

MEBO Q2

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q2 2020

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1919 M Street NW, 5th Floor, Washington, DC 20036 | (202) 557-2700

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations Second Quarter 2020

Commercial and multifamily mortgage loan originations were 48 percent lower in the second quarter compared to a year ago, and declined 31 percent from the first quarter of 2020, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

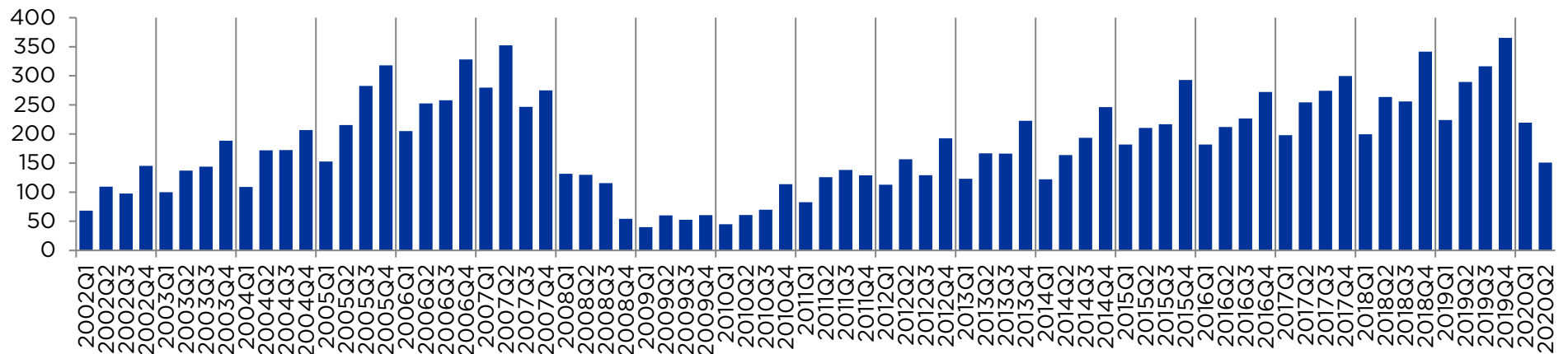
“Commercial real estate borrowing and lending slowed dramatically in the second quarter, as uncertainty around the COVID-19 pandemic caused both borrowers and lenders to focus more of their attention on their existing books of business instead of new opportunities,” said Jamie Woodwell, MBA’s Vice President of Commercial Real Estate Research. “The originations picture shows a marked divide between properties that

were the most dramatically and immediately hit by the pandemic – lodging and retail – and those that have fared better – multifamily and industrial. Refinancing in government-backed loans has shown the greatest resilience.”

ORIGINATIONS DECREASE 48 PERCENT IN THE SECOND QUARTER OF 2020

All property types showed a decline in the second quarter in commercial/multifamily lending volumes when compared to the second quarter of 2019. The second quarter saw a 91 percent year-over-year decrease in the dollar volume of loans for hotel properties, a 74 percent decrease for retail properties, a 71 percent decrease for office properties,

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



a 44 percent decline for industrial properties, a 40 percent decrease in health care properties, and a 24 percent decrease for multifamily property loan originations.

Among investor types, the dollar volume of loans originated for Commercial Mortgage-Backed Securities (CMBS) decreased by 95 percent year-over-year. There was a 55 percent decrease for commercial bank portfolio loans, a 49 percent decrease in life insurance company loans, and a 5 percent decrease in the dollar volume of Government Sponsored Enterprises (GSEs – Fannie Mae and Freddie Mac) loans.

SECOND QUARTER ORIGINATIONS DOWN 31 PERCENT FROM THE FIRST QUARTER OF 2020

On a quarterly basis, second quarter originations for hotel properties decreased 83 percent compared to the first quarter 2020. There was a 56 percent decrease in originations for office properties, a 53 percent decrease for retail properties, a 32 percent decrease for industrial properties, a 17 percent decrease for health care properties, and originations for multifamily properties declined 13 percent.

Among investor types, between the first and second quarter of this year, the dollar volume of loans for CMBS decreased 94 percent, loans for

commercial bank portfolios decreased 38 percent, and originations for life insurance companies decreased 33 percent. Only the dollar volume of loans for GSEs increased last quarter, by 25 percent.

To view the report, please visit the following Web link: <https://www.mba.org/Documents/Research/2Q20CMFOriginationsSurvey.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, 2019
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2019
- Annual Report on Multifamily Lending, 2019
- Commercial/Multifamily Database Subscriptions

Commercial/Multifamily Mortgage Bankers Originations Index

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Year-over-year				Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Year-over-year			
	Q1	Q2	Q3	Q4	Q2	Q1-to-Q2	YTD-YTD		Q1	Q2	Q3	Q4	Q2	Q1-to-Q2	YTD-YTD	
TOTAL																
2017	198	254	274	300	20%	28%	15%	Multifamily	2017	303	380	424	496	21%	25%	18%
2018	200	264	256	342	4%	32%	2%	2018	356	445	504	654	17%	25%	17%	
2019	224	289	316	365	10%	29%	11%	2019	389	513	585	625	15%	32%	12%	
2020	219	151			-48%	-31%	-28%	2020	446	388			-24%	-13%	-7%	
								Office	2017	117	164	156	171	33%	39%	18%
								2018	116	157	129	166	-4%	36%	-3%	
								2019	116	193	176	215	23%	66%	13%	
								2020	126	55			-71%	-56%	-41%	
CMBS/Conduits								Retail	2017	139	187	205	162	-9%	34%	-16%
2017	71	153	159	150	168%	117%	57%	2018	101	189	148	164	1%	87%	-11%	
2018	79	141	75	97	-8%	79%	-2%	2019	111	128	144	185	-32%	15%	-18%	
2019	76	120	113	176	-15%	58%	-11%	2020	70	33			-74%	-53%	-57%	
2020	86	6			-95%	-94%	-53%	Industrial	2017	372	517	389	486	91%	39%	66%
Commercial Banks								2018	424	464	465	624	-10%	9%	0%	
2017	420	400	459	496	-21%	-5%	-7%	2019	733	537	659	1,043	16%	-27%	43%	
2018	325	396	356	520	-1%	22%	-12%	2020	445	303			-44%	-32%	-41%	
2019	344	466	514	589	17%	35%	12%	Hotel	2017	198	473	500	656	14%	139%	-10%
2020	341	210			-55%	-38%	-32%	2018	306	576	403	629	22%	89%	31%	
Life Insurance Companies								2019	349	412	321	469	-28%	18%	-14%	
2017	309	386	370	410	-2%	25%	-1%	2020	203	36			-91%	-83%	-69%	
2018	337	408	384	498	6%	21%	7%	Health Care	2017	54	36	78	56	7%	-34%	15%
2019	360	392	407	543	-4%	9%	1%	2018	33	30	35	90	-16%	-9%	-30%	
2020	296	200			-49%	-33%	-34%	2019	46	75	120	120	151%	62%	94%	
Fannie Mae/Freddie Mac								2020	54	45			-40%	-17%	-19%	
2017	403	492	644	667	26%	22%	29%									
2018	436	581	665	878	18%	33%	14%									
2019	497	692	739	615	19%	39%	17%									
2020	527	658			-5%	25%	0%									



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