



## US CMBS Delinquency Report: Delinquency Rate Creeps Closer to 5.0% Level

After four months of negligible movement, the Trepp CMBS Delinquency Rate dropped significantly lower in September. The delinquency rate for US commercial real estate loans in CMBS fell 17 basis points in September to 5.28%. The rate is now 75 basis points lower than the year-ago level and 47 basis points lower year-to-date.

### US CMBS Delinquency Rate-30+ Days

|                |       |
|----------------|-------|
| September 2015 | 5.28% |
| August 2015    | 5.45% |
| July 2015      | 5.42% |
| 3 Months Ago   | 5.45% |
| 6 Months Ago   | 5.58% |
| 1 Year Ago     | 6.03% |

In September, \$1.4 billion in loans became newly delinquent, which put 26 basis points of upward pressure on the delinquency rate. Almost \$700 million in loans were cured

last month, which helped push delinquencies lower by 13 basis points. CMBS loans that were previously delinquent but paid off with a loss or at par totaled almost \$1.3 billion in September. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 25 basis points.

### The Numbers:

- The overall US CMBS delinquency rate dropped 17 basis points to 5.28%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.15%, 13 basis points lower for the month.

- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.58%—down 17 basis points from August.

- There are currently \$27.5 billion in delinquent loans. This number excludes loans that are past their balloon date but are current on their interest payments.

### Delinquency Status

|   |        |
|---|--------|
| Current                                 | 94.65% |
| 30 Days Delinquent                      | 0.13%  |
| 60 Days Delinquent                      | 0.05%  |
| 90 Days Delinquent                      | 0.27%  |
| Performing Matured Balloon <sup>1</sup> | 0.07%  |
| Non-Performing Matured Balloon          | 0.45%  |
| Foreclosure                             | 1.09%  |
| REO                                     | 3.29%  |

<sup>1</sup> Loans that are past their maturity date but still current on interest are considered current.

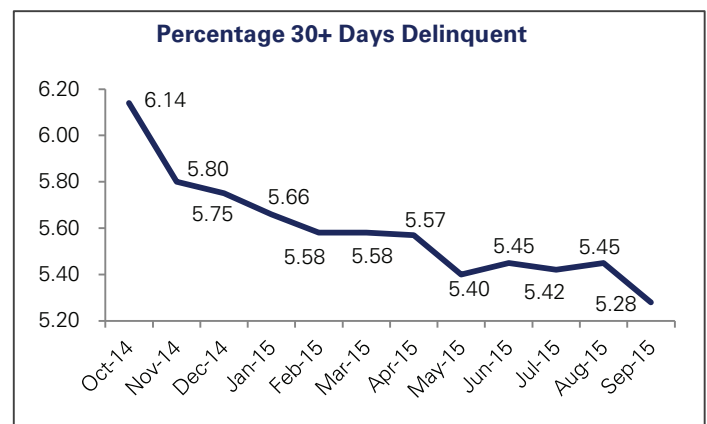
### Historical Perspective:

- One year ago, the US CMBS delinquency rate was 6.03%.
- Six months ago, the US CMBS delinquency rate was 5.58%.
- One year ago, the rate of loans seriously delinquent was 5.84%.
- Six months ago, the rate of loans seriously delinquent was 5.41%.

## Property Type Analysis:

- The industrial delinquency rate plunged 144 basis points to 6.18%.
- The lodging delinquency rate improved by 16 basis points to 3.28%. Lodging remains the best performing major property type.
- The multifamily delinquency rate dropped 79 basis points to 8.20%. Apartment loans remain the worst performing among the major property types.
- The office delinquency rate fell five basis points to 5.81%.
- The retail delinquency rate increased 20 basis points to 5.73%.

| Delinquency Rate by Property Type |        |        |        |       |       |       |
|-----------------------------------|--------|--------|--------|-------|-------|-------|
|                                   | Sep 15 | Aug 15 | Jul 15 | 3 Mo. | 6 Mo. | 1 Yr. |
| Industrial                        | 6.18   | 7.62   | 7.41   | 7.12  | 7.68  | 7.66  |
| Lodging                           | 3.28   | 3.44   | 3.70   | 3.75  | 4.20  | 5.06  |
| Multifamily                       | 8.20   | 8.99   | 8.76   | 8.73  | 8.73  | 8.99  |
| Office                            | 5.81   | 5.86   | 5.93   | 5.90  | 6.06  | 6.56  |
| Retail                            | 5.73   | 5.53   | 5.51   | 5.54  | 5.51  | 5.86  |



## Top 5 Newly Delinquent Loans

| Property Name                     | Current Balance | Prop Type | City           | State | New DQ Status                  | Deal           |
|-----------------------------------|-----------------|-----------|----------------|-------|--------------------------------|----------------|
| Wateridge Office Park             | \$83,272,872    | OF        | Los Angeles    | CA    | Foreclosure                    | BACM 2005-5    |
| Silver Portfolio - Kimco          | \$55,229,035    | RT        | Various        | N/A   | Non-Performing Beyond Maturity | CSFB 2005-C5   |
| Merritt Square Mall               | \$52,839,666    | RT        | Merritt Island | FL    | Non-Performing Beyond Maturity | MSC 2006-IQ11  |
| Fifth Third Center - Columbus, OH | \$49,049,886    | OF        | Columbus       | OH    | Foreclosure                    | BACM-2006-3    |
| Fontainebleau Park Plaza          | \$49,000,000    | RT        | Miami          | FL    | 30 Days                        | MSBAM 2015-C21 |

For inquiries about the data analysis conducted in this research, contact [press@trepp.com](mailto:press@trepp.com) or call 212-754-1010. For more information on Trepp's CMBS products, contact [info@trepp.com](mailto:info@trepp.com).

## About Trepp

Trepp, LLC, founded in 1979, is the leading provider of information, analytics and technology to the CMBS, commercial real estate and banking markets. Trepp provides primary and secondary market participants with the web-based tools and insight they need to increase their operational efficiencies, information transparency and investment performance. From its offices in New York, San Francisco and London, Trepp serves its clients with products and services to support trading, research, risk management, surveillance and portfolio management. Trepp is wholly-owned by DMGI, the information publishing division of the Daily Mail and General Trust (DMGT).