

US CMBS Delinquency Report: Delinquencies Improve Slightly in April

The Trepp CMBS Delinquency Rate inched lower in April. The modest improvement came one month after the rate was unchanged in March. In the last two years, the delinquency rate has fallen 21 times. The delinquency rate for US commercial real estate loans in CMBS is now 5.57%, down one basis point from February and March. The rate is 87 basis points lower than the year-ago level.

US CMBS Delinquency Rate-30+ Days	
April 2015	5.57%
March 2015	5.58%
February 2015	5.58%
3 Months Ago	5.66%
6 Months Ago	6.14%
1 Year Ago	6.44%

In April, \$1.35 billion in loans became newly delinquent, which put 26 basis points of upward pressure on the delinquency rate. Over \$700 million in loans were cured last month,

which helped push delinquencies lower by 14 basis points. CMBS loans that were previously delinquent but paid off either at par or with a loss totaled almost \$600 million last month. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 11 basis points. Almost \$1.9 billion in loans were defeased in April, not including loans from agency deals.

The Numbers:

- The overall US CMBS delinquency rate dropped one basis point to 5.57%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.44%, three basis points higher for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.90%—up two basis points from March.

- There are currently \$29.5 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

Delinquency Status	
Current	94.30%
30 Days Delinquent	0.13%
60 Days Delinquent	0.05%
90 Days Delinquent	0.35%
Performing Matured Balloon ¹	0.11%
Non-Performing Matured Balloon	0.31%
Foreclosure	1.22%
REO	3.51%

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

Historical Perspective:

- One year ago, the US CMBS delinquency rate was 6.44%.
- Six months ago, the US CMBS delinquency rate was 6.14%.
- One year ago, the rate of loans seriously delinquent was 6.25%.
- Six months ago, the rate of loans seriously delinquent was 5.93%.

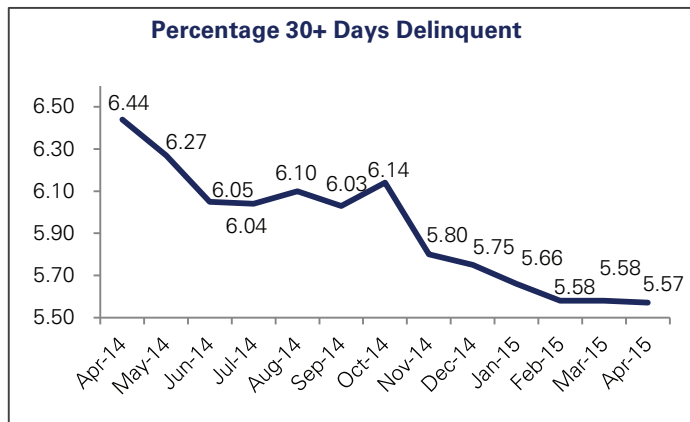
Property Type Analysis:

- The industrial delinquency rate increased 15 basis points to 7.83%.
- The lodging delinquency rate improved two basis points to 4.18%. Lodging remains the best performing major property type.
- The multifamily delinquency rate moved up 19

basis points to 8.92%. Apartment loans remain the worst performing among the major property types.

- The office delinquency rate increased five basis points to 6.11%.
- The delinquency rate for retail loans shed six basis points to 5.45%.

Delinquency Rate by Property Type						
	Apr 15	Mar 15	Feb 14	3 Mo.	6 Mo.	1 Yr.
Industrial	7.83	7.68	7.39	7.20	7.69	8.69
Lodging	4.18	4.20	4.51	4.40	5.35	6.32
Multifamily	8.92	8.73	8.65	8.81	9.80	9.83
Office	6.11	6.06	6.14	6.18	6.48	6.82
Retail	5.45	5.51	5.38	5.60	5.88	5.65



Top 5 Loans Taking Losses							
Property Name	Previous Bal	Prop Type	City	State	Status	Realized Loss	Deal
Sahara Pavilion North	56,250,000	RT	Las Vegas	NV	REO	37,175,895	MLCFC 2006-4
The Parkdales	48,818,556	OF	St. Louis Park	MN	REO	19,577,121	MLCFC 2006-4
RiverCenter I&II	55,000,000	OF	Covington	KY	Non-Perf Beyond Mat	18,347,143	BSCMS 2007-T28
Willow Springs Apartments	17,800,000	MF	Phoenix	AZ	REO	11,381,673	MLCFC 2007-7
Carlsbad Corporate Plaza	21,250,000	OF	Carlsbad	CA	REO	10,134,243	MLCFC 2007-7

Top 5 Newly Delinquent Loans							
Property Name	Previous Bal	Prop Type	City	State	New Delinquency Status	Deal	
400 Atlantic Street	265,000,000	OF	Stamford	CT	Foreclosure	GSMS 2007-GG10	
Galleria at Pittsburgh Mills	133,000,000	RT	Tarentum	PA	Non-Perf Beyond Mat	MSC 2007-HQ11	
REPM Portfolio	82,973,531	IN	Various	VR	30 Days	JPMCC 2006-CB16	
Metro Square 95 Office Park	48,000,000	OF	Jacksonville	FL	30 Days	CSMC 2007-C2	
The Villas of Sage Creek Apartments	31,806,823	MF	Austin	TX	Non-Perf Beyond Mat	MLMT 2005-MCP1	

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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