward pressure on the delinquency rate.

The Numbers:

- The overall US CMBS delinquency rate increased seven basis points to 4.22%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 4.06%, unchanged for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 4.44%.
- There are currently \$21.2 billion in delinquent loans. This number excludes loans that are past their balloon date, but are current on interest payments.

Historical Perspective:

- One year ago, the US CMBS delinquency rate was 5.58%.
- Six months ago, the US CMBS delinquency rate was 5.28%.
- One year ago, the rate of loans seriously delinquent was 5.41%.
- Six months ago, the rate of loans seriously delinquent was 5.15%.

Delinquency Status

Current	95.73%
30 Days Delinquent	0.16%
60 Days Delinquent	0.06%
90 Days Delinquent	0.19%
Performing Matured Balloon ¹	0.06%
Non-Performing Matured Balloon	0.46%
Foreclosure	1.09%
REO	2.26%

¹Loans that are past their maturity date but still current on interest are considered current.

Property Type Analysis:

- The industrial delinquency rate inched up five basis points to 5.91%.

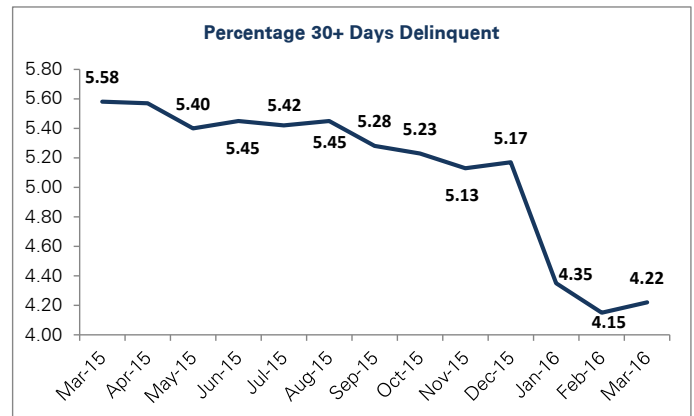
•The lodging delinquency rate moved up 16 basis points to 2.76%.

•The multifamily delinquency rate fell three basis points to 2.34%. Apartment loans are the best performing major property type.

•The office delinquency rate jumped 25 basis points to 5.23%.

•The retail delinquency rate dipped 14 basis points lower to 5.33%.

Delinquency Rate by Property Type						
	Mar 16	Feb 16	Jan 16	3 Mo.	6 Mo.	1 Yr.
Industrial	5.91	5.86	5.96	5.73	6.18	7.68
Lodging	2.76	2.60	2.82	2.82	3.28	4.20
Multifamily	2.34	2.37	2.31	8.28	8.20	8.73
Office	5.23	4.98	5.24	5.79	5.81	6.06
Retail	5.33	5.47	5.62	5.76	5.73	5.51



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
Fair Lakes Office Portfolio	\$259,000,000	OF	Fairfax	VA	30 Days	CD 2006-CD3, GSMS 2006-GG8
HRO Hotel Portfolio	\$127,568,434	LO	Various	N/A	Non-Performing Beyond Maturity	MSC 2007-XLFA
Investcorp Retail Portfolio 1	\$96,120,000	RT	Various	N/A	Non-Performing Beyond Maturity	BSCMS 2006-PW11
Investcorp Retail Portfolio 2	\$88,260,000	RT	Various	OH	Non-Performing Beyond Maturity	BSCMS 2006-PW11
1 Allen Bradley Drive	\$52,700,000	OF	Mayfield Heights	OH	Non Performing Beyond Maturity	LBUBS 2006-C3

For inquiries about the data analysis conducted in this research, contact press@trepp.com or call 212-754-1010. For more information on Trepp's CMBS products, contact info@trepp.com.

About Trepp

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