September 2026

KCP K-LOC Index

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K-LOC Index 26.76% ↓			
K-LOCs 3,112	**Transactions** 547	**Balance** $81.80 Billion	
Office Index 44.28%	**Lodging Index** 26.03%	**Retail Index** 21.98%	**Multifamily Index** 15.64%

The KBRA Loan of Concern (K-LOC) Index was 26.76% in September 2026, down from 27.29% in August 2026. We identified 88 loans ($2.31 billion) as new K-LOCs in our conduit CMBS coverage universe in September. Conversely, we removed the K-LOC designation from 103 loans ($1.79 billion), including 21 ($638.6 million) that were liquidated in September.

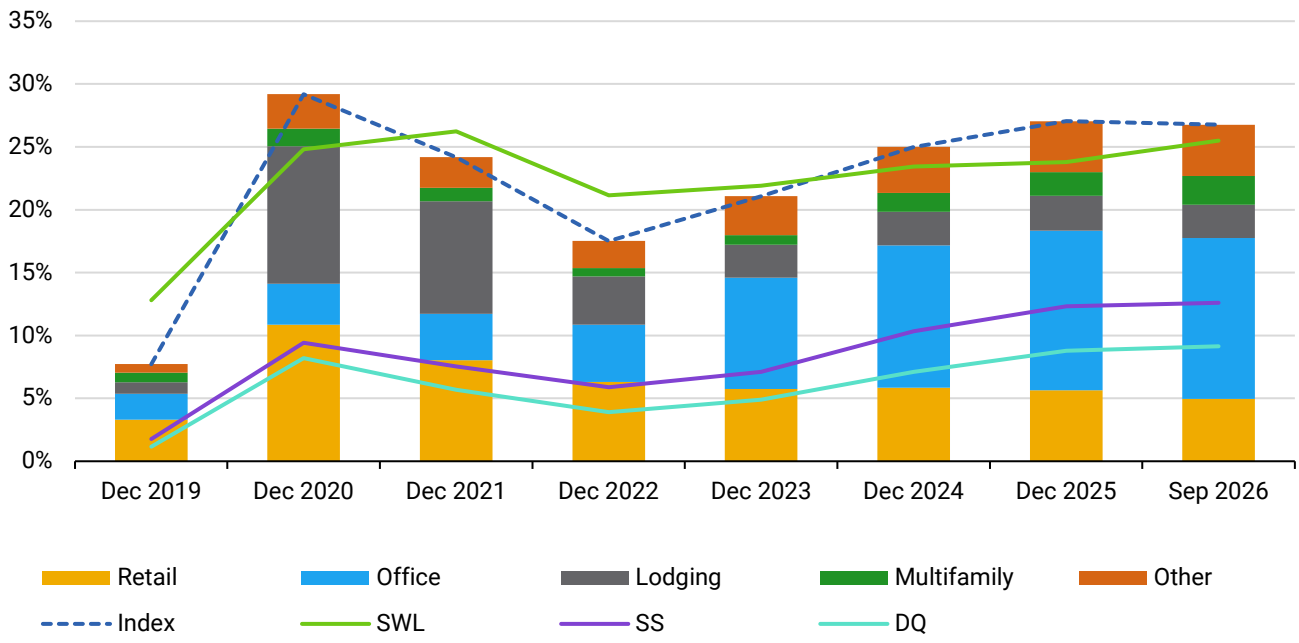
The K-LOC Index for September 2026 is a composite of 3,112 K-LOCs with an aggregate unpaid principal balance (UPB) of $81.8 billion across 547 conduit transactions.

Month in Review

K-LOC Index and Other Credit Trends

The conduit delinquency rate decreased 16 basis points (bps) to 9.13% in September but remained above 8.57% in September 2025 and 6.32% in September 2024. The special servicing and watchlist rates also decreased month-over-month (MoM) to 12.6% and 25.5%, respectively, from 12.77% and 26.88% in August. These rates were 11.71% and 24.01% in September 2025 (see Figure 1 for a history of distressed credit trends).

Figure 1: K-LOC Index and Other Credit Trends Since December 2019



Sources: KBRA Credit Profile (KCP), Trepp

Delinquency Update

The delinquency rate for conduit transactions was 9.13% in September. The CMBX series delinquency rate of 8.05% is up MoM from 8.03% in August and up year-over-year (YoY) from 7.56% in September 2025. See Appendix 3 for a vintage and CMBX series breakdown of delinquency, special servicing, and master servicer watchlist (SWL) rates.

For all conduit transactions, the 30- and 60-day delinquency rates were lower YoY at 0.28% and 0.10%, respectively, in September 2026, down from 0.82% and 0.32% in September 2025. Meanwhile, the 90-day delinquency rate was higher YoY at 1.33%, up from 0.84%. Loans with a matured nonperforming status increased YoY to 2.34% in September 2026 from 2.30%. The share of loans backed by properties in foreclosure increased to 2.72%, compared to 2.68% in September 2025, while the portion carrying a real estate owned (REO) designation reached 2.35%, up from 1.61% in September 2025.

