

August 2026

KCP K-LOC Index

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K-LOC Index 27.29% ↑			
K-LOCs 3,126	Transactions 544	Balance \$81.40 Billion	
Office Index 44.24%	Lodging Index 26.60%	Retail Index 22.85%	Multifamily Index 15.62%

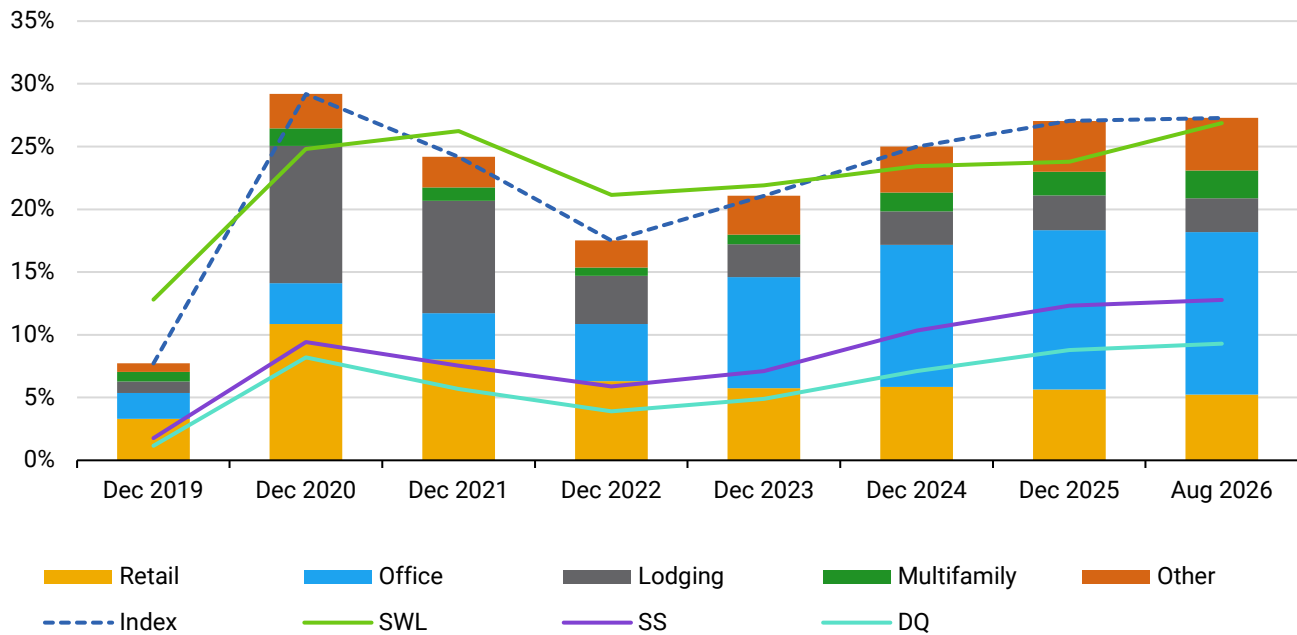
The KBRA Loan of Concern (K-LOC) Index was 27.29% in August 2026, up from 27.24% in July 2026. We identified 70 loans (\$1.40 billion) as new K-LOCs in our conduit CMBS coverage universe in August. Conversely, we removed the K-LOC designation from 82 loans (\$1.32 billion), including 11 (\$177.3 million) that were liquidated in August.

The K-LOC Index for August 2026 is a composite of 3,126 K-LOCs with an aggregate unpaid principal balance (UPB) of \$81.40 billion across 544 conduit transactions.

Month in Review

K-LOC Index and Other Credit Trends

The conduit delinquency rate decreased 21 basis points (bps) to 9.29% in August but remained above 8.33% in August 2025 and 5.77% in August 2024. The special servicing rate continued to rise, reaching a new post-pandemic high of 12.77%, up from 12.58% in July. Meanwhile, the share of loans on the master servicer’s watchlist decreased month-over-month (MoM) to 26.88% from 27.14% in July but remained above 24.19% recorded in August 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 9.29% in August. The CMBX series delinquency rate of 8.03% is down MoM from 8.11% in July, but up year-over-year (YoY) from 7.17% in August 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-day delinquency rate was lower YoY at 0.29% in August 2026 from 0.81% in August 2025. Meanwhile, the 60- and 90-day delinquency rates were higher YoY at 0.20% and 1.29%, respectively, from 0.09% and 0.84%. Loans with a matured nonperforming status increased YoY to 2.58% in August 2026 from 2.35%. The share of loans backed by properties in foreclosure decreased to 2.50%, compared to 2.77% in August 2025, while the portion carrying a real estate owned (REO) designation continues to grow, reaching 2.43%, up from 1.48% in August 2025.

