



## US CMBS Delinquency Report: Delinquency Rate Resumes Climb

The Trepp CMBS Delinquency Rate reversed course in September and resumed its climb that began in March. The delinquency rate for US commercial real estate loans in CMBS is now 4.78%, an increase of 10 basis points from August. The rate is 50 basis points lower than the year-ago level and 39 basis points lower since the beginning of the year. The reading hit a multi-year low of 4.15% in February 2016. The all-time high was 10.34% in July 2012. The September jump represents the sixth time in the last seven months that the rate has increased.

In September, CMBS loans that were previously delinquent but paid off with a loss or at par totaled about \$850 million. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 17 basis points. Almost \$500 million in loans were cured last month, which helped push delinquencies lower by another nine basis points. However, almost \$1.3 billion in loans became newly delinquent in September, which put 28 basis points of upward pressure on the delinquency rate. A reduction in the denominator due to the maturation of performing loans accounted for the remainder of the difference.

### The Numbers:

- The overall US CMBS delinquency rate increased 10 basis points to 4.78%.
- The percentage of seriously delinquent loans (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 4.67%, up nine basis points for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 4.99%, an increase of eight basis points from August.

Delinquency Status	
Current	94.95%
30 Days Delinquent	0.11%
60 Days Delinquent	0.03%
90 Days Delinquent	0.23%
Performing Matured Balloon <sup>1</sup>	0.26%
Non-Performing Matured Balloon	0.63%
Foreclosure	1.50%
REO	2.28%

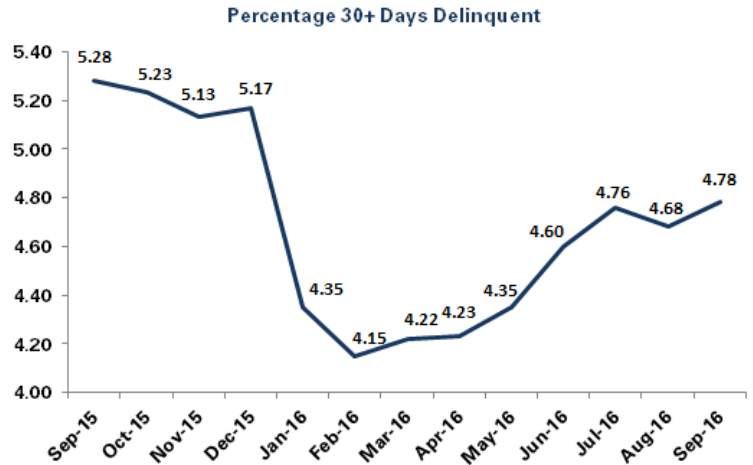
### Historical Perspective:

- One year ago, the US CMBS delinquency rate was 5.28%.
- Six months ago, the US CMBS delinquency rate was 4.22%.
- One year ago, the rate of seriously delinquent loans was 5.15%.
- Six months ago, the rate of seriously delinquent loans was 4.06%.

Delinquency Rate by Property Type						
	Sep 16	Aug 16	Jul 16	3 Mo.	6 Mo.	1 Yr.
Industrial	5.28	5.57	5.63	5.95	5.91	6.18
Lodging	3.25	3.15	3.12	3.27	2.76	3.28
Multifamily	2.33	2.38	2.51	2.35	2.34	8.20
Office	6.33	6.03	6.23	5.76	5.23	5.81
Retail	5.89	5.81	5.76	5.72	5.33	5.73

Property Type Analysis:

- The industrial delinquency rate dropped 29 basis points to 5.28%.
- The lodging delinquency rate increased 10 basis points to 3.25%.
- The multifamily delinquency rate decreased five basis points to 2.33%. Apartment loans are the best performing major property type.
- The office delinquency rate jumped 30 basis points to 6.33%.
- The retail delinquency rate added eight basis points to 5.89%.



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop. Type	City	State	New DQ Status	Deal
131 South Dearborn - A note	\$200,000,000.00	OF	Chicago	IL	30 Days Delinquent	JPMCC 2007-CB18
Skyline Portfolio - B note	\$131,200,000.00	OF	Falls Church	VA	Foreclosure	BACM 2007-1
Skyline Portfolio - B note	\$98,400,000.00	OF	Falls Church	VA	Foreclosure	GECCM 2007-C1
Dulles Executive Plaza	\$68,750,000.00	OF	Herndon	VA	Non-Performing Beyond Maturity	BSCMS 2006-T24
Hudson Valley Mall	\$49,105,493.83	RT	Kingston	NY	30 Days Delinquent	CFCRE 2011-C1

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## 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).