Figure 2: Delinquency, Special Servicing, and Watchlist Rate Summary

	Delinquent (%)									
	30	60	90	MNP	FCL	REO	Total	SWL (%)	SS (%)	Index (%)
CMBS	0.28	0.10	1.33	2.34	2.72	2.35	9.13	25.50	12.60	26.76
CMBX	0.24	0.08	1.47	1.78	2.40	2.09	8.05	26.25	11.27	24.83

Sources: KBRA Credit Profile (KCP), Trepp

MSA Update

Figure 3 lists the five most distressed metropolitan statistical areas (MSA) across the 20 largest based on conduit UPB. K-LOC Indexes for all 20 MSAs tracked in this report are provided in Appendix 2. We also follow each of these 20 MSA Indexes across the trailing 36 months ended September 2026 alongside the MSA-specific delinquency, special servicing, and master SWL rates (see Figure 12).

Figure 3: Top Five Distressed MSA Indexes

MSA	K-LOC Balance ($000s)	MSA Index Property Type Allocation (%)					MSA Index (%)
		RT	OF	LO	MF	OT	
1 Denver	1,141,184	5.28	35.47	2.39	-	3.99	47.13
2 Chicago	4,562,424	6.93	25.40	2.91	2.40	5.95	43.60
3 San Francisco	3,636,861	1.13	22.89	2.38	7.55	5.45	39.40
4 Seattle	2,410,396	0.68	27.25	7.09	1.04	1.48	37.53
5 Washington, D.C.	3,700,014	4.13	24.19	0.69	0.48	4.22	33.71

Sources: KBRA Credit Profile (KCP), Trepp

Denver Retail Center Sheds K-LOC Designation Amid Leasing Gains

The $30 million Denver West Village Shopping Center loan (BANK 2021-BN35) is no longer considered a K-LOC owing to improving collateral performance. Occupancy had declined to 64% by September 2023 following the closure of Regal Cinemas (17% of gross leasable area (GLA)) and Bed Bath & Beyond (12%), before improving to 79% as of March 2026. The theater space was demolished to make way for Whole Foods Market (15%), which relocated from a 23,627 sf unit (8%) in December 2025. That space was subsequently leased to Nordstrom Rack, which opened in October 2026. Clothing retailer, Reclectic, opened in the former Bed Bath & Beyond space; as such, we estimate collateral occupancy will increase to roughly 98%.

Rhode Island Mall Resolves at Significant Loss Following Sale

The $249.9 million Providence Place Mall loan (DBUBS 2011-LC3A) was resolved during the September 2026 remittance resulting in a $130.5 million loss (52% severity) on the loan. The loan was initially transferred to special servicing in April 2021 after the borrower was unable to refinance ahead of its May 2021 maturity. An August 2021 modification extended the loan to May 2022, with two one-year extension options to May 2024. The loan returned to special servicing in April 2024 after Brookfield Property Partners requested an additional extension, which failed to materialize. A receiver was installed following the May 2024 maturity default, and by April 2026 the court had approved a $133 million ($136/sf) bid on the property from a development group led by former Providence mayor Joe Paolino and including Pyramid Management Group. The sale closed in August 2026 at a price approximately 76% below the $558 million appraised value at securitization in 2011.

Spotlight: Pulse Check on Life Sciences

The U.S. life sciences real estate sector continues to face challenges following a period of rapid expansion, as elevated vacancy, declining rents, and subdued leasing demand weigh on property performance across several major markets. Strong venture capital investment and expectations for sustained growth in the biotechnology industry fueled a wave of speculative laboratory development during the early 2020s. However, a more constrained funding environment, tenant consolidations, and an influx of newly delivered space have contributed to sector instability. While recent indicators suggest that market conditions may be stabilizing, the recovery remains uneven. According to CBRE, the national laboratory and research & development vacancy rate declined 10 bps quarter-over-quarter (QoQ) to 23.4% in Q3 2026, while net absorption turned positive for the first time in three quarters. Nevertheless, average asking rents declined 7.2% YoY, highlighting continued pressure on owners. These conditions have increasingly translated into credit concerns for CMBS loans backed by life science properties, particularly those originated during the sector's expansion.

The Boston/Cambridge market, historically one of the nation's largest life sciences hubs, has been particularly affected by the imbalance between new supply and tenant demand. While the market has begun to show signs of stabilization—with vacancy holding steady at 35.4% in Q3 2026, according to Colliers—elevated availability continues to pressure asking rents and intensify competition among owners. Colliers notes that asking rents in Cambridge have declined approximately 25% from peak levels, while tenant improvement allowances for long-term

leases on first-generation space have roughly doubled over the past four years, ranging from $325/sf to $400/sf. These market pressures are also reflected in CMBS collateral performance. Across KCP's coverage universe, 19.5% of CMBS loans by balance secured by life sciences properties in the Boston metropolitan area have been designated as K-LOCs. Among loans with comparable post-issuance financials, weighted average net cash flow (NCF) declined 8.4% from underwriting, while occupancy fell approximately 10 percentage points to 89.9%.