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

	Delinquent (%)							SWL (%)	SS (%)	Index (%)
	30	60	90	MNP	FCL	REO	Total			
CMBS	0.29	0.20	1.29	2.58	2.50	2.43	9.29	26.88	12.77	27.29
CMBX	0.22	0.18	1.43	2.03	2.11	2.05	8.03	26.89	10.80	24.23

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 August 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	1,201,576	6.83	38.21	2.49	-	4.15	51.69
2 Chicago	4,587,101	6.88	25.59	2.70	2.41	6.56	44.15
3 San Francisco	3,529,738	0.98	23.18	2.42	6.61	5.52	38.72
4 Seattle	2,399,771	0.70	28.03	7.30	0.86	1.52	38.41
5 Charlotte	935,981	6.04	19.52	3.58	0.12	7.35	36.61

Sources: KBRA Credit Profile (KCP), Trepp

Ohio Mall Secures Refinancing Ahead of Maturity

The \$85 million [Summit Mall](#) loan ([JPMCC 2016-JP4](#), [JPMDB 2017-C5](#)) was paid off during its open period in August after Simon Property Group successfully refinanced the collateral, which comprises 528,234 sf of the 777,186 sf enclosed mall in Fairlawn, Ohio. The loan had been considered a K-LOC owing to maturity concerns and risks associated with the mall's tenant roster. However, Macy's, the sole collateral anchor (195,776 sf; 37% of gross leasable area (GLA)), renewed its lease through October 2035, and Simon had stabilized property cash flow in recent years, albeit at levels below the originator's underwritten figure. Simon refinanced the property with a \$70 million loan, of which \$42 million was contributed to BANK5 2026-5YR24. The lower balance of the replacement loan suggests that a significant equity contribution was needed to bridge the financing gap. While Simon continues to invest in the asset, including through renovation projects completed this year, the appraisal performed as part of the refinancing indicates a value of \$121.6 million (\$226/sf), down significantly from \$205 million (\$388/sf) in 2016.

Brooklyn Retail Faces Vacancy, Rising Tax Burden

We identified the \$20.2 million [1875-1925 Nostrand Avenue](#) loan ([CGCMT 2017-P7](#)) as a K-LOC due to occupancy concerns ahead of its February 2027 maturity. KCP research indicates that 11,750 sf (34% of GLA) was being marketed for lease at the 34,332 sf shopping center in Brooklyn, New York, as of September 2026. The available space includes the suite occupied by the largest tenant, Key Food (25%), whose lease expires in May 2027. Additionally, assessor records indicate that property taxes are projected to increase by approximately 8%, driven by a higher assessed property value and applicable tax rate. The increased tax burden, combined with a potential occupancy decline following the expiration of the Key Food lease in May 2027, would place further pressure on property cash flow, which yielded a 1.10 debt service coverage ratio (DSCR) for the six months ended June 2026.

Spotlight: Bridge & Tunnel Vision—Multifamily Performance in NYC's Outer Boroughs

New York City's outer-borough multifamily market continues to benefit from strong renter demand, high occupancy, and positive rent growth. Occupancy across the broader New York market stood at 97.4% in Q2 2026, while effective rents increased 3.2% over the trailing four quarters, according to Colliers. Rent growth was also positive across all four outer boroughs, with observed rents increasing YoY through June 2026 by 4.8% in Brooklyn, 4.6% in the Bronx, 4.4% in Queens, and 2.1% on Staten Island, according to Chandan Economics. Despite these favorable market conditions, KCP has observed a modest uptick in distress across outer-borough multifamily loans. While K-LOC, delinquency, and special servicing rates remain relatively low compared with the broader CMBS market, the upward trend warrants monitoring as higher operating costs continue to pressure property cash flows, particularly for loans underwritten with limited margin for error.

Against this backdrop, KCP examined 216 non-agency CMBS loans securitized between 2022 and 2026, with an aggregate current balance of \$4.11 billion, secured by multifamily properties in Brooklyn, the Bronx, Queens, and Staten Island. The analysis compared originator-underwritten occupancy, revenue, operating expenses, net cash



flow (NCF), DSCR, and debt yield (DY) with the most recent available 12-month financial statements. Loans without updated 12-month financial statements were excluded from the operating performance comparison. The objective was to evaluate property-level performance against originators' underwriting expectations and determine whether those underwriting assumptions provided sufficient cushion for properties to absorb rising expenses and the resulting weaker-than-anticipated cash flow.

At issuance, the cohort had a weighted average (WA) underwritten occupancy of 94.1%, DSCR (NCF) of 1.37, and DY (NCF) of 8.5%. Based on the most recent available financials, occupancy increased to 96.5%, while property revenue ticked up 2.8% relative to underwritten levels. However, operating expenses increased 31.3%, significantly outpacing revenue growth and contributing to a 2.4% decline in NCF. Consequently, the WA DSCR declined to 1.27 from 1.37 at issuance, while DY edged down to 8.4% from 8.5%.

