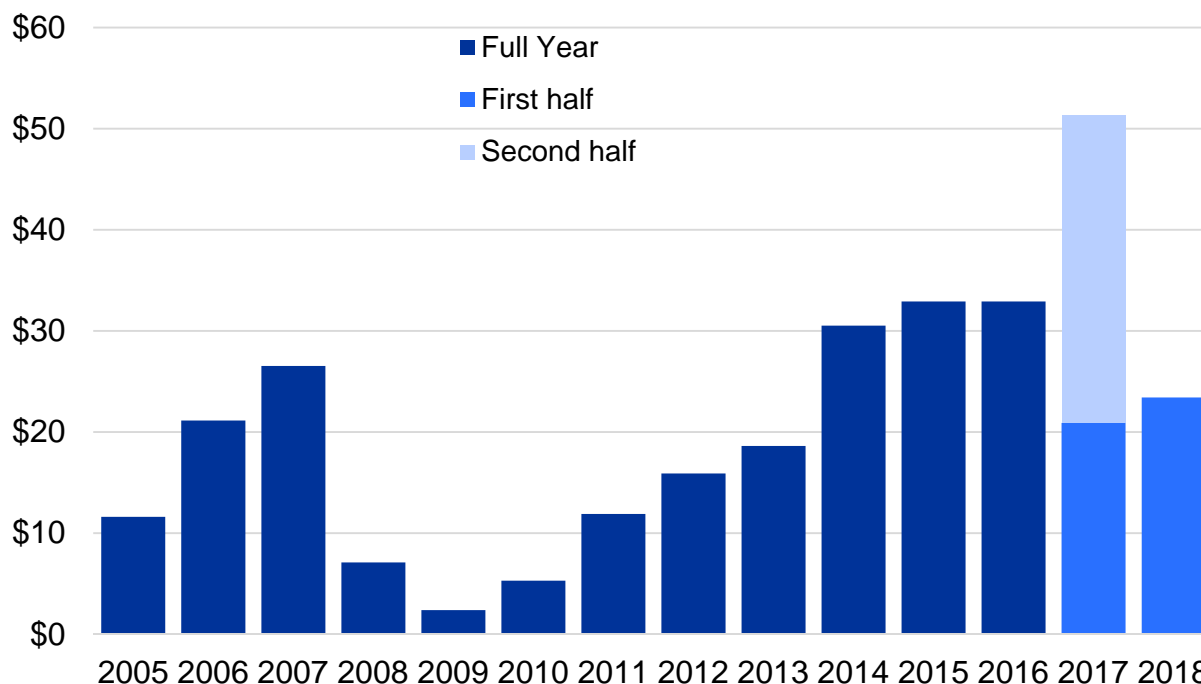


Chart of the Week – October 5, 2018

Commercial/Multifamily Mortgages Intermediated to “Non-traditional” Lenders (\$billions)



Source: MBA CREF Database and Mid-year Originator Rankings

The role of “Non-traditional” lenders continues to grow within the commercial real estate finance market.

During the first half of the 2018, commercial and multifamily mortgage originations increased by two percent from a year earlier. During the same period, loans intermediated for non-traditional lenders – including REITs, debt funds, specialty finance companies and others – increased by 12 percent.

For the purposes of this discussion, traditional lenders include banks, life insurance companies, Fannie Mae, Freddie Mac, FHA and CMBS issuers, which collectively account for 88 percent of all commercial and multifamily mortgage debt outstanding. During the first half of 2018, originations increased by 14 percent for the government-sponsored enterprises Fannie Mae and Freddie Mac and by seven percent for life companies. Originations for CMBS and for commercial bank portfolios declined.

Non-traditional lenders have been drawing increased attention and activity (<https://www.mba.org/news-research-and-resources/research-and-economics/commercial/multifamily-research/blog/blog-posts/current-blog-posts/alternative-lenders>). Commercial mortgage intermediaries, who work with borrowers to originate loans but do not close them in their own name, reported \$23.4 billion of loans for REITs, debt funds, specialty finance companies and others during the first half of 2018, and increase of 12 percent from the \$20.9 billion reported a year earlier.

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