Market headwinds are evident within the $598.6 million BMR Pool (LIFE 2021-BMR), comprising six remaining properties totaling approximately 846,000 sf across Cambridge, San Diego, and the San Francisco Bay Area. Four of the properties are in Cambridge, where reduced occupancy has contributed to the portfolio's overall performance decline. Portfolio occupancy was 75% as of September 2025, down from 94% at year-end 2023, with 320 Charles Street fully vacant and 210 Broadway just 32% occupied. The loan transferred to special servicing in February 2026 ahead of its March 2026 maturity and subsequently received a one-year extension to March 2027, with two additional one-year extension options. An updated April 2026 appraisal valued the remaining collateral at $700.7 million ($828/sf), a 33% decline from its aggregate issuance appraisal of $1.05 billion ($1,239/sf). KBRA concluded on an even lower value, representing an over 40% decline from issuance and resulting in a KBRA loan-to-value (KLTV) nearing 100%.

In the San Francisco Bay Area, significant speculative development and tenant consolidations have contributed to elevated vacancy. Cushman & Wakefield reported that approximately 2 million sf of speculative laboratory space was delivered during the 12 months ended Q2 2026. More recent CBRE data indicate that Bay Area vacancy remained elevated at 30.7% in Q3 2026, although quarterly net absorption turned positive. Across life sciences properties securing CMBS loans in the Bay Area, K-LOCs accounted for 47.2% of outstanding loan balances. For loans with comparable post-issuance financials, the weighted average NCF declined 12.1% from underwriting, while occupancy fell from 97.8% to 82.5%.

These broader leasing challenges are reflected in the $415 million Genesis Towers loan (VLS 2020-LAB), secured by two life science towers totaling approximately 711,000 sf in South San Francisco, where declining occupancy and potential tenant downsizing have raised credit concerns. The buildings were 71% occupied as of June 2026, compared to 94% at underwriting, while annualized NCF for 1H 2026 was $30.6 million, approximately 30% below the underwritten $43.6 million. Additional occupancy pressure could arise from Sana Biotechnology, which occupies approximately 99,000 sf (14% of total GLA) and is considering a lease amendment to reduce its footprint. The tenant also has a one-time early termination right in May 2027. KCP concluded on a value that is roughly 50% below the $920 million ($1,294/sf) hypothetical "as-is" appraisal at issuance. The loan remains current with a reported debt service coverage ratio (DSCR) of 2.78 as its low fixed interest rate has helped sustain debt service coverage despite the deterioration in collateral cash flow.

San Diego has also experienced weakening market fundamentals, as subdued leasing demand and elevated availability continue to pressure its life sciences sector. Cushman & Wakefield notes that the market's life sciences vacancy rate reached a new cycle high of 27.6% in Q3 2026, up from 25.6% one year earlier. Year-to-date net absorption remained negative, while average asking rents declined 3.4% YoY. The impact of these broader market pressures is evident in the $2.88 billion Biomed Pool A loan (LIFE 2022-BMR2), secured by 24 properties across several major life sciences markets, including 12 in San Diego, five in the Boston/Cambridge area, four in the San Francisco Bay Area, and three in other markets. KCP identified the loan as a K-LOC in February 2026 due to declining portfolio occupancy and heightened lease rollover risk in 2027 and 2028. Portfolio occupancy declined to 71% as of June 2026 from 96% at underwriting, while trailing 12-month ended June 2026 NCF was $183.1 million, approximately 23% below the underwritten $238.4 million. The deterioration was particularly pronounced among the portfolio's San Diego properties, where average occupancy declined to 52% from 96% at issuance, while NCF was 45% below underwritten levels. The combination of weaker cash flow and higher debt service on the floating-rate loan has contributed to a decline in the reported DSCR to 1.09 from 3.11 at underwriting. KCP concluded on a value well below the $5 billion aggregate "as-is" appraisal at issuance, resulting in a KLTV near 100%. With the loan's final extended maturity approaching in May 2027, declining cash flow and reduced collateral value could complicate refinancing efforts.

Looking ahead, declining construction activity and improving funding conditions may provide a foundation for stabilization in the life sciences sector. However, elevated existing inventory, substantial leasing concessions, and upcoming lease rollover continue to present challenges for CMBS collateral, particularly properties financed at peak valuations. The significant declines in occupancy and property values observed across several major life sciences K-LOCs illustrate the extent to which market conditions have diverged from issuance expectations. While a recovery in tenant demand could gradually improve fundamentals, the ability of borrowers to navigate upcoming maturities and fund the costs associated with re-tenanting specialized laboratory space will remain important considerations for credit performance.

Appendix 1: Conduit Index Tables and Figures

The following figures track the K-LOC Index over time (see Figure 4 and Figure 5). We supplement this data with a trailing 24-month view of indexes for the CMBX 8 through CMBX 18 series in Figure 8.

We also examine the index by property type (see Figure 6 and Figure 7). In Figure 9, we display the property type composition of K-LOCs by vintage.