The results highlight a divergence between property-level demand and cash flow performance. While higher occupancy and revenue growth reflect favorable market fundamentals, these gains have been insufficient to offset rising operating costs. The resulting margin compression has weakened debt service coverage, underscoring the vulnerability of loans underwritten with limited capacity to absorb expense increases. Although broader market rent trends provide useful context, they are not directly comparable to property-level revenue growth given differences in measurement periods and other factors, including unit mix, rent regulation, concessions, collections, vacancy, and lease renewal timing. Nevertheless, positive occupancy and revenue trends across the cohort suggest that declining cash flow was driven primarily by expense growth rather than weakening rental demand.

To date, these pressures have translated into relatively limited loan-level distress. As of August 2026, loans representing 4.5% of the cohort by current balance were identified as K-LOCs, while delinquency and special servicing rates stood at 3% and 1%, respectively. However, the upward trend in distress warrants attention, particularly as most loans in the cohort have yet to reach their scheduled maturity dates and may face refinancing challenges amid the current interest rate environment.

NYC Outer-Borough Multifamily Performance

	Latest	Issuance	% Change
Occupancy	96.5%	94.1%	2.6%
Debt Yield (NCF)	8.4%	8.5%	-1.2%
DSCR (NCF)	1.27	1.37	-7.7%

Change from Issuance

Revenue	2.8%
Operating Expenses	31.3%
Net Cash Flow	-2.4%

Note: Excludes properties with no reported financials since 2024 and loans securitized prior to 2022.

Source: KBRA Credit Profile (KCP)

Notable NYC Outer-Borough Multifamily K-LOCs

Deal	Loan	Borough	UPB (\$ Millions)	DSCR (NCF)	DY (NCF)	Latest NCF vs. UW	Occupancy
BBCMS 2022-C14	Singer Bronx Multifamily Portfolio	Bronx	39.0	1.74	7.32	-4%	98%
CGCMT 2020-GC46	The Pointe NYC	Queens	16.0	1.18	5.24	-27%	100%
BBCMS 2024-5C27	322 Graham Avenue	Brooklyn	8.2	1.10	7.03	-12%	100%

Source: KBRA Credit Profile (KCP)

Several notable K-LOCs illustrate how these pressures have manifested at individual properties. The \$39 million [Singer Bronx Multifamily Portfolio](#) loan ([BBCMS 2022-C14](#)), which transferred to special servicing in February 2026 amid ongoing delinquency, reported a 33% increase in operating expenses relative to underwritten levels, outpacing revenue growth and contributing to a 4% decline in NCF. Similarly, the \$8.2 million [322 Graham Avenue](#) loan ([BBCMS 2024-5C27](#)) in Brooklyn transferred to special servicing in July 2026 due to delinquency and was subsequently more than 90 days delinquent. The fully occupied property reported a 12% decline in NCF amid an 81% increase in



operating expenses. Meanwhile, in Queens, the \$16 million [The Pointe NYC](#) loan ([CGCMT 2020-GC46](#)) became 30 days delinquent in August amid rising expenses. Despite maintaining strong occupancy, the property's 2025 NCF was 27% below underwritten levels, reflecting a 183% increase in operating expenses. Although the underlying drivers of distress vary, these examples demonstrate how limited underwriting cushions can leave loans particularly vulnerable to rising operating expenses and other property-specific challenges, including rent regulation and delayed stabilization.

Taken together, the findings underscore that favorable multifamily market fundamentals have not fully insulated outer-borough properties from emerging credit pressures. While strong occupancy and continued rent growth have supported property revenues, rising operating expenses have eroded cash flow and weakened debt service coverage, particularly for loans underwritten with limited financial cushions. Although K-LOC, delinquency, and special servicing rates remain relatively low, the deterioration in operating performance warrants continued monitoring, especially as many loans in the cohort have yet to reach their scheduled maturity dates. With borrowing costs remaining elevated, upcoming refinancing requirements could expose additional vulnerabilities, particularly for loans with limited capacity to absorb further cash flow deterioration.

