



US CMBS Delinquency Report: Overall Delinquency Rate Nears 5% Level, Lodging Rate Falls Below 3%

The Trepp CMBS Delinquency Rate declined for a third straight month, falling by 10 basis points in November. The delinquency rate for US commercial real estate loans in CMBS is now 5.13%. The rate is now 62 basis points lower year-to-date and 67 basis points lower than the year-ago level.

In November, slightly less than \$1 billion in loans became newly delinquent, which put 19 basis points of upward pressure on the delinquency rate. About \$450 million in loans were cured last month, which helped push delinquencies lower by nine basis points. CMBS loans that were previously delinquent but paid off with a loss or at par totaled almost \$1.1 billion. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 21 basis points.

Last month we noted that the forthcoming resolution of the \$3 billion StuyvesantTown/Peter Cooper Village loan will result in a huge drop in the delinquency rate. That decline may not be as imminent as we thought, however. New litigation was commenced by a mezzanine lender against the special servicer to reduce the remuneration that would go to the special servicer upon final resolution. This process could push off the timing of that final resolution.

The loan, which is backed by more than 11,000 apartments in Manhattan, has been REO for years. Blackstone's agreement to buy the properties for \$5.3 billion last month will resolve the existing \$3 billion at some point. The removal of StuyTown from the list of distressed assets alone should lead to a 60-basis-point drop in the delinquency rate.

The Numbers:

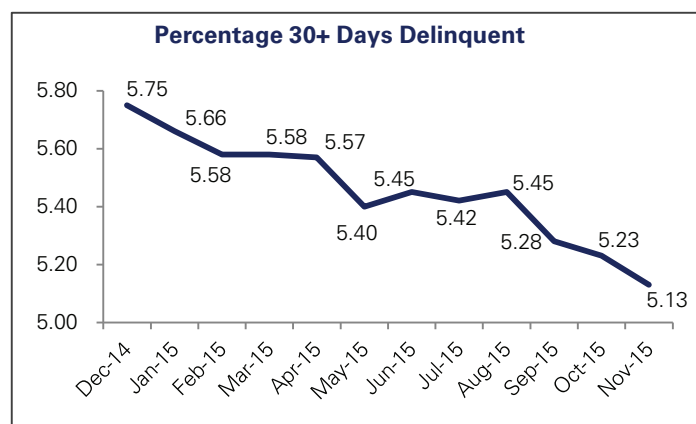
- The overall US CMBS delinquency rate improved 10 basis points to 5.13%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.02%, eight basis points lower for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.41%—down 11 basis points.
- There are currently \$26.4 billion in delinquent loans. This number excludes loans past their balloon date but current on interest payments.

Delinquency Status	
Current	94.74%
30 Days Delinquent	0.11%
60 Days Delinquent	0.07%
90 Days Delinquent	0.21%
Performing Matured Balloon ¹	0.13%
Non-Performing Matured Balloon	0.44%
Foreclosure	1.09%
REO	3.21%

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 5.80%.
- Six months ago, the US CMBS delinquency rate was 5.40%.
- One year ago, the rate of loans seriously delinquent was 5.66%.
- Six months ago, the rate of loans seriously delinquent was 5.23%.



Property Type Analysis:

- The industrial delinquency rate dropped 29 basis points to 5.99%.
- The lodging delinquency rate improved by 42 basis points to 2.75%. Lodging remains the best performing major property type.
- The multifamily delinquency rate fell three basis points to 8.15%. Apartment loans remain the worst performing property sector (for now).
- The office delinquency rate inched up three basis points to 5.73%.
- The retail delinquency rate dipped eight basis points lower to 5.64%.

Delinquency Rate by Property Type						
	Oct 15	Sep 15	Aug 15	3 Mo.	6 Mo.	1 Yr.
Industrial	5.99	6.28	6.18	7.62	7.50	7.49
Lodging	2.75	3.17	3.28	3.44	3.80	4.97
Multifamily	8.15	8.18	8.20	8.99	8.62	8.83
Office	5.73	5.70	5.81	5.86	5.93	6.21
Retail	5.64	5.72	5.73	5.53	5.43	5.67

Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
Two North LaSalle	\$127,440,000	OF	Chicago	IL	30 Days	CSMC 2007-C2
Britannia Business Center I	\$55,518,692	OF	Pleasanton	CA	Non-Performing Beyond Maturity	WBCMT 2006-C23
Becker Portfolio	\$53,167,772	RT	Various	VR	Non-Performing Beyond Maturity	GECMC 2005-C4
Wachovia Tower	\$48,836,398	OF	Baltimore	MD	30 Days	COMM 2006-C7
EDS Portfolio	\$41,829,239	OF	Various	NA	30 Days	MLMT 2005-CKI1

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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