Figure 4: K-LOC Index - Vintage

	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
Vintage	Deals	Loans	Balance ($000s)	YE 24	YE 25	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Min	Max	Δ	Indicator
2010	2	2	135,585	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	
2011	11	16	1,026,847	99.95	99.98	99.99	100.00	100.00	100.00	100.00	100.00	99.97	100.00	-	
2012	15	24	1,620,158	99.88	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	
2013	36	71	3,575,127	98.07	98.11	98.02	98.22	98.19	98.15	98.16	98.09	98.01	98.22	-0.07	
2014	41	140	5,370,752	96.32	97.12	96.88	97.10	97.06	96.73	96.73	96.73	96.73	97.12	-0.00	
2015	57	243	7,941,213	41.63	95.69	97.42	97.39	97.36	97.33	97.29	97.22	88.35	97.42	-0.08	
2016	55	400	10,493,026	31.92	48.85	55.85	59.58	65.17	69.89	75.60	78.14	44.55	78.14	3.35	
2017	51	494	12,952,120	28.37	35.55	37.52	37.50	37.93	38.55	40.20	42.10	34.21	42.10	4.73	
2018	45	392	8,845,263	24.65	28.22	28.17	29.01	29.32	29.48	29.15	29.34	27.40	29.48	0.67	
2019	53	463	10,223,628	20.76	23.78	25.09	24.98	25.05	25.51	25.77	25.55	23.27	25.77	-0.84	
2020	34	198	5,363,746	13.90	18.48	20.29	20.12	20.98	20.51	20.68	21.30	18.44	21.30	2.99	
2021	31	173	4,175,570	7.86	10.77	11.40	12.26	12.53	12.64	12.98	14.53	10.10	14.53	11.93	
2022	25	152	3,251,076	7.10	13.09	13.85	13.99	14.04	13.80	13.87	14.37	11.99	14.37	3.65	
2023	26	153	3,105,662	4.09	12.93	15.95	16.23	16.30	17.42	17.07	17.03	10.87	17.42	-0.21	
2024	36	136	2,774,237	1.33	4.13	6.19	6.44	6.73	7.35	7.48	8.52	3.59	8.52	13.94	
2025	26	52	911,982	-	1.28	1.38	1.75	1.93	2.20	2.64	2.71	1.11	2.71	2.50	
K-LOC Index	**547**	**3,112**	**81,798,033**	**24.99**	**27.05**	**26.72**	**26.94**	**27.13**	**27.24**	**27.29**	**26.76**	**26.71**	**27.32**	**-1.94**	

Source: KBRA Credit Profile (KCP)

Figure 5: K-LOC Index - CMBX

	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
Series	Deals	Loans	Balance ($000s)	YE 24	YE 25	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Min	Max	Δ	Indicator
CMBX 6	14	22	1,536,616	99.87	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	
CMBX 7	20	40	1,688,329	98.29	98.33	98.46	98.46	98.41	98.41	98.42	98.43	98.33	98.63	0.01	
CMBX 8	21	81	3,188,781	95.38	96.88	96.67	97.02	96.97	96.40	96.41	96.43	96.40	97.02	0.02	
CMBX 9	25	106	3,655,021	41.84	94.84	97.83	97.81	97.80	97.76	97.76	97.73	84.30	97.89	-0.02	
CMBX 10	25	215	5,560,352	32.42	47.56	52.28	55.80	63.51	68.81	74.62	78.06	45.69	78.06	4.61	
CMBX 11	25	235	6,173,004	25.82	32.25	33.89	33.74	33.94	34.38	36.40	39.26	31.69	39.26	7.85	
CMBX 12	25	223	4,791,389	24.89	27.48	26.93	27.08	27.17	27.29	26.91	27.11	26.53	27.48	0.72	
CMBX 13	25	211	4,390,235	18.18	22.35	22.79	22.61	23.06	22.92	23.34	22.91	21.86	23.34	-1.83	
CMBX 14	24	148	3,335,860	14.73	16.93	18.77	18.53	19.57	18.84	18.85	18.84	16.87	19.57	-0.06	
CMBX 15	25	149	3,195,167	8.50	11.90	12.74	13.26	13.39	13.37	13.52	15.72	11.39	15.72	16.24	
CMBX 16	25	162	3,281,785	7.89	13.30	14.10	14.44	14.27	14.64	14.49	15.40	12.63	15.40	6.29	
CMBX 17	25	161	3,045,008	7.54	13.95	15.39	15.41	15.56	16.40	16.40	16.28	12.68	16.40	-0.72	
CMBX 18	24	107	2,350,025	-	5.33	7.73	8.11	7.98	9.27	9.10	10.66	4.81	10.66	17.20	
CMBX Index	**321**	**1,901**	**46,978,919**	**23.53**	**25.40**	**23.64**	**23.77**	**24.02**	**24.04**	**24.23**	**24.83**	**23.62**	**25.40**	**2.48**	

Source: KBRA Credit Profile (KCP)

