



US CMBS Delinquency Report: Delinquency Rate Inches Up in August

The Trepp CMBS Delinquency Rate continued its summer trend of oscillation and inched up slightly in August. The delinquency rate for US commercial real estate loans in CMBS moved up three basis points in August to 5.45%. The increase undid July's three-basis-point improvement. The rate is now 65 basis points lower than the year-ago level and 30 basis points lower year-to-date.

US CMBS Delinquency Rate-30+ Days	
August 2015	5.45%
July 2015	5.42%
June 2015	5.45%
3 Months Ago	5.40%
6 Months Ago	5.58%
1 Year Ago	6.10%

In August, \$1.3 billion in loans became newly delinquent, which put 25 basis points of upward pressure on the delinquency rate. About \$425 million in loans were cured last month, which helped

push delinquencies lower by eight basis points. CMBS loans that were previously delinquent but paid off with a loss or at par totaled almost \$1 billion in August. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 19 basis points.

The Numbers:

- The overall US CMBS delinquency rate increased three basis points to 5.45%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now now 5.28%, six basis points higher for the month.

- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.75%—up two basis points from July.
- There are currently \$28.4 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

Delinquency Status	
Current	94.50%
30 Days Delinquent	0.17%
60 Days Delinquent	0.10%
90 Days Delinquent	0.36%
Performing Matured Balloon ¹	0.06%
Non-Performing Matured Balloon	0.44%
Foreclosure	1.05%
REO	3.33%

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

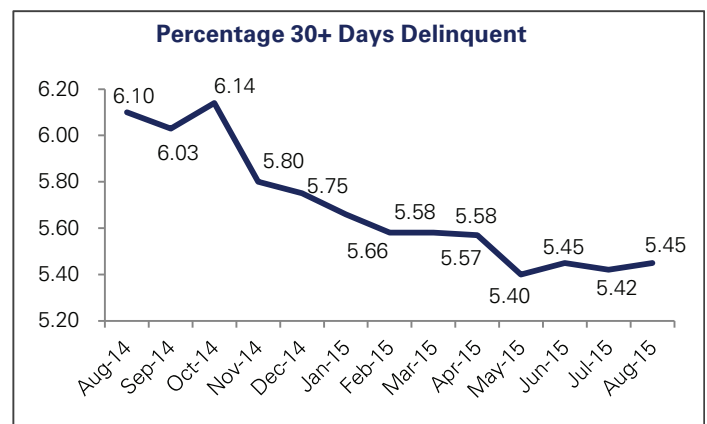
Historical Perspective:

- One year ago, the US CMBS delinquency rate was 6.10%.
- Six months ago, the US CMBS delinquency rate was 5.58%.
- One year ago, the rate of loans seriously delinquent was 5.88%.
- Six months ago, the rate of loans seriously delinquent was 5.42%.

Property Type Analysis:

- The industrial delinquency rate increased 21 basis points to 7.62%.
- The lodging delinquency rate improved by 26 basis points to 3.44%. Lodging remains the best performing major property type.
- The multifamily delinquency rate moved up 23 basis points to 8.99%. Apartment loans remain the worst performing among the major property types.
- The office delinquency rate fell seven basis points to 5.86%.
- The delinquency rate for retail loans inched up two basis points to 5.53%.

Delinquency Rate by Property Type						
	Aug 15	Jul 15	Jun 15	3 Mo.	6 Mo.	1 Yr.
Industrial	7.62	7.41	7.12	7.50	7.39	8.39
Lodging	3.44	3.70	3.75	3.80	4.51	5.37
Multifamily	8.99	8.76	8.73	8.62	8.65	9.09
Office	5.86	5.93	5.90	5.93	6.14	6.61
Retail	5.53	5.51	5.54	5.43	5.38	5.69



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
Prentiss Pool	\$88,202,014	OF	McLean	VA	Non-Performing Beyond Maturity	WBCMT 2005-C20
Chevy Chase Center	\$86,280,520	MU	Chevy Chase	MD	30 Days	LBUBS 2008-C1
BlueLinx Holdings Portfolio (Rollup)*	\$84,502,244	IN	Various	VR	30 Days	BACM 2006-4
Atlantic Development Portfolio	\$80,313,911	MU	Various	NJ	30 Days	JPMCC 2005-LDP5
Vista Ridge Mall	\$66,608,406	RT	Lewisville	TX	Foreclosure	LBUBS 2001-C3

* The BlueLinx Holdings Portfolio (Rollup) loan is split pari-passu between two deals. The \$84.5 million piece in WBCMT 2006-C27 is listed as Current and paid through August.

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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