

US CMBS Delinquency Report: Delinquencies Unchanged in March as Loan Liquidations Remain Low

The Trepp CMBS Delinquency Rate was unchanged in March, interrupting the recent string of falling delinquencies. Prior to March, the rate had fallen for four consecutive months and 20 in the last two years. The delinquency rate for US commercial real estate loans in CMBS remains 5.58%. The rate is 96 basis points lower than a year ago.

Almost \$1.1 billion in loans became newly delinquent in March, which put 22 basis points of upward pressure on the rate. Over \$800 million in loans were cured last month, which helped push delinquencies lower by 16 basis points. CMBS loans that were previously delinquent but paid off either at par or with a loss totaled about \$570 million in March. Removing the previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 11 basis points.

US CMBS Delinquency Rate-30+ Days	
March 2015	5.58%
February 2015	5.58%
January 2014	5.66%
3 Months Ago	5.75%
6 Months Ago	6.03%
1 Year Ago	6.54%

Compared to previous months' liquidation volumes, the March total represents a significant drop off. In January, \$1.2 billion in loans were liquidated. Six months ago, \$1.8 billion in loans were

resolved with losses. After a torrid pace in 2012 and 2013, the rate of loan resolutions has steadily slowed. However, as the market gets deeper into the cycle of 2006 and 2007 10-year loans reaching their maturities, we expect the numbers to pick up again.

The Numbers:

- The overall US CMBS delinquency rate was unchanged at 5.58%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or

non-performing balloons) is now 5.41%, one basis point lower for the month.

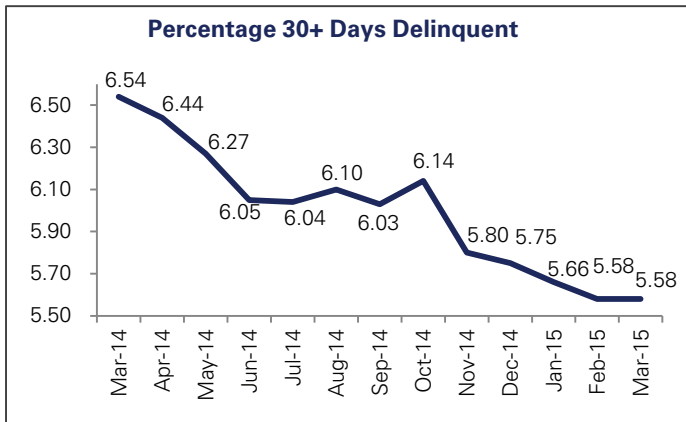
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.88%—unchanged from February.
- There are currently \$29.4 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

Delinquency Status	
Current	94.29%
30 Days Delinquent	0.17%
60 Days Delinquent	0.07%
90 Days Delinquent	0.33%
Performing Matured Balloon ¹	0.14%
Non-Performing Matured Balloon	0.31%
Foreclosure	1.16%
REO	3.54%

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 6.54%.
- Six months ago, the US CMBS delinquency rate was 6.03%.
- One year ago, the rate of loans seriously delinquent was 6.28%.
- Six months ago, the rate of loans seriously delinquent was 5.84%.



- The multifamily delinquency rate moved up eight basis points to 8.73%. Apartment loans remain the worst performing among the major property types.
- The office delinquency rate improved eight basis points to 6.06%.
- The delinquency rate for retail loans jumped 13 basis points to 5.51%.

Property Type Analysis:

- The industrial delinquency rate increased 29 basis points to 7.68%.
- The lodging delinquency rate improved 31 basis points to 4.20%. Lodging remains the best performing major property type.

Delinquency Rate by Property Type						
	Mar 15	Feb 15	Jan 14	3 Mo.	6 Mo.	1 Yr.
Industrial	7.68	7.39	7.20	7.55	7.66	8.82
Lodging	4.20	4.51	4.40	4.77	5.06	6.46
Multifamily	8.73	8.65	8.81	8.85	8.99	10.22
Office	6.06	6.14	6.18	6.08	6.56	6.73
Retail	5.51	5.38	5.60	5.66	5.86	5.71

Top 5 Loans Taking Losses

Property Name	Previous Bal	Prop Type	City	State	Status	Realized Loss	Deal
2600 Michelson (A&B Note)	91,492,500	OF	Irvine	CA	Current	22,850,000	CSMC 2007-C4
78 Corporate Center	17,228,537	OF	Lebanon	NJ	REO	20,889,222	JPMCC 2002-C3
Briarcliff Corporate Campus	19,222,256	OF	Briarcliff Manor	NY	REO	16,430,115	CD 2006-CD3
River Street Square	12,909,275	RT	Elyria	OH	REO	14,001,651	CSFB 2002-CP3
Putnam Place	14,514,215	RT	Hamden	CT	90+ Days	12,545,729	WBCMT 2005-C22

Top 5 Newly Delinquent Loans

Property Name	Previous Bal	Prop Type	City	State	New Delinquency Status	Deal
390 Park Avenue	98,461,177	OF	New York	NY	Non-Perf Beyond Mat	CSFB 2005-C2
Vista Ridge Mall	67,824,067	RT	Lewisville	TX	30 Days	LBUBS 2001-C3
2000 Corporate Ridge Road	61,755,876	OF	McLean	VA	30 Days	BACM 2006-4
Collin Creek Mall	57,571,907	RT	Plano	TX	Foreclosure	JPMCC 2001-CIB2
824 Market	29,280,000	OF	Wilmington	DE	30 Days	CMLT 2008-LS1

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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