Figure 6: K-LOC Index - Vintage Property Type Allocation

	YE 24 (%)					YE 25 (%)					Sep 26 (%)					YoY Indicator				
Vintage	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT
2010	100.00	-	-	-	-	100.00	-	-	-	-	100.00	-	-	-	-	▬	▬	▬	▬	▬
2011	98.69	-	0.64	0.63	-	99.31	-	-	0.67	-	99.20	-	-	0.80	-	↑	▬	↓	↑	▬
2012	63.80	15.89	6.96	0.33	12.91	60.44	17.58	7.55	0.38	14.04	63.55	16.94	1.99	0.46	17.06	↓	↑	↑	↑	↑
2013	44.43	36.34	2.86	1.39	13.05	48.99	35.47	2.99	0.28	10.38	54.60	28.50	1.89	-	13.09	↑	↓	↑	↓	↓
2014	24.21	52.04	5.52	1.91	12.64	22.10	56.34	4.12	1.28	13.29	21.62	53.64	4.48	1.49	15.50	↓	↑	↓	↓	↑
2015	10.32	18.35	5.74	1.79	5.43	23.14	48.14	8.41	2.71	13.28	23.51	52.96	7.59	2.50	10.65	↑	↑	↑	↑	↑
2016	8.82	14.17	3.98	1.11	3.84	14.57	21.62	5.31	1.35	5.99	20.15	37.18	7.65	2.20	10.95	↑	↑	↑	↑	↑
2017	3.62	15.53	4.34	0.63	4.26	3.97	20.37	5.90	0.73	4.58	4.95	24.59	6.00	1.05	5.51	↑	↑	↑	↑	↑
2018	3.25	11.67	4.31	1.21	4.22	3.68	12.90	5.27	1.46	4.91	4.41	13.55	5.43	1.62	4.33	↑	↑	↑	↑	↑
2019	2.57	10.89	2.22	1.97	3.11	2.77	12.53	2.94	1.74	3.81	2.76	13.39	3.41	1.99	4.00	↑	↑	↑	↓	↑
2020	0.91	6.87	0.48	2.79	2.85	0.99	10.59	0.17	2.64	4.10	1.24	12.19	0.21	3.39	4.27	↑	↑	↓	↓	↑
2021	1.10	3.87	0.24	0.65	2.01	1.59	5.24	0.21	1.54	2.19	1.04	9.50	0.31	1.73	1.95	↑	↑	↓	↑	↑
2022	0.66	2.16	0.59	2.48	1.21	0.87	5.97	1.29	3.46	1.51	0.79	6.01	1.12	3.63	2.82	↑	↑	↑	↑	↑
2023	0.40	0.24	0.49	1.82	1.13	0.76	2.52	1.88	3.31	4.45	0.90	4.65	2.26	3.31	5.92	↑	↑	↑	↑	↑
2024	0.14	-	0.05	0.78	0.37	0.17	0.46	0.17	2.61	0.72	0.62	1.29	1.12	4.34	1.14	↑	↑	↑	↑	↑
2025	-	-	-	-	-	-	0.04	0.25	0.80	0.20	0.15	0.07	0.36	1.57	0.56	▬	↑	↑	↑	↑
K-LOC Index	**5.84**	**11.33**	**2.68**	**1.50**	**3.65**	**5.65**	**12.69**	**2.78**	**1.87**	**4.06**	**4.96**	**12.78**	**2.66**	**2.27**	**4.08**	↓	↑	↑	↑	↑

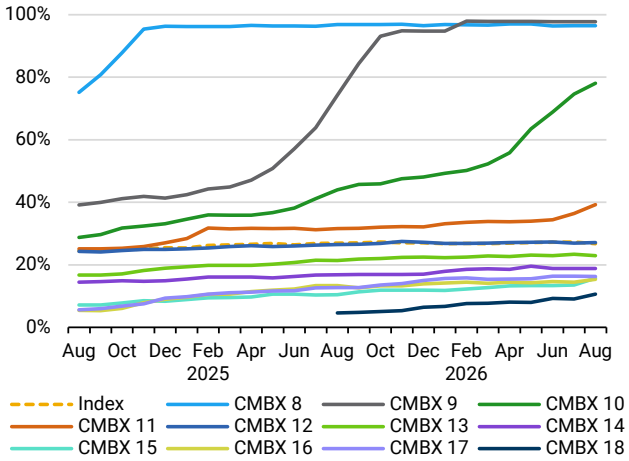
Sources: KBRA Credit Profile (KCP), Trepp

