

MBEO Q3

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q3 2020

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

Commercial and multifamily mortgage loan originations were 47 percent lower in the third quarter compared to a year ago, and increased 12 percent from the second quarter of 2020, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

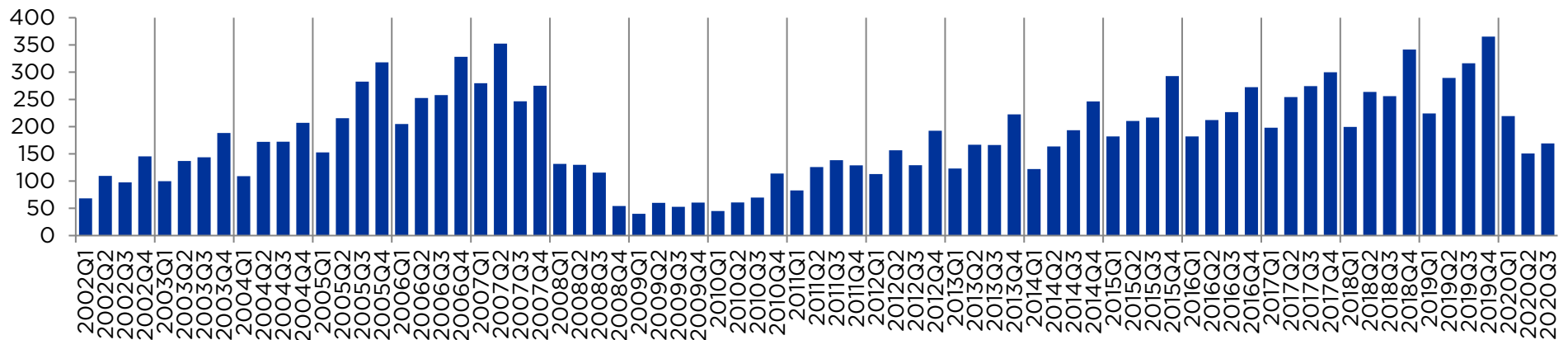
“Borrowing and lending backed by commercial and multifamily mortgages remained subdued during the third quarter,” said Jamie Woodwell, MBA’s Vice President of Commercial Real Estate Research. “Every major property type and capital source recorded a decline compared to last year’s third quarter. Originations backed by industrial and multifamily properties saw smaller declines than other property

types, with multifamily lending buoyed by loans made for Fannie Mae, Freddie Mac and FHA.”

ORIGINATIONS DECREASE 47 PERCENT IN THE THIRD QUARTER OF 2020

All property types showed a decline in the third quarter in commercial/multifamily lending volumes when compared to the third quarter of 2019. The third quarter saw a 94 percent year-over-year decrease in the dollar volume of loans for hotel properties, an 83 percent decrease for retail properties, a 58 percent decrease for office properties, a 51 percent decline for health care properties, a 31 percent decrease in

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



multifamily properties, and a 23 percent decrease for industrial property loan originations.

Among investor types, the dollar volume of loans originated for commercial bank portfolio loans declined by 68 percent year-over-year. There was a 58 percent decrease for Commercial Mortgage-Backed Securities (CMBS), a 55 percent decrease in life insurance company loans, and an 8 percent decrease in the dollar volume of Government Sponsored Enterprises (GSEs – Fannie Mae and Freddie Mac) loans.

THIRD QUARTER ORIGINATIONS UP 12 PERCENT FROM THE SECOND QUARTER OF 2020

On a quarterly basis, third quarter originations for industrial properties increased 67 percent compared to the second quarter 2020. There was a 35 percent increase in originations for office properties, a 32 percent increase for health care properties and a 4 percent increase for multifamily properties. Originations for retail properties decreased 27 percent, and originations for hotel properties declined 45 percent. Among investor types, between the second and third quarter of this year, the dollar volume of loans for CMBS increased 749 percent, loans for GSEs increased 3 percent, originations for life insurance companies

decreased 9 percent, and the dollar volume of loans for commercial bank portfolios decreased last quarter, by 21 percent.

