



US CMBS Delinquency Report: US CMBS Delinquency Rate Inches Up to the End the Year

Following three straight months of improvement, the Trepp CMBS Delinquency Rate ended 2015 modestly higher. The delinquency rate for US commercial real estate loans in CMBS increased four basis points in December and is now 5.17%. The rate is 58 basis points lower than the 2014 year-end level of 5.75%.

In December, more than \$1.6 billion in loans became newly delinquent, which put 32 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 in December. Removing these previously distressed assets from the numerator of the delinquency calculation helped move the rate down by 22 basis points.

The Numbers:

- The overall US CMBS delinquency rate increased four basis points to 5.17%.
- The percentage of loans seriously delinquent (60+ days delinquent, in foreclosure, REO, or non-performing balloons) is now 5.00%, two basis points lower for the month.
- If defeased loans were taken out of the equation, the overall 30-day delinquency rate would be 5.45%—up four basis points.
- There are currently \$26.4 billion in delinquent loans. This number excludes loans past their balloon date but current on interest payments.

Historical Perspective:

- One year ago, the US CMBS delinquency rate was 5.75%.
- Six months ago, the US CMBS delinquency rate was 5.45%.
- One year ago, the rate of loans seriously delinquent was 5.63%.
- Six months ago, the rate of loans seriously delinquent was 5.32%.

Delinquency Status	
Current	94.65%
30 Days Delinquent	0.17%
60 Days Delinquent	0.06%
90 Days Delinquent	0.22%
Performing Matured Balloon ¹	0.19%
Non-Performing Matured Balloon	0.51%
Foreclosure	1.05%
REO	3.16%

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

Property Type Analysis:

- The industrial delinquency rate dropped 26 basis points to 5.73%. Year-over-year, the industrial rate improved 182 basis points.
- The lodging delinquency rate moved up seven basis points to 2.82%. Lodging remains the best

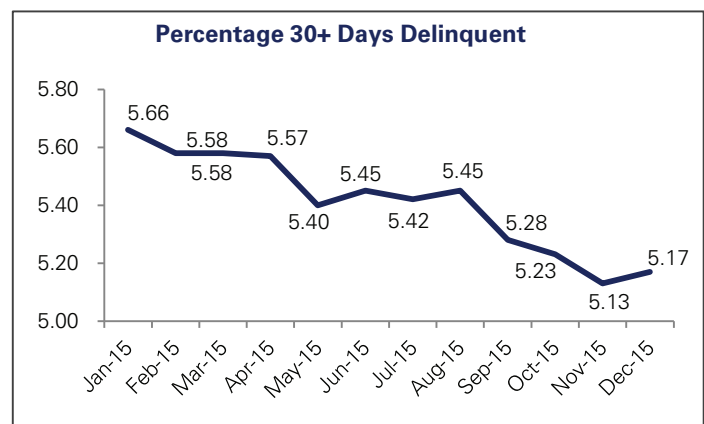
performing major property type. Year-over-year, the lodging rate improved 195 basis points—the best improvement of the five major property types.

- The multifamily delinquency rate increased 13 basis points to 8.28%. Apartment loans remain the worst performing among the major property types for now. Year-over-year, the multifamily rate improved 57 basis points.

- The office delinquency rate inched up six basis points to 5.79%. Year-over-year, the office rate improved 29 basis points.

- The retail delinquency rate jumped 12 basis points to 5.76%. Year-over-year, the retail rate was the only one of the five major property types not improve. It was off 10 basis points.

Delinquency Rate by Property Type						
	Dec 15	Nov 15	Oct 15	3 Mo.	6 Mo.	1 Yr.
Industrial	5.73	5.99	6.28	6.18	7.12	7.55
Lodging	2.82	2.75	3.17	3.28	3.75	4.77
Multifamily	8.28	8.15	8.18	8.20	8.73	8.85
Office	5.79	5.73	5.70	5.81	5.90	6.08
Retail	5.76	5.64	5.72	5.73	5.54	5.66



Top 5 Newly Delinquent Loans						
Property Name	Current Balance	Prop Type	City	State	New DQ Status	Deal
55 Corporate Drive	\$190,000,000	OF	Bridgewater	NJ	Non-Performing Beyond Maturity	GCCFC 2006-GG7
Triangle Town Center	\$133,185,366	RT	Raleigh	NC	Non-Performing Beyond Maturity	LBUBS 2006-C1
HRO Hotel Portfolio	\$127,568,434	LO	Various	N/A	Non-Performing Beyond Maturity	MSC 2007-XLFA
Foothills Mall	\$76,555,928	RT	Tucson	AZ	30 Days	JPMCC 2006-LDP8
Healthnet Headquarters	\$69,852,004	OF	Shelton	CT	30 Days	JPMCC 2007-LD11

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

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).