Figure 7: K-LOC Index - CMBX Property Type Allocation

	YE 24 (%)					YE 25 (%)					Sep 26 (%)					YoY Indicator				
Series	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT
CMBX 6	61.74	16.95	7.42	-	13.77	59.08	18.37	7.89	-	14.66	62.06	17.87	2.09	-	17.98	↓	↑	↑	▬	↑
CMBX 7	48.68	35.72	4.56	0.51	8.82	49.51	37.49	4.74	0.63	5.96	59.90	29.51	1.72	-	7.28	↑	↑	↑	↑	↓
CMBX 8	21.26	53.96	4.92	0.52	14.71	17.51	59.61	4.07	0.45	15.23	18.23	55.35	4.46	0.29	18.10	↓	↑	↓	↓	↑
CMBX 9	10.19	18.42	6.27	1.50	5.47	26.00	48.93	8.93	1.20	9.78	25.52	55.39	8.68	0.91	7.24	↑	↑	↑	↓	↑
CMBX 10	8.90	14.15	3.84	1.06	4.46	13.79	22.29	5.06	1.10	5.31	17.96	40.13	7.01	2.13	10.82	↑	↑	↑	↑	↑
CMBX 11	3.31	13.40	4.29	0.71	4.10	3.86	17.48	5.63	0.73	4.56	5.91	21.38	6.05	1.05	4.87	↑	↑	↑	↑	↑
CMBX 12	3.31	11.17	3.89	1.13	5.39	3.35	12.46	4.24	1.30	6.14	3.35	12.79	4.34	1.39	5.25	↑	↑	↑	↑	↑
CMBX 13	2.66	9.82	1.33	1.17	3.21	2.81	12.25	2.41	1.14	3.75	2.51	12.99	2.70	1.05	3.65	↑	↑	↑	↓	↑
CMBX 14	1.35	7.51	0.34	2.53	3.01	1.35	9.03	0.25	2.37	3.93	1.39	10.67	0.36	2.73	3.69	↓	↑	↓	↑	↑
CMBX 15	1.22	4.65	0.33	0.56	1.74	1.73	5.80	0.34	1.41	2.63	1.32	10.09	0.49	1.39	2.43	↑	↑	↑	↑	↑
CMBX 16	0.93	2.52	0.79	2.07	1.57	1.43	5.80	1.39	2.76	1.92	1.20	7.13	1.13	2.55	3.39	↑	↑	↑	↑	↑
CMBX 17	0.61	1.65	0.92	2.87	1.48	0.96	4.55	1.85	3.70	2.89	0.95	5.69	2.35	3.25	4.05	↑	↑	↑	↑	↑
CMBX 18	-	-	-	-	-	0.05	0.56	0.19	3.84	0.69	0.56	1.63	1.58	5.52	1.38	↑	↑	↑	↑	↑
CMBX Index	**5.18**	**10.65**	**2.43**	**1.45**	**3.81**	**4.93**	**12.00**	**2.49**	**2.01**	**3.98**	**4.20**	**11.92**	**2.39**	**2.37**	**3.95**	↓	↑	↑	↑	↑

Sources: KBRA Credit Profile (KCP), Trepp

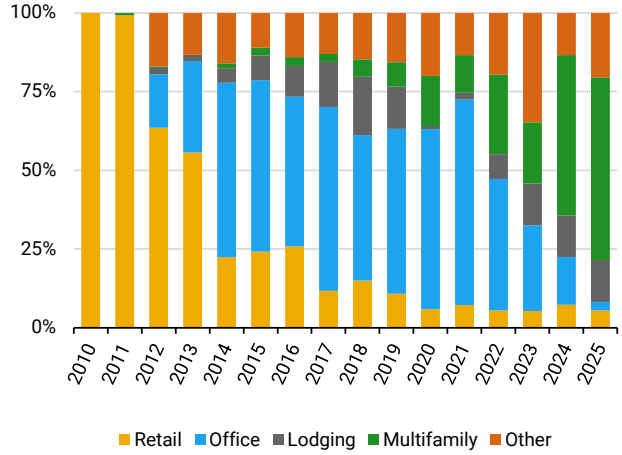
Figure 8: K-LOC Index Versus Individual CMBX K-LOC Indexes



Sources: KBRA Credit Profile (KCP), Trepp

The CMBX 12 series index closely tracks the benchmark rate with older series expressing higher levels of distress. As transactions season, the respective CMBX K-LOC Index tends to increase, particularly as performing loans reach maturity and are paid off, leaving a higher concentration of nonperforming loans (see Figure 5 and Figure 8).

Figure 9: Vintage K-LOC Composition by Property Type (September 2026)



Source: KBRA Credit Profile (KCP)

Earlier vintage transactions have a higher concentration of retail K-LOCs, while later vintages have greater exposure to office and multifamily K-LOCs (see Figure 9). Across vintages studied in this report, 47.76% of K-LOCs by UPB are collateralized by office, followed by retail (18.53%), lodging (9.95%), and multifamily (8.50%).

Appendix 2: MSA Index Tables and Figures

We examine K-LOC balance by MSA to quantify credit behavior across various markets. An MSA is defined by a geographic boundary associated with a large, urbanized core or population nucleus, including adjacent regions with a high degree of social and economic integration. For CMBS properties in a given MSA, we divide the balance of all K-LOCs by total principal balance, based on allocated loan amount (ALA), to calculate the index.

We have generated K-LOC Indexes for the 20 largest MSAs by total conduit principal balance. The represented metros constitute nearly two-thirds of all conduit debt in the KCP coverage universe. We also feature property type allocations (see Figure 10) and stratify delinquency rates (see Figure 11) by MSA to provide additional insight into the performance of individual markets.

Additionally, we follow the 20 MSA Indexes across the trailing 36 months ended September 2026 (see Figure 12). For each MSA, the index is tracked against the MSA-specific CMBS conduit delinquency rate as well as specially serviced and master SWL rates.