To view the report, please visit the following Web link: <https://www.mba.org/Documents/Research/3Q20CMFOriginationsSurvey.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 | Q3 | Q2-to-Q3 | YTD-YTD | | Q1 | Q2 | Q3 | Q4 | Q3 | Q2-to-Q3 | YTD-YTD |
| TOTAL | | | | | | | | Multifamily | | | | | | | |
| 2017 | 198 | 254 | 274 | 300 | 21% | 8% | 17% | 2017 | 303 | 380 | 424 | 496 | 15% | 12% | 17% |
| 2018 | 200 | 264 | 256 | 342 | -7% | -3% | -1% | 2018 | 356 | 445 | 504 | 654 | 19% | 13% | 18% |
| 2019 | 224 | 289 | 316 | 365 | 24% | 9% | 15% | 2019 | 389 | 513 | 585 | 625 | 16% | 14% | 14% |
| 2020 | 219 | 151 | 169 | | -47% | 12% | -35% | 2020 | 446 | 388 | 403 | | -31% | 4% | -17% |
| | | | | | | | | Office | | | | | | | |
| | | | | | | | | 2017 | 117 | 164 | 156 | 171 | 8% | -4% | 14% |
| | | | | | | | | 2018 | 116 | 157 | 129 | 166 | -17% | -18% | -8% |
| | | | | | | | | 2019 | 116 | 193 | 176 | 215 | 36% | -9% | 21% |
| | | | | | | | | 2020 | 126 | 55 | 74 | | -58% | 35% | -47% |
| CMBS/Conduits | | | | | | | | Retail | | | | | | | |
| 2017 | 71 | 153 | 159 | 150 | 42% | 4% | 50% | 2017 | 139 | 187 | 205 | 162 | -8% | 10% | -13% |
| 2018 | 79 | 141 | 75 | 97 | -53% | -47% | -23% | 2018 | 101 | 189 | 148 | 164 | -28% | -22% | -17% |
| 2019 | 76 | 120 | 113 | 176 | 52% | -5% | 5% | 2019 | 111 | 128 | 144 | 185 | -2% | 13% | -13% |
| 2020 | 86 | 6 | 48 | | -58% | 749% | -55% | 2020 | 70 | 33 | 24 | | -83% | -27% | -67% |
| Commercial Banks | | | | | | | | Industrial | | | | | | | |
| 2017 | 420 | 400 | 459 | 496 | 21% | 15% | 1% | 2017 | 372 | 517 | 389 | 486 | 20% | -25% | 49% |
| 2018 | 325 | 396 | 356 | 520 | -22% | -10% | -16% | 2018 | 424 | 464 | 465 | 624 | 19% | 0% | 6% |
| 2019 | 344 | 466 | 514 | 589 | 44% | 10% | 23% | 2019 | 733 | 537 | 659 | 1,043 | 42% | 23% | 43% |
| 2020 | 341 | 210 | 165 | | -68% | -21% | -46% | 2020 | 445 | 303 | 507 | | -23% | 67% | -35% |
| Life Insurance Companies | | | | | | | | Hotel | | | | | | | |
| 2017 | 309 | 386 | 370 | 410 | -2% | -4% | -2% | 2017 | 198 | 473 | 500 | 656 | 116% | 6% | 20% |
| 2018 | 337 | 408 | 384 | 498 | 4% | -6% | 6% | 2018 | 306 | 576 | 403 | 629 | -19% | -30% | 10% |
| 2019 | 360 | 392 | 407 | 543 | 6% | 4% | 3% | 2019 | 349 | 412 | 321 | 469 | -20% | -22% | -16% |
| 2020 | 296 | 200 | 182 | | -55% | -9% | -42% | 2020 | 203 | 36 | 20 | | -94% | -45% | -76% |
| Fannie Mae/Freddie Mac | | | | | | | | Health Care | | | | | | | |
| 2017 | 403 | 492 | 644 | 667 | 22% | 31% | 26% | 2017 | 54 | 36 | 78 | 56 | 97% | 120% | 43% |
| 2018 | 436 | 581 | 665 | 878 | 3% | 14% | 9% | 2018 | 33 | 30 | 35 | 90 | -55% | 18% | -41% |
| 2019 | 497 | 692 | 739 | 615 | 11% | 7% | 15% | 2019 | 46 | 75 | 120 | 120 | 239% | 60% | 146% |
| 2020 | 527 | 658 | 680 | | -8% | 3% | -3% | 2020 | 54 | 45 | 59 | | -51% | 32% | -35% |



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