



US CMBS Delinquency Report: US CMBS Delinquency Rate Continues to Drop

For the second month in a row, CMBS delinquencies significantly dropped. The delinquency rate for US commercial real estate loans in CMBS is now 4.15%, a drop of 20 basis points from January. The rate is 143 basis points lower than the year-ago level. The all-time high was 10.34% in July 2012.

In February, CMBS loans that were previously delinquent but paid off with a loss or at par totaled over \$930 million. Removing these previously distressed assets from the numerator of the delinquency calculation helped lower the rate by 18 basis points. Over \$1.05 billion in loans were cured last month, which helped push delinquencies lower by another 21 basis points. About \$1 billion in loans became newly delinquent, which put 20 basis points of upward pressure on the delinquency rate.

The Numbers:

- The overall US CMBS delinquency rate improved 20 basis points to 4.15%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 4.06%, 10 basis points lower for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 4.39%—down 18 basis points.
- There are currently \$21 billion in delinquent loans. This number excludes loans past their balloon date but 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 5.45%.
- One year ago, the rate of loans seriously delinquent was 5.42%.
- Six months ago, the rate of loans seriously delinquent was 5.28%.

Delinquency Status	
Current	95.68%
30 Days Delinquent	0.09%
60 Days Delinquent	0.10%
90 Days Delinquent	0.19%
Performing Matured Balloon ¹	0.16%
Non-Performing Matured Balloon	0.41%
Foreclosure	1.11%
REO	2.25%

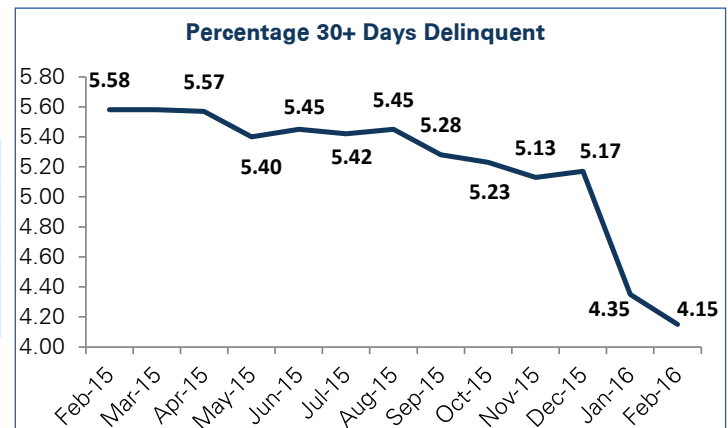
¹ Loans that are past their maturity date but still current on interest are considered current.

Property Type Analysis:

- The industrial delinquency rate fell 10 basis points to 5.86%.
- The lodging delinquency rate dropped 22 basis points to 2.60%.

- The multifamily delinquency rate inched up six basis points to 2.37%. Apartment loans are the best performing major property type.
- The office delinquency rate improved 26 basis points to 4.98%.
- The retail delinquency rate dipped 15 basis points to 5.47%.

Delinquency Rate by Property Type						
	Feb 16	Jan 16	Dec 15	3 Mo.	6 Mo.	1 Yr.
Industrial	5.86	5.96	5.73	5.99	7.62	7.39
Lodging	2.60	2.82	2.82	2.75	3.44	4.51
Multifamily	2.37	2.31	8.28	8.15	8.99	8.65
Office	4.98	5.24	5.79	5.73	5.86	6.14
Retail	5.47	5.62	5.76	5.64	5.53	5.38



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
Doral Arrowwood Hotel	\$58,621,335	LO	Rye Brook	NY	60 Days	GCCFC 2005-GG3
Babcock & Brown FX 3	\$51,141,411	MF	Various	VR	30 Days	CSMC 2006-C4
Towne Center at Cedar Lodge	\$49,172,972	RT	Baton Rouge	LA	Non-Performing Beyond Maturity	CSMC 2006-C3
Fort Steuben Mall	\$37,093,108	RT	Steubenville	OH	Foreclosure	JPMCC 2005-CB12
San Souci Plaza	\$27,200,000	RT	California	MD	Foreclosure	MLCFC 2007-9

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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