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

Vintage	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
	Deals	Loans	Balance (\$000s)	YE 24	YE 25	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Min	Max	Δ	Indicator
2010	2	2	135,932	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	🟡
2011	11	17	1,067,685	99.95	99.98	99.98	99.99	100.00	100.00	100.00	100.00	99.97	100.00	-	🟡
2012	15	24	1,622,125	99.88	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	🟡
2013	36	74	3,731,896	98.07	98.11	98.01	98.02	98.22	98.19	98.15	98.16	98.01	98.22	0.00	🟡
2014	42	143	5,415,868	96.32	97.12	96.91	96.88	97.10	97.06	96.73	96.73	96.73	97.37	0.01	🟡
2015	57	256	8,199,349	41.63	95.69	97.26	97.42	97.39	97.36	97.33	97.29	79.26	97.42	-0.04	🟡
2016	55	423	10,958,365	31.92	48.85	53.72	55.85	59.58	65.17	69.89	75.60	42.87	75.60	8.18	🟡
2017	51	483	12,518,755	28.37	35.55	36.92	37.52	37.50	37.93	38.55	40.20	34.21	40.20	4.27	🟡
2018	45	392	8,833,270	24.65	28.22	28.28	28.17	29.01	29.32	29.48	29.15	27.39	29.48	-1.13	🟡
2019	53	470	10,361,053	20.76	23.78	24.81	25.09	24.98	25.05	25.51	25.77	22.87	25.77	1.00	🟡
2020	33	190	5,176,953	13.90	18.48	20.05	20.29	20.12	20.98	20.51	20.68	18.44	20.98	0.82	🟡
2021	31	170	3,747,528	7.86	10.77	11.08	11.40	12.26	12.53	12.64	12.98	9.24	12.98	2.75	🟡
2022	25	151	3,140,281	7.10	13.09	14.34	13.85	13.99	14.04	13.80	13.87	11.99	14.34	0.52	🟡
2023	26	157	3,197,336	4.09	12.93	16.17	15.95	16.23	16.30	17.42	17.07	10.30	17.42	-2.01	🟡
2024	36	127	2,435,531	1.33	4.13	5.91	6.19	6.44	6.73	7.35	7.48	3.22	7.48	1.65	🟡
2025	25	46	844,039	-	1.28	1.52	1.38	1.75	1.93	2.20	2.64	1.11	2.64	20.03	🟡
K-LOC Index	544	3,126	81,402,618	24.99	27.05	26.86	26.72	26.94	27.13	27.24	27.29	26.71	27.32	0.18	🟡

Source: KBRA Credit Profile (KCP)



Figure 5: K-LOC Index - CMBX

Series	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
	Deals	Loans	Balance (\$000s)	YE 24	YE 25	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Min	Max	Δ	Indicator
CMBX 6	14	22	1,538,583	99.87	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	⬇️
CMBX 7	20	41	1,698,412	98.29	98.33	98.45	98.46	98.46	98.41	98.41	98.42	98.33	98.63	0.00	⬇️
CMBX 8	22	82	3,200,591	95.38	96.88	96.73	96.67	97.02	96.97	96.40	96.41	96.40	97.02	0.02	⬆️
CMBX 9	25	111	3,807,379	41.84	94.84	97.89	97.83	97.81	97.80	97.76	97.76	74.25	97.89	-0.00	⬇️
CMBX 10	25	234	5,929,133	32.42	47.56	50.13	52.28	55.80	63.51	68.81	74.62	43.93	74.62	8.44	⬆️
CMBX 11	25	222	5,771,736	25.82	32.25	33.58	33.89	33.74	33.94	34.38	36.40	31.54	36.40	5.88	⬆️
CMBX 12	25	223	4,768,384	24.89	27.48	26.87	26.93	27.08	27.17	27.29	26.91	26.50	27.48	-1.39	⬇️
CMBX 13	25	217	4,510,353	18.18	22.35	22.51	22.79	22.61	23.06	22.92	23.34	21.39	23.34	1.81	⬆️
CMBX 14	24	151	3,356,187	14.73	16.93	18.51	18.77	18.53	19.57	18.84	18.85	16.85	19.57	0.07	⬆️
CMBX 15	25	146	2,756,403	8.50	11.90	12.22	12.74	13.26	13.39	13.37	13.52	10.43	13.52	1.16	⬆️
CMBX 16	25	161	3,092,844	7.89	13.30	14.43	14.10	14.44	14.27	14.64	14.49	12.63	14.64	-0.99	⬇️
CMBX 17	25	164	3,097,302	7.54	13.95	15.82	15.39	15.41	15.56	16.40	16.40	12.68	16.40	0.03	⬆️
CMBX 18	24	98	2,011,253	-	5.33	7.61	7.73	8.11	7.98	9.27	9.10	4.65	9.27	-1.88	⬇️
CMBX Index	322	1,909	46,275,667	23.53	25.40	23.85	23.64	23.77	24.02	24.04	24.23	23.62	25.40	0.77	⬆️

Source: KBRA Credit Profile (KCP)

