

MEBO Q3

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q3 2019

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations Third Quarter 2019

Commercial and multifamily mortgage loan originations were 24 percent higher in the third quarter compared to a year ago, and rose 9 percent from the second quarter of 2019, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

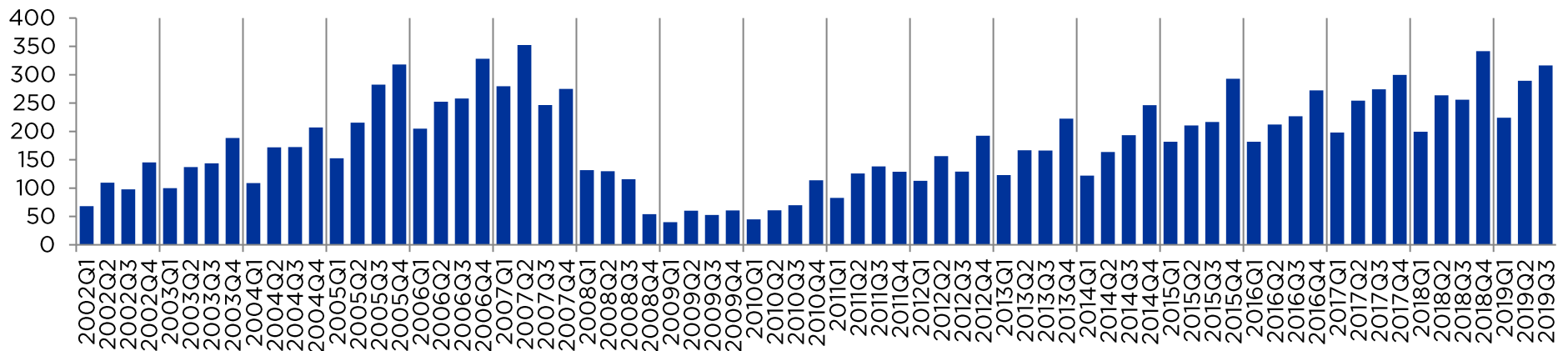
“Low interest rates are supporting strong levels of commercial and multifamily borrowing and lending,” said Jamie Woodwell, MBA’s Vice President for Commercial Real Estate Research. “Through the third quarter, every major capital source is lending at a pace above last year’s level. Loans backed by multifamily and industrial properties, and made

for life companies and Fannie Mae and Freddie Mac, are all running at a record pace.”

Added Woodwell, “The low interest rate environment should continue to support property values and encourage borrowing into 2020.”

ORIGINATIONS INCREASE 24 PERCENT FROM THIRD QUARTER 2018
A rise in originations for health care, industrial, office and multifamily properties led the overall third quarter increase in commercial/multifamily lending volumes when compared to the third quarter of 2018. The third quarter saw a 239 percent year-over-year increase in the dollar volume of loans for health care properties, a 42

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



percent increase for industrial properties, a 36 percent increase for office properties and a 16 percent increase for multifamily properties. Retail property loan originations fell two percent and hotel property lending decreased 20 percent.

Among investor types, the dollar volume of loans originated for Commercial Mortgage Backed Securities (CMBS) loans increased by 52 percent year-over-year, 44 percent increase for commercial bank portfolio loans, 11 percent increase in Government Sponsored Enterprises (GSEs - Fannie Mae and Freddie Mac), and a 6 percent increase for life insurance company loans.

THIRD QUARTER 2019 ORIGINATIONS UP 9 PERCENT FROM SECOND QUARTER 2019

On a quarterly basis, third quarter originations for health care properties increased 60 percent compared to the second quarter 2019. There was a 23 percent increase in originations for industrial properties, a 14 percent increase for multifamily properties, a 13 percent increase for retail properties, a nine percent decrease for office properties, and originations for hotel properties declined 22 percent from the second quarter.

Among investor types, between the second and third quarter of the year, the dollar volume of loans for commercial bank portfolios increased 10

percent, loans for GSEs increased seven percent, originations for life insurance companies increased four percent, and loans for commercial bank portfolios decreased by five percent.

To view the report, please visit the following Web link: <https://www.mba.org/Documents/Research/3Q19CMFOriginationsSurvey.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, 2018
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2018
- Annual Report on Multifamily Lending, 2018
- 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	Q3	Q2-to-Q3	YTD-YTD		Q1	Q2	Q3	Q4	Q3	Q2-to-Q3	YTD	
TOTAL																
2016	182	212	227	272	5%	7%	2%		265	313	369	428	26%	18%	9%	
2017	198	254	274	300	21%	8%	17%		303	380	424	496	15%	12%	17%	
2018	200	264	256	342	-7%	-3%	-1%		356	445	504	654	19%	13%	18%	
2019	224	289	316		24%	9%	15%		389	513	585		16%	14%	14%	
									Multifamily							
									2016	115	123	145	159	-5%	18%	6%
									2017	117	164	156	171	8%	-4%	14%
									2018	116	157	129	166	-17%	-18%	-8%
									2019	116	193	176		36%	-9%	21%
									Office							
									2016	180	206	224	270	-23%	8%	-5%
									2017	139	187	205	162	-8%	10%	-13%
									2018	101	189	148	164	-28%	-22%	-17%
									2019	111	128	144		-2%	13%	-13%
									Retail							
									2016	265	270	324	588	32%	20%	-22%
									2017	372	517	389	486	20%	-25%	49%
									2018	424	464	465	624	19%	0%	6%
									2019	733	537	659		42%	23%	43%
									Industrial							
									2016	331	416	231	470	-30%	-44%	-13%
									2017	198	473	500	656	116%	6%	20%
									2018	306	576	403	629	-19%	-30%	10%
									2019	349	412	321		-20%	-22%	-16%
									Hotel							
									2016	44	33	40	88	-59%	19%	-60%
									2017	54	36	78	56	97%	120%	43%
									2018	33	30	35	90	-55%	18%	-41%
									2019	46	75	120		239%	60%	146%
									Health Care							
									2016	304	391	528	572	82%	35%	13%
									2017	403	492	644	667	22%	31%	26%
									2018	436	581	665	878	3%	14%	9%
									2019	497	692	739		11%	7%	15%



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