



US CMBS Delinquency Report: Delinquency Rate Falls for First Time Since February

After five consecutive months of increases, the Trepp CMBS Delinquency Rate reversed course in August and dropped for the first time since February. The delinquency rate for US commercial real estate loans in CMBS is now 4.68%, a decrease of eight basis points from July. The rate is 77 basis points lower than the year-ago level and 49 basis points lower since the beginning of the year. The multi-year low of 4.15% was reached in February 2016. The all-time high was 10.34% in July 2012.

In August, CMBS loans that were previously delinquent but paid off with a loss or at par totaled over \$1 billion. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 22 basis points. A little over \$650 million in loans were cured last month, which helped push delinquencies lower by another 13 basis points. However, almost \$1.25 billion in loans became newly delinquent, which put 26 basis points of upward pressure on the delinquency rate.

The Numbers:

- The overall US CMBS delinquency rate fell eight basis points to 4.68%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 4.58%, down nine basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 4.91%, a decrease of six basis points from July.

Delinquency Status	
Current	94.97%
30 Days Delinquent	0.10%
60 Days Delinquent	0.13%
90 Days Delinquent	0.17%
Performing Matured Balloon ¹	0.34%
Non-Performing Matured Balloon	0.68%
Foreclosure	1.32%
REO	2.28%

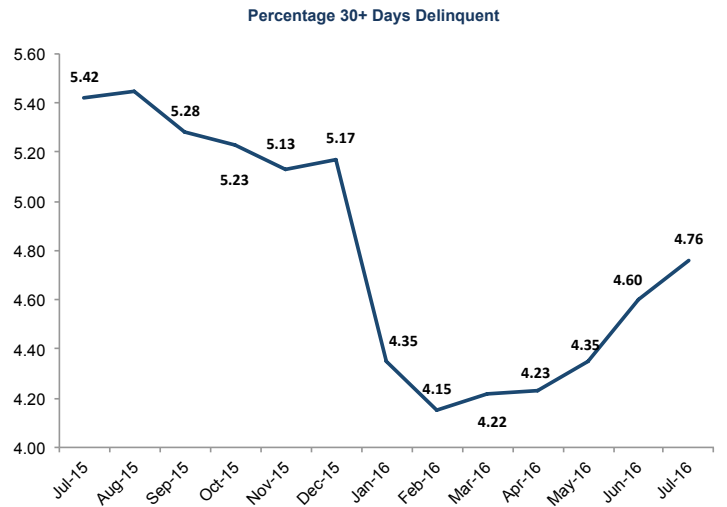
Historical Perspective:

- One year ago, the US CMBS delinquency rate was 5.45%.
- Six months ago, the US CMBS delinquency rate was 4.15%.
- One year ago, the rate of loans seriously delinquent was 5.28%.
- Six months ago, the rate of loans seriously delinquent was 4.06%.

Delinquency Rate by Property Type						
	Aug 16	Jul 16	Jun 16	3 Mo.	6 Mo.	1 Yr.
Industrial	5.57	5.63	5.95	5.72	5.86	762
Lodging	3.15	3.12	3.27	2.96	2.60	3.44
Multifamily	2.38	2.51	2.35	2.36	2.37	8.99
Office	6.03	6.23	5.76	5.51	4.98	5.86
Retail	5.81	5.76	5.72	5.36	5.47	5.53

Property Type Analysis:

- The industrial delinquency rate fell six basis points to 5.57%.
- The lodging delinquency rate increased three basis points to 3.15%.
- The multifamily delinquency rate decreased 13 basis points to 2.38%. Apartment loans are the best performing major property type.
- The office delinquency rate dropped 20 basis points to 6.03%.
- The retail delinquency rate added five basis points to 5.81%.



Top 5 Newly Delinquent Loans

Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
CNL/Welsh Portfolio	\$103,239,693	MU	Various	VR	Non-Performing Beyond Maturity	JPMCC 2006-LDP8
Greenbrier Mall	\$70,956,338	RT	Chesapeake	VA	Non-Performing Beyond Maturity	LBUBS 2006-C6
Best Western President	\$70,000,000	LO	New York	NY	Non-Performing Beyond Maturity	CSMC 2006-C5
Hercules Plaza	\$65,106,036	OF	Wilmington	DE	30 Days Delinquent	WBCMT 2006-C25
SBC - Hoffman Estates	\$57,993,821	OF	Hoffman Estates	IL	Foreclosure	MSC 2006-T21

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

Trepp, LLC, founded in 1979, is the leading provider of information, analytics and technology to the CMBS, commercial real estate and banking markets. Trepp provides primary and secondary market participants with the web-based tools and insight they need to increase their operational efficiencies, information transparency and investment performance. From its offices in New York, San Francisco and London, Trepp serves its clients with products and services to support trading, research, risk management, surveillance and portfolio management. Trepp is wholly-owned by DMGI, the information publishing division of the Daily Mail and General Trust (DMGT).