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

Vintage	YE 24 (%)					YE 25 (%)					Aug 26 (%)					YoY Indicator				
	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	-	99.23	-	-	0.77	-	⬆️	⬇️	⬇️	⬆️	⬇️
2012	63.80	15.89	6.96	0.33	12.91	60.44	17.58	7.55	0.38	14.04	63.53	16.97	2.00	0.46	17.04	⬇️	⬆️	⬆️	⬆️	⬆️
2013	44.43	36.34	2.86	1.39	13.05	48.99	35.47	2.99	0.28	10.38	55.59	28.19	1.81	-	12.57	⬆️	⬆️	⬆️	⬆️	⬆️
2014	24.21	52.04	5.52	1.91	12.64	22.10	56.34	4.12	1.28	13.29	21.54	53.91	4.44	1.48	15.37	⬆️	⬆️	⬆️	⬆️	⬆️
2015	10.32	18.35	5.74	1.79	5.43	23.14	48.14	8.41	2.71	13.28	23.37	52.84	7.63	2.43	11.02	⬆️	⬆️	⬆️	⬆️	⬆️
2016	8.82	14.17	3.98	1.11	3.84	14.57	21.62	5.31	1.35	5.99	20.13	35.58	7.58	1.90	10.41	⬆️	⬆️	⬆️	⬆️	⬆️
2017	3.62	15.53	4.34	0.63	4.26	3.97	20.37	5.90	0.73	4.58	5.05	23.16	5.78	0.80	5.40	⬆️	⬆️	⬆️	⬆️	⬆️
2018	3.25	11.67	4.31	1.21	4.22	3.68	12.90	5.27	1.46	4.91	4.51	13.22	5.36	1.61	4.45	⬆️	⬆️	⬆️	⬆️	⬆️
2019	2.57	10.89	2.22	1.97	3.11	2.77	12.53	2.94	1.74	3.81	2.82	13.34	3.46	2.02	4.12	⬆️	⬆️	⬆️	⬆️	⬆️
2020	0.91	6.87	0.48	2.79	2.85	0.99	10.59	0.17	2.64	4.10	1.00	12.55	0.21	2.95	3.96	⬆️	⬆️	⬆️	⬆️	⬆️
2021	1.10	3.87	0.24	0.65	2.01	1.59	5.24	0.21	1.54	2.19	1.14	7.76	0.31	1.73	2.04	⬆️	⬆️	⬆️	⬆️	⬆️
2022	0.66	2.16	0.59	2.48	1.21	0.87	5.97	1.29	3.46	1.51	0.79	6.07	1.12	3.61	2.28	⬆️	⬆️	⬆️	⬆️	⬆️
2023	0.40	0.24	0.49	1.82	1.13	0.76	2.52	1.88	3.31	4.45	1.02	4.58	2.20	3.51	5.77	⬆️	⬆️	⬆️	⬆️	⬆️
2024	0.14	-	0.05	0.78	0.37	0.17	0.46	0.17	2.61	0.72	0.36	1.29	0.62	4.06	1.14	⬆️	⬆️	⬆️	⬆️	⬆️
2025	-	-	-	-	-	-	0.04	0.25	0.80	0.20	0.16	0.08	0.34	1.49	0.59	⬆️	⬆️	⬆️	⬆️	⬆️
K-LOC Index	5.84	11.33	2.68	1.50	3.65	5.65	12.69	2.78	1.87	4.06	5.24	12.95	2.69	2.23	4.18	⬆️	⬆️	⬆️	⬆️	⬆️

Sources: KBRA Credit Profile (KCP), Trepp

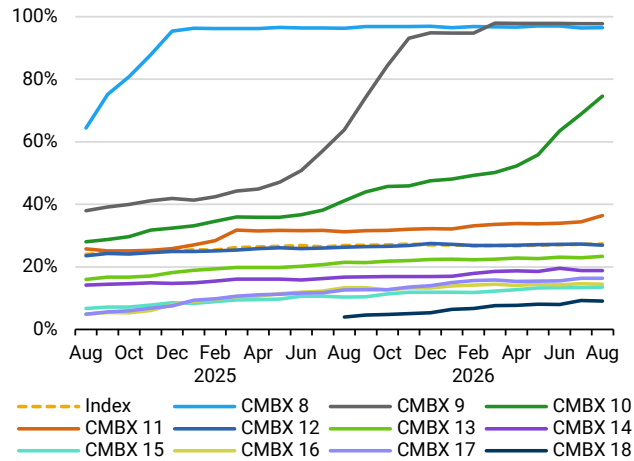
Figure 7: K-LOC Index - CMBX Property Type Allocation

