QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q2 2018

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3. Production

Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations
Second Quarter 2018

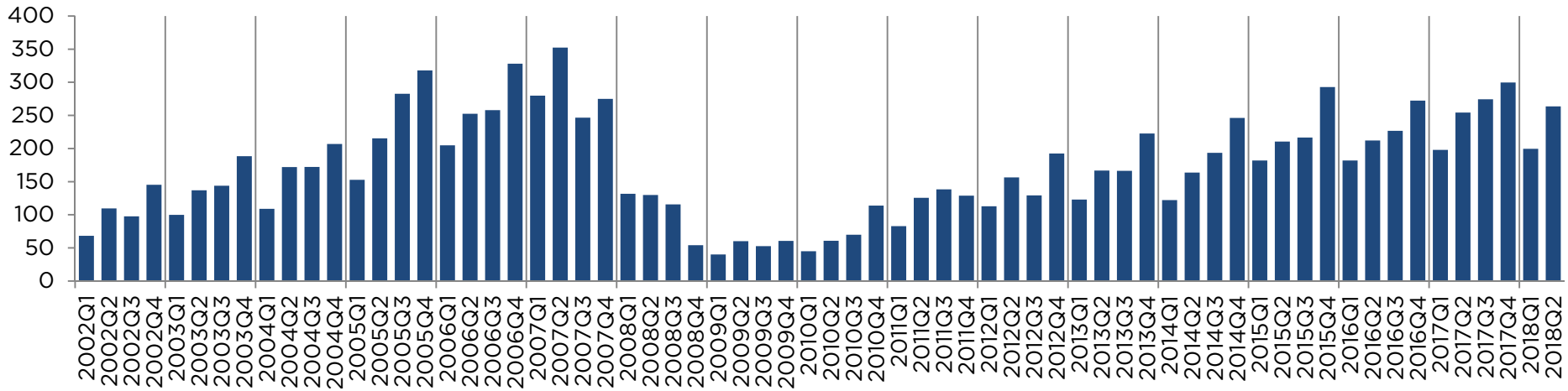
According to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations, second quarter 2018 commercial and multifamily mortgage loan originations were four percent higher than during the same period last year and 32 percent higher than the first quarter of 2018.

"Commercial and multifamily real estate borrowing and lending continues to track with last year's level," said Jamie Woodwell, MBA's Vice President for Commercial Real Estate Research. "Investor demand for multifamily properties and hotels are helping push originations higher, even as loan demand for retail properties is down. New loan demand continues to be supported by still-low long-term interest rates, growing property incomes and rising values."

SECOND QUARTER 2018 ORIGINATIONS UP FOUR PERCENT COMPARED TO SECOND QUARTER 2017

A rise in originations for hotel and multifamily properties led the overall increase in commercial/multifamily lending volumes when compared to the second quarter of 2017. The second quarter saw a 22 percent year-over-year increase in the dollar volume of loans for hotel properties, a 17 percent increase for multifamily properties, a one percent increase for retail properties, a four percent decrease for office properties, a 10

Commercial/Multifamily Mortgage Bankers Originations Index
2001 quarterly average = 100



percent decrease in industrial property loans, and a 16 percent decrease in health care property loans.

Among investor types, the dollar volume of loans originated for Government Sponsored Enterprises (GSEs – Fannie Mae and Freddie Mac) increased by 18 percent year-over-year. There was a six percent year-over-year increase for life insurance company loans, a one percent decrease in commercial bank portfolio loans, and an eight percent decrease in the dollar volume of Commercial Mortgage Backed Securities (CMBS) loans.

SECOND QUARTER 2018 ORIGINATIONS UP 32 PERCENT FROM FIRST QUARTER 2018

Second quarter 2018 originations for hotel properties increased 89 percent compared to the first quarter 2018. There was an 87 percent increase in originations for retail properties, a 36 percent increase for office properties, a 25 percent increase for multifamily properties, a nine percent increase for industrial properties, and a nine percent decrease for health care properties from the first quarter 2018.

Among investor types, between the first and second quarter of 2018, the dollar volume of loans for CMBS increased 79 percent, loans for GSEs increased 33 percent, originations for commercial bank portfolios increased 22 percent, and loans for life insurance companies increased by 21 percent.

To view the report, please visit the following Web link: https://www.mba.org/Documents/Research/2Q18CMFOriginationsSurvey.pdf

Detailed statistics on the size and scope of the commercial/multifamily origination market are available from these MBA commercial/multifamily research reports.

- Commercial Real Estate/Multifamily Finance: Annual Origination Volume Summation, 2017
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2017
- Annual Report on Multifamily Lending, 2016
- Commercial/Multifamily Database Subscriptions

Commercial/Multifamily Mortgage Bankers Originations Index

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change,		
	Q1	Q2	Q3	Q4	Year-over-year Q2	Q1-to-Q2	YTD-YTD
TOTAL							
2015	182	210	217	293	29%	16%	37%
2016	182	212	227	272	1%	17%	0%
2017	198	254	274	300	20%	28%	15%
2018	200	264			4%	32%	2%
CMBS/Conduits							
2015	106	96	117	121	-17%	-10%	22%
2016	86	57	112	118	-40%	-33%	-29%
2017	71	153	159	150	168%	117%	57%
2018	79	141			-8%	79%	-2%
Commercial Banks							
2015	263	381	416	625	64%	45%	29%
2016	379	507	380	521	33%	33%	38%
2017	420	400	459	496	-21%	-5%	-7%
2018	325	396			-1%	22%	-12%
Life Insurance Companies							
2015	314	345	391	456	14%	10%	29%
2016	309	396	379	428	15%	28%	7%
2017	309	386	370	410	-2%	25%	-1%
2018	337	408			6%	21%	7%
Fannie Mae/Freddie Mac							
2015	387	404	290	549	113%	4%	177%
2016	304	391	528	572	-3%	29%	-12%
2017	403	492	644	667	26%	22%	29%
2018	436	581			18%	33%	14%

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change,		
	Q1	Q2	Q3	Q4	Year-over-year Q2	Q1-to-Q2	YTD-YTD
Multifamily							
2015	260	317	293	431	58%	22%	63%
2016	265	313	369	428	-1%	18%	0%
2017	303	380	424	496	21%	25%	18%
2018	356	445			17%	25%	17%
Office							
2015	97	111	152	150	22%	14%	35%
2016	115	123	145	159	11%	7%	15%
2017	117	164	156	171	33%	39%	18%
2018	116	157			-4%	36%	-3%
Retail							
2015	125	227	289	332	17%	81%	12%
2016	180	206	224	270	-9%	14%	10%
2017	139	187	205	162	-9%	34%	-16%
2018	101	189			1%	87%	-11%
Industrial							
2015	610	247	245	614	32%	-60%	143%
2016	265	270	324	588	9%	2%	-38%
2017	372	517	389	486	91%	39%	66%
2018	424	464			-10%	9%	0%
Hotel							
2015	322	470	332	766	16%	46%	28%
2016	331	416	231	470	-11%	26%	-6%
2017	198	473	500	656	14%	139%	-10%
2018	306	576			22%	89%	31%
Health Care							
2015	102	91	96	115	-50%	-11%	-32%
2016	44	33	40	88	-64%	-25%	-60%
2017	54	36	78	56	7%	-34%	15%
2018	33	30			-16%	-9%	-30%

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