Figure 10: MSA Index and Property Type Allocation as of September 2026

MSA		K-LOC Balance ($000s)	MSA Index Property Type Allocation (%)					MSA Index (%)
			RT	OF	LO	MF	OT	
1	New York City	19,782,857	3.32	15.10	0.79	2.70	7.44	29.35
2	Los Angeles	3,807,746	2.71	10.18	2.56	1.30	3.45	20.19
3	Washington, D.C.	3,700,014	4.13	24.19	0.69	0.48	4.22	33.71
4	Chicago	4,562,424	6.93	25.40	2.91	2.40	5.95	43.60
5	San Francisco	3,636,861	1.13	22.89	2.38	7.55	5.45	39.40
6	Houston	2,171,465	2.23	10.65	2.77	8.23	1.89	25.78
7	Philadelphia	2,130,500	2.93	17.75	1.10	3.60	2.31	27.69
8	Miami	1,048,730	4.78	6.03	2.76	0.22	0.48	14.27
9	Dallas-Fort Worth	1,533,877	1.04	13.56	3.46	3.53	1.61	23.20
10	San Jose	1,817,084	0.41	24.17	2.64	-	0.66	27.88
11	Las Vegas	320,367	1.72	2.16	-	0.41	0.69	4.98
12	Seattle	2,410,396	0.68	27.25	7.09	1.04	1.48	37.53
13	Boston	804,488	3.90	8.83	1.31	-	0.15	14.18
14	Detroit	1,289,127	0.70	15.55	3.07	1.42	2.85	23.57
15	Atlanta	1,342,905	3.10	13.61	5.80	1.68	1.11	25.29
16	Phoenix	669,544	0.42	9.38	1.66	-	3.98	15.44
17	Inland Empire	546,391	5.51	2.81	3.17	2.48	0.41	14.38
18	San Diego	277,298	0.48	3.59	3.40	-	0.70	8.16
19	Charlotte	825,536	6.22	19.91	2.95	0.12	4.16	33.37
20	Denver	1,141,184	5.28	35.47	2.39	-	3.99	47.13

Note 1: The MSA Index gradient reflects distance from the K-LOC Index; darker green being lower and darker red being higher.
Note 2: The 20 largest MSAs are listed in descending order based on total conduit principal balance.
Sources: KBRA Credit Profile (KCP), Trepp

Figure 11: Delinquencies by MSA as of September 2026

MSA		Delinquent (%)							SWL (%)	SS (%)	MSA Index (%)
		30	60	90	MNP	FCL	REO	Total			
1	New York City	0.29	0.14	1.71	1.37	3.83	1.84	9.17	24.21	13.51	29.35
2	Los Angeles	0.17	-	0.95	1.95	0.59	0.09	3.75	27.39	6.74	20.19
3	Washington, D.C.	-	-	0.87	5.76	3.17	1.08	10.88	25.53	16.42	33.71
4	Chicago	0.33	0.06	4.52	3.92	6.20	6.67	21.70	24.68	25.18	43.60
5	San Francisco	-	-	0.90	3.72	6.00	4.37	14.99	22.75	17.50	39.40
6	Houston	0.76	0.49	1.91	1.55	1.59	5.50	11.81	24.48	12.32	25.78
7	Philadelphia	-	0.13	1.96	3.21	4.57	3.08	12.94	31.52	13.64	27.69
8	Miami	0.04	-	-	-	0.57	1.29	1.90	16.38	4.49	14.27
9	Dallas-Fort Worth	1.48	-	-	2.05	2.50	3.43	9.46	25.22	9.63	23.20
10	San Jose	-	-	-	0.78	1.51	1.68	3.97	22.63	6.61	27.88
11	Las Vegas	-	0.06	-	1.54	-	0.67	2.28	18.42	2.63	4.98
12	Seattle	-	-	4.10	6.10	0.82	4.44	15.46	30.82	19.08	37.53
13	Boston	-	-	-	-	-	3.42	3.42	16.50	6.52	14.18
14	Detroit	-	-	1.13	3.84	1.69	0.73	7.39	26.02	8.79	23.57
15	Atlanta	-	-	1.49	2.24	0.21	2.55	6.50	27.63	9.08	25.29
16	Phoenix	0.84	-	-	-	1.51	0.45	2.80	20.74	3.64	15.44
17	Inland Empire	-	-	-	-	0.12	0.02	0.14	29.39	1.87	14.38
18	San Diego	-	0.21	-	-	-	-	0.21	21.57	0.21	8.16
19	Charlotte	1.81	-	1.15	6.98	-	3.44	13.38	29.61	13.98	33.37
20	Denver	-	-	4.50	9.13	9.50	1.96	25.09	27.50	31.13	47.13

Note: The 20 largest MSAs are listed in descending order based on total conduit principal balance.
Sources: KBRA Credit Profile (KCP), Trepp

Figure 12: MSA Indexes, Delinquency, Special Servicing, and Master Servicer Watchlist Rates



Note: The data presented is reflective of the trailing 36 months ended September 2026.
Sources: KBRA Credit Profile (KCP), Trepp

Appendix 3: Delinquency, Special Servicing, Servicer Watchlist Rates

The K-LOC Index is generally higher than delinquency and special servicing rates, and serves as a more meaningful gauge of default risk relative to the SWL, which may include false positives with regard to true credit concerns.