Series	YE 24 (%)					YE 25 (%)					Aug 26 (%)					YoY Indicator				
	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	62.04	17.89	2.11	-	17.96	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 7	48.68	35.72	4.56	0.51	8.82	49.51	37.49	4.74	0.63	5.96	59.61	29.83	1.71	-	7.26	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 8	21.26	53.96	4.92	0.52	14.71	17.51	59.61	4.07	0.45	15.23	18.25	55.40	4.45	0.29	18.03	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 9	10.19	18.42	6.27	1.50	5.47	26.00	48.93	8.93	1.20	9.78	25.22	54.47	8.74	0.88	8.43	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 10	8.90	14.15	3.84	1.06	4.46	13.79	22.29	5.06	1.10	5.31	18.74	37.50	6.96	1.92	9.51	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 11	3.31	13.40	4.29	0.71	4.10	3.86	17.48	5.63	0.73	4.56	6.04	19.23	5.60	0.82	4.71	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 12	3.31	11.17	3.89	1.13	5.39	3.35	12.46	4.24	1.30	6.14	3.45	12.27	4.33	1.39	5.47	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 13	2.66	9.82	1.33	1.17	3.21	2.81	12.25	2.41	1.14	3.75	2.65	12.89	2.75	1.11	3.93	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 14	1.35	7.51	0.34	2.53	3.01	1.35	9.03	0.25	2.37	3.93	1.35	10.70	0.43	2.39	3.99	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 15	1.22	4.65	0.33	0.56	1.74	1.73	5.80	0.34	1.41	2.63	1.32	7.86	0.49	1.38	2.47	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 16	0.93	2.52	0.79	2.07	1.57	1.43	5.80	1.39	2.76	1.92	1.20	6.66	1.13	2.55	2.96	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 17	0.61	1.65	0.92	2.87	1.48	0.96	4.55	1.85	3.70	2.89	1.08	5.76	2.33	3.22	4.02	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX 18	-	-	-	-	-	0.05	0.56	0.19	3.84	0.69	0.18	1.63	0.83	5.09	1.37	⬆️	⬆️	⬆️	⬆️	⬆️
CMBX Index	5.18	10.65	2.43	1.45	3.81	4.93	12.00	2.49	2.01	3.98	4.29	11.44	2.29	2.24	3.97	⬆️	⬆️	⬆️	⬆️	⬆️

Sources: KBRA Credit Profile (KCP), Trepp



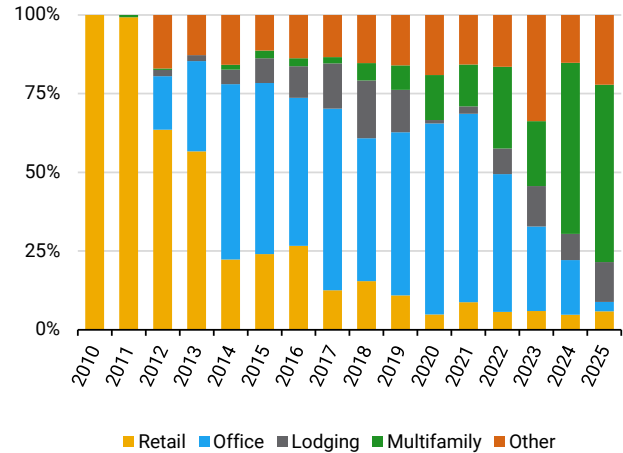
Figure 8: K-LOC Index Versus Individual CMBX K-LOC Indexes



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 (August 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, 47.44% of K-LOCs by UPB are collateralized by office, followed by retail (19.19%), lodging (9.86%), and multifamily (8.17%).

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 August 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 August 2026**

MSA	K-LOC Balance (\$000s)	MSA Index Property Type Allocation (%)					MSA Index (%)
		RT	OF	LO	MF	OT	
1 New York City	19,064,854	3.32	14.47	0.83	2.68	7.69	28.99
2 Los Angeles	3,825,204	2.89	10.66	2.69	1.17	3.62	21.04
3 Washington, D.C.	3,729,801	4.39	25.03	0.71	0.49	4.42	35.05
4 Chicago	4,587,101	6.88	25.59	2.70	2.41	6.56	44.15
5 San Francisco	3,529,738	0.98	23.18	2.42	6.61	5.52	38.72
6 Houston	2,199,512	2.05	11.54	2.85	8.47	1.95	26.86
7 Philadelphia	2,085,816	3.04	17.74	1.14	3.73	2.40	28.06
8 Miami	1,076,348	4.94	6.60	2.86	0.23	0.50	15.12
9 San Jose	1,824,325	0.41	24.23	2.67	-	0.72	28.04
10 Dallas-Fort Worth	1,371,016	1.33	12.15	2.70	3.32	1.64	21.15
11 Seattle	2,399,771	0.70	28.03	7.30	0.86	1.52	38.41
12 Las Vegas	321,235	1.83	2.30	-	0.44	0.74	5.31
13 Detroit	1,318,050	1.20	15.73	3.10	1.44	2.88	24.34
14 Boston	804,682	4.09	9.26	1.37	-	0.15	14.88
15 Atlanta	1,250,042	3.18	13.65	4.82	1.38	1.03	24.07
16 Phoenix	524,956	0.17	9.61	1.69	-	0.80	12.28
17 Inland Empire	570,435	6.09	2.86	3.22	2.52	0.55	15.24
18 San Diego	254,474	1.18	3.72	2.13	-	0.72	7.74
19 Charlotte	935,981	6.04	19.52	3.58	0.12	7.35	36.61
20 Denver	1,201,576	6.83	38.21	2.49	-	4.15	51.69

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.

