



US CMBS Delinquency Report: Delinquency Rate Creeps Lower in July

The Trepp CMBS Delinquency Rate resumed its descent after a brief time-out in June. The delinquency rate for US commercial real estate loans in CMBS inched down three basis points in July and is now 5.42%. Over the last 27 months, the delinquency rate has fallen 23 times. The rate is now 62 basis points lower than the year-ago level and 33 basis points lower year-to-date.

US CMBS Delinquency Rate-30+ Days	
July 2015	5.42%
June 2015	5.45%
May 2015	5.40%
3 Months Ago	5.57%
6 Months Ago	5.66%
1 Year Ago	6.04%

In July, \$1.4 billion in loans became newly delinquent, which put 27 basis points of upward pressure on the delinquency rate. About \$600 million in loans were cured last month, which helped

push delinquencies lower by 12 basis points. CMBS loans that were previously delinquent but paid off with a loss or at par totaled just over \$800 million in July. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 15 basis points.

The Numbers:

- The overall US CMBS delinquency rate decreased three basis points to 5.42%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.22%, 10 basis points lower for the month.

- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.73%—down two basis points from June.

- There are currently \$28.5 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

Delinquency Status	
Current	94.51%
30 Days Delinquent	0.20%
60 Days Delinquent	0.03%
90 Days Delinquent	0.34%
Performing Matured Balloon ¹	0.07%
Non-Performing Matured Balloon	0.43%
Foreclosure	1.04%
REO	3.38%

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

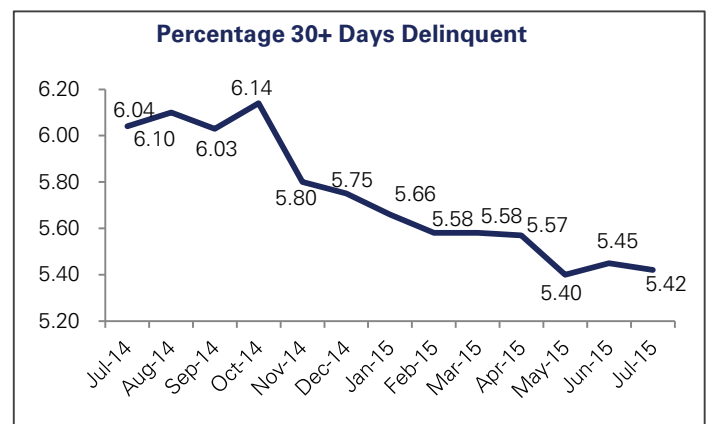
Historical Perspective:

- One year ago, the US CMBS delinquency rate was 6.04%.
- Six months ago, the US CMBS delinquency rate was 5.66%.
- One year ago, the rate of loans seriously delinquent was 5.88%.
- Six months ago, the rate of loans seriously delinquent was 5.47%.

Property Type Analysis:

- The industrial delinquency rate increased 29 basis points to 7.41%.
- The lodging delinquency rate improved by five basis points to 3.70%. Lodging remains the best performing major property type.
- The multifamily delinquency rate moved up three basis points to 8.76%. Apartment loans remain the worst performing among the major property types.
- The office delinquency rate inched up three basis points to 5.93%.
- The delinquency rate for retail loans improved by three basis points to 5.51%.

Delinquency Rate by Property Type						
	Jul 15	Jun 15	May 14	3 Mo.	6 Mo.	1 Yr.
Industrial	7.41	7.12	7.50	7.83	7.20	7.89
Lodging	3.70	3.75	3.80	4.18	4.40	5.19
Multifamily	8.76	8.73	8.62	8.92	8.81	9.24
Office	5.93	5.90	5.93	6.11	6.18	6.52
Retail	5.51	5.54	5.43	5.45	5.60	5.53



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
Jericho Plaza (I & II)	163,750,000	OF	Jericho	NY	30 Days	CSMC 2007-C5
The Mall at Stonecrest	93,876,224	RT	Lithonia	GA	30 Days	BACM 2005-1
2 Rockledge Centre	54,600,000	OF	Bethesda	MD	Non-Performing Beyond Maturity	BACM 2006-2
First Industrial Portfolio	47,497,721	IN	Various	GA	30 Days	BSCMS 2006-PW13
Gallery at South Dekalb	44,694,354	RT	Decatur	GA	Non-Performing Beyond Maturity	CSFB 2005-C5

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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