Figure 13: Vintage Delinquencies as of September 2026

	Delinquent (%)									
Vintage	30	60	90	MNP	FCL	REO	Total	SWL (%)	SS (%)	Index (%)
2010	-	-	-	-	-	-	-	100.00	-	100.00
2011	-	-	-	11.86	-	35.12	46.98	22.98	77.02	100.00
2012	-	-	-	8.45	14.37	8.63	31.45	26.61	73.39	100.00
2013	-	-	-	27.62	13.09	9.50	50.20	25.12	61.40	98.09
2014	-	-	6.42	19.32	6.02	27.83	59.60	15.87	72.24	96.73
2015	-	-	1.74	19.36	18.19	14.74	54.03	19.54	72.03	97.22
2016	0.16	-	0.77	17.28	6.41	9.28	33.90	44.02	52.04	78.14
2017	0.14	0.07	1.25	0.12	3.29	2.48	7.34	35.81	13.87	42.10
2018	0.37	0.06	2.15	1.05	3.82	2.32	9.77	24.47	13.92	29.34
2019	0.26	0.18	1.92	1.02	1.55	1.15	6.07	27.74	7.18	25.55
2020	0.41	-	1.52	0.15	2.59	0.56	5.23	26.94	5.69	21.30
2021	0.15	0.21	1.06	0.31	1.05	0.29	3.08	22.33	5.53	14.53
2022	0.12	0.04	1.25	0.07	1.41	0.37	3.27	24.64	3.53	14.37
2023	0.15	0.18	1.33	-	3.26	0.08	5.01	28.55	5.91	17.03
2024	0.54	0.13	0.98	-	0.73	0.24	2.61	26.55	2.37	8.52
2025	0.55	0.17	0.43	-	0.13	0.08	1.36	15.39	1.24	2.71
CMBS	**0.28**	**0.10**	**1.33**	**2.34**	**2.72**	**2.35**	**9.13**	**25.50**	**12.60**	**26.76**

Sources: KBRA Credit Profile (KCP), Trepp

Figure 14: CMBX Delinquencies as of September 2026

	Delinquent (%)									
Series	30	60	90	MNP	FCL	REO	Total	SWL (%)	SS (%)	Index (%)
CMBX 6	-	-	-	8.91	15.15	8.61	32.67	28.06	71.94	100.00
CMBX 7	-	-	-	37.16	12.51	9.16	58.83	5.62	81.57	98.43
CMBX 8	-	-	10.78	8.84	5.08	31.50	56.21	17.93	71.66	96.43
CMBX 9	-	-	-	18.02	19.41	20.02	57.45	17.88	77.66	97.73
CMBX 10	0.20	-	1.31	16.84	5.02	10.71	34.08	43.80	52.95	78.06
CMBX 11	0.04	0.14	1.27	-	3.39	1.97	6.81	30.42	10.22	39.26
CMBX 12	0.32	0.07	1.49	1.43	3.23	1.10	7.65	25.12	10.76	27.11
CMBX 13	0.10	0.10	1.23	0.64	1.11	0.75	3.93	25.52	5.48	22.91
CMBX 14	0.09	-	2.19	0.05	1.09	0.33	3.75	25.97	4.75	18.84
CMBX 15	0.22	0.02	1.69	0.23	1.24	0.47	3.86	23.56	6.80	15.72
CMBX 16	0.15	0.02	1.21	-	1.79	0.54	3.71	25.58	4.60	15.40
CMBX 17	0.05	-	1.37	-	2.32	0.49	4.24	29.04	5.31	16.28
CMBX 18	0.49	0.12	1.24	-	1.04	0.35	3.25	30.60	2.99	10.66
CMBX	**0.24**	**0.08**	**1.47**	**1.78**	**2.40**	**2.09**	**8.05**	**26.25**	**11.27**	**24.83**

Sources: KBRA Credit Profile (KCP), Trepp

About the Index and Our Methodology

The K-LOC designation serves as KBRA's primary metric used to identify loans that are in default or at heightened risk of default based on KBRA Credit Profile's (KCP) proprietary research and analysis. KCP is a division of KBRA Analytics.

For any given cohort, the index is the quotient of its aggregate K-LOC balance and the cohort's defeasance-adjusted UPB. As it includes loans at risk of default, it is a useful, forward-looking credit barometer. The K-LOC designation is determined by our team of analysts, who perform in-depth monthly analysis on individual transactions and the underlying loan collateral. For the purposes of this report, we focus exclusively on conduit CMBS and exclude legacy transactions issued in 2008 and earlier.

All our calculations, figures, and graphics present defeasance-adjusted data that excludes fully and partially defeased loans. In our figures, empty fields "-" contain values equal to zero.

Want more? In-depth research and analysis at the transaction level, including collateral valuations and loss projections, are available within our KCP reports, which are published monthly for every deal in our coverage universe and are available at kcp.kbra.com.

The KCP platform is a subscription-based surveillance service that covers about 1,400 commercial real estate (CRE) securitizations with an aggregate balance of nearly $900 billion. For each deal, monthly reports are posted to our website that contain commentary for CMBS transactions and their underlying loan collateral. Unlike other sources of valuation and loss data, which primarily rely on models, the service is supported by a dedicated team of analysts, who can more readily appreciate the non-homogeneous nature of CRE, loan, and transaction structures, as well as imperfect servicer information.

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- KCP Insights: Inflation Pressures Keep Treasury Yields Elevated
- KBRA Credit Profile (KCP) Loss Lookback: September 2026
- KCP Payoff Report: September 2026

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- KBRA Credit Profile (KCP) K-LOC Index: August 2026
- KBRA Credit Profile (KCP) K-LOC Index: July 2026
- KBRA Credit Profile (KCP) K-LOC Index: June 2026

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