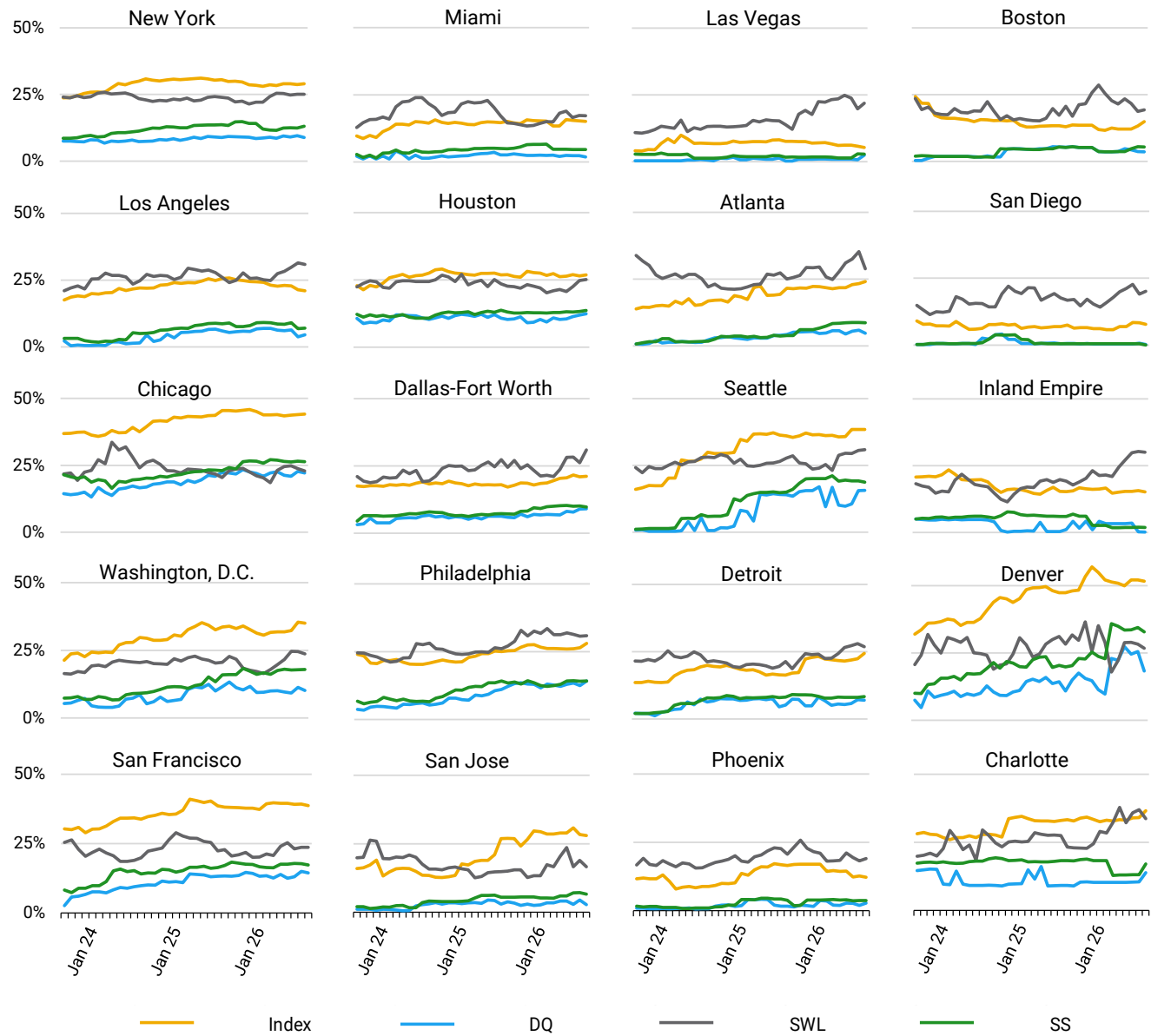
Sources: KBRA Credit Profile (KCP), Trepp

