

US CMBS Delinquency Report: Delinquency Rate Plunges Anew

After six months of hovering within a 23-basis-point band, the Trepp CMBS Delinquency Rate broke sharply lower in May. From the start of 2015 through April, the rate inched down from 5.66% to 5.57%. The delinquency rate for US commercial real estate loans in CMBS is now 5.40%, down 17 basis points in May. In the last 25 months, the delinquency rate has fallen 22 times and is now 87 basis points lower than the

US CMBS Delinquency Rate-30+ Days	
May 2015	5.40%
April 2015	5.57%
March 2015	5.58%
3 Months Ago	5.58%
6 Months Ago	5.80%
1 Year Ago	6.27%

year-ago level. The May decrease is the biggest drop since November 2014, when the Trepp CMBS Delinquency Rate fell 34 basis points.

In May, \$1.2 billion in loans became newly delinquent, which put 23

basis points of upward pressure on the delinquency rate. Almost \$700 million in loans were cured in May, which helped push delinquencies lower by 13 basis points. CMBS loans that were previously delinquent but paid off either at par or with a loss totaled over \$1.2 billion in May. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 24 basis points.

The Numbers:

- The overall US CMBS delinquency rate dropped 17 basis points to 5.40%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.23%, 21 basis points lower for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.69%—down 21 basis points from April.

- There are currently \$28.7 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

Delinquency Status	
Current	94.46%
30 Days Delinquent	0.17%
60 Days Delinquent	0.08%
90 Days Delinquent	0.30%
Performing Matured Balloon ¹	0.14%
Non-Performing Matured Balloon	0.36%
Foreclosure	1.07%
REO	3.42%

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 6.27%.
- Six months ago, the US CMBS delinquency rate was 5.80%.
- One year ago, the rate of loans seriously delinquent was 6.05%.
- Six months ago, the rate of loans seriously delinquent was 5.66%.

Property Type Analysis:

- The industrial delinquency rate fell 33 basis points to 7.50%.
- The lodging delinquency rate broke through the 4% barrier, improving by 38 basis points to 3.80%. Lodging remains the best performing major property type.

- The multifamily delinquency rate dropped 30 basis points to 8.62%. Apartment loans remain the worst performing among the major property types.

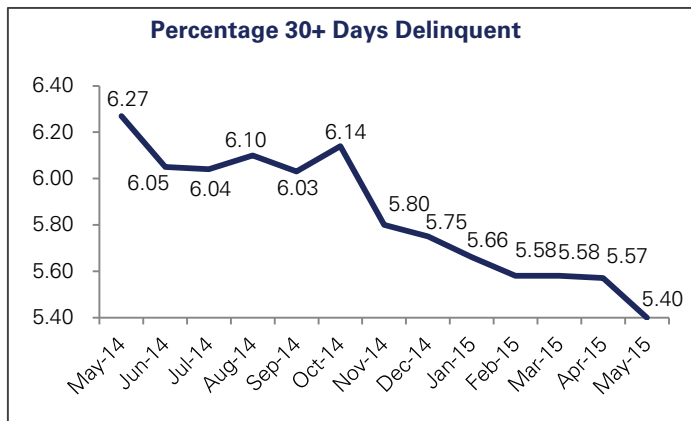
- The office delinquency rate decreased 18 basis points to 5.93%.

- The delinquency rate for retail loans inched lower by two basis points to 5.43%.

Delinquency Rate by Property Type						
	May 15	Apr 15	Mar 14	3 Mo.	6 Mo.	1 Yr.
Industrial	7.50	7.83	7.68	7.39	7.49	8.94
Lodging	3.80	4.18	4.20	4.51	4.97	5.71
Multifamily	8.62	8.92	8.73	8.65	8.83	9.82
Office	5.93	6.11	6.06	6.14	6.21	6.60
Retail	5.43	5.45	5.51	5.38	5.67	5.54

Top 5 Loans Taking Losses

Property Name	Previous Bal	Prop Type	City	State	Status	Realized Loss	Deal
Schron Industrial Portfolio - B note	85,000,000	IN	Various	NY	Current	85,000,000	GCCFC 2007-GG9
Hyatt Regency- Bethesda	140,000,000	LO	Bethesda	MD	REO	66,981,180	GCCFC 2007-GG9
Eastland Mall	38,430,332	RT	Columbus	OH	REO	31,650,817	LBUBS 2007-C1
Chiquita Center	60,293,614	OF	Cincinnati	OH	90 Days Delinquent	31,355,050	CWCI 2006-C1
White Plains Plaza	80,000,000	OF	White Plains	NY	Current	28,142,743	CD 2006-CD3



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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