Figure 11: Delinquencies by MSA as of August 2026

MSA	Delinquent (%)							SWL (%)	SS (%)	MSA Index (%)
	30	60	90	MNP	FCL	REO	Total			
1 New York City	0.26	0.19	1.65	1.33	3.59	1.89	8.91	25.11	13.05	28.99
2 Los Angeles	0.11	0.34	0.95	2.32	0.74	0.09	4.54	30.84	7.07	21.04
3 Washington, D.C.	-	0.07	0.83	4.76	3.41	1.11	10.19	23.72	17.96	35.05
4 Chicago	0.20	0.21	3.32	3.95	7.14	7.27	22.10	22.86	26.40	44.15
5 San Francisco	-	0.07	0.91	3.70	5.57	4.23	14.48	23.63	17.29	38.72
6 Houston	0.05	1.32	2.37	1.59	0.52	6.57	12.42	25.15	13.67	26.86
7 Philadelphia	1.70	0.52	1.56	2.55	4.89	2.98	14.19	30.82	14.13	28.06
8 Miami	-	-	-	-	0.59	1.33	1.92	17.25	4.64	15.12
9 San Jose	-	-	-	0.85	0.28	1.68	2.81	16.64	6.65	28.04
10 Dallas-Fort Worth	1.51	-	-	1.96	1.92	3.69	9.08	30.92	9.68	21.15
11 Seattle	-	0.29	3.93	6.24	0.69	4.56	15.71	30.89	18.75	38.41
12 Las Vegas	0.07	-	-	1.65	-	0.72	2.43	21.94	2.81	5.31
13 Detroit	-	-	1.53	3.47	1.28	0.73	7.01	26.83	8.35	24.34
14 Boston	-	-	-	-	-	3.59	3.59	19.25	5.43	14.88
15 Atlanta	-	-	1.43	0.38	0.32	2.61	4.73	28.85	8.63	24.07
16 Phoenix	0.86	-	-	0.31	1.68	-	2.85	19.03	3.70	12.28
17 Inland Empire	0.07	-	-	-	0.12	0.02	0.21	30.02	1.90	15.24
18 San Diego	0.22	-	-	-	-	-	0.22	20.11	-	7.74
19 Charlotte	0.38	-	1.11	5.72	-	6.65	13.85	33.71	17.10	36.61
20 Denver	-	-	4.69	11.52	0.14	1.90	18.26	26.76	32.84	51.69

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 August 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 August 2026

Vintage	Delinquent (%)							SWL (%)	SS (%)	Index (%)
	30	60	90	MNP	FCL	REO	Total			
2010	-	-	-	-	-	-	-	100.00	-	100.00
2011	-	-	-	23.08	-	33.81	56.89	22.12	77.88	100.00
2012	-	-	-	33.73	8.04	8.62	50.39	31.33	68.67	100.00
2013	-	-	-	26.26	9.20	9.11	44.58	32.77	58.59	98.16
2014	-	0.09	6.37	17.91	4.18	27.75	56.30	15.33	71.67	96.73
2015	0.23	-	1.69	21.18	15.55	15.36	54.01	18.10	73.15	97.29
2016	0.43	-	0.97	13.78	5.36	7.48	28.03	49.82	45.95	75.60
2017	0.24	0.25	0.77	0.25	3.42	2.45	7.37	35.25	13.52	40.20
2018	0.07	0.12	2.32	1.05	3.70	2.31	9.56	26.81	13.59	29.15
2019	0.61	0.30	1.73	1.01	1.28	1.24	6.17	30.42	7.31	25.77
2020	0.23	0.26	1.45	0.15	2.35	0.86	5.31	25.38	5.81	20.68
2021	0.22	0.26	0.76	0.93	1.21	0.29	3.67	22.44	4.64	12.98
2022	0.06	0.33	1.09	0.07	1.27	0.37	3.18	24.43	3.65	13.87
2023	0.25	0.23	1.33	-	2.97	0.13	4.92	27.99	5.94	17.07
2024	0.53	0.14	1.07	-	0.47	0.24	2.44	26.50	2.25	7.48
2025	0.22	0.20	0.42	-	0.07	0.08	1.00	15.20	1.05	2.64
CMBS	0.29	0.20	1.29	2.58	2.50	2.43	9.29	26.88	12.77	27.29

Sources: KBRA Credit Profile (KCP), Trepp

Figure 14: CMBX Delinquencies as of August 2026

Series	Delinquent (%)							SWL (%)	SS (%)	Index (%)
	30	60	90	MNP	FCL	REO	Total			
CMBX 6	-	-	-	35.56	8.47	8.60	52.64	28.09	71.91	100.00
CMBX 7	-	-	-	35.07	12.46	9.11	56.64	12.00	79.08	98.42
CMBX 8	-	0.15	10.74	12.50	3.87	31.39	58.66	18.18	71.66	96.41
CMBX 9	-	-	-	21.30	14.18	20.60	56.07	17.62	78.48	97.76
CMBX 10	0.79	-	1.29	10.95	4.48	7.86	25.37	53.18	42.25	74.62
CMBX 11	0.21	0.49	0.86	0.07	3.37	1.95	6.95	30.28	10.02	36.40
CMBX 12	0.10	-	1.97	1.43	2.99	1.09	7.58	27.47	10.34	26.91
CMBX 13	0.70	0.14	1.09	0.63	1.11	0.74	4.40	27.90	5.76	23.34
CMBX 14	0.12	0.23	1.98	0.05	1.06	0.41	3.85	24.86	4.91	18.85
CMBX 15	0.05	0.32	1.35	0.97	1.41	0.53	4.62	23.96	5.44	13.52
CMBX 16	0.01	-	1.09	0.12	1.85	0.54	3.60	24.52	4.31	14.49
CMBX 17	-	0.16	1.38	-	2.13	0.54	4.20	28.39	5.44	16.40
CMBX 18	0.44	0.14	1.63	-	0.46	0.35	3.01	30.34	2.81	9.10
CMBX	0.22	0.18	1.43	2.03	2.11	2.05	8.03	26.89	10.80	24.23

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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