

MEBO Q4

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q4 2018

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3. Production

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

A strong final three months of the year helped commercial and multifamily mortgage originations increase by three percent in 2018, according to preliminary estimates from the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations, released at the 2019 Commercial Real Estate Finance/Multifamily Housing Convention & Expo.

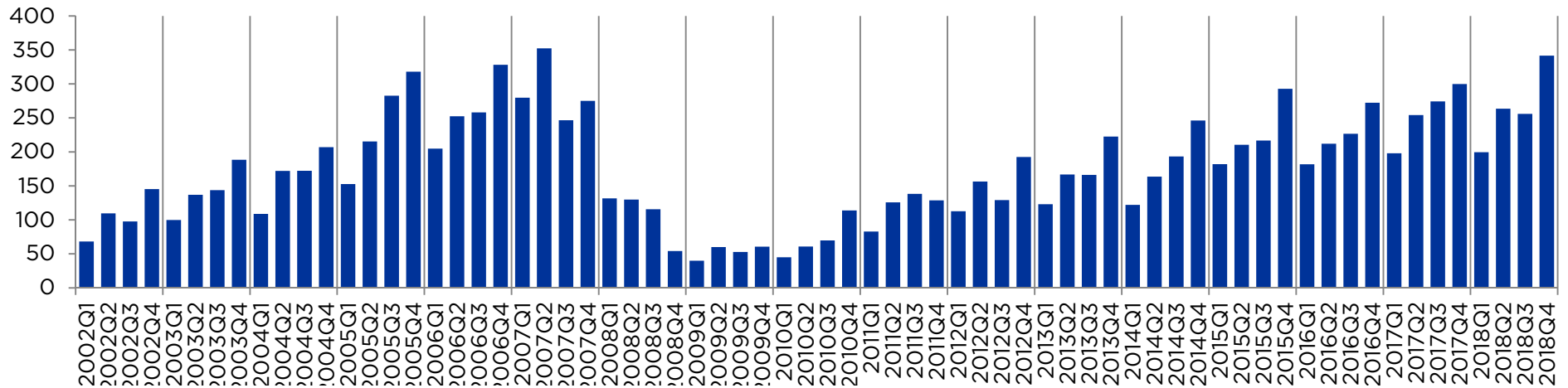
“Despite the broader market volatility, 2018 ended on a strong note for commercial mortgage borrowing and lending, with fourth quarter originations 14 percent higher than a year earlier,” said Jamie Woodwell, MBA’s Vice President for Commercial Real Estate Research. “Investor and lender interest in multifamily and industrial properties continues to drive

transaction volumes while questions about retail and office property markets have slowed activity for those property types. The market as a whole ended the year roughly flat compared to 2017, continuing a plateau we’ve seen in mortgage borrowing and lending since 2015.”

FOURTH QUARTER 2018 ORIGINATIONS UP 14 PERCENT COMPARED TO FOURTH QUARTER 2017

An increase in originations for health care, multifamily and industrial properties led the overall increase in commercial/multifamily lending volumes when compared to the fourth quarter of 2017. The fourth quarter saw a 61 percent year-over-year increase in the dollar volume of loans for health care properties, a 32 percent increase for multifamily

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



properties, a 28 percent increase for industrial properties, a one percent increase for retail properties, a three percent decrease in office property loans, and a four percent decrease in hotel property loans.

Among investor types, the dollar volume of loans originated for Government Sponsored Enterprises (GSEs – Fannie Mae and Freddie Mac) increased by 32 percent year-over-year. There was a 22 percent year-over-year increase for life insurance company loans, a five percent increase in commercial bank portfolio loans, and a 35 percent decrease in the dollar volume of Commercial Mortgage Backed Securities (CMBS) loans.

FOURTH QUARTER 2018 ORIGINATIONS UP 33 PERCENT FROM THIRD QUARTER 2018

Fourth quarter 2018 originations for health care properties increased 155 percent compared to the third quarter 2018. There was a 56 percent increase in originations for hotel properties, a 34 percent increase for industrial properties, a 30 percent increase for multifamily properties, a 29 percent increase for office properties, and an 11 percent increase for retail properties from the third quarter 2018.

Among investor types, between the third and fourth quarter of 2018, the dollar volume of loans for commercial bank portfolios increased 46 percent, loans for GSEs increased 32 percent, originations for CMBS increased 31 percent, and loans for life insurance companies increased by 30 percent.

PRELIMINARY 2018 ORIGINATIONS THREE PERCENT HIGHER THAN 2017

A preliminary measure of commercial and multifamily mortgage origination volumes shows 2018 originations three percent higher than during 2017. Compared to 2017, originations for multifamily properties

increased 22 percent. There was a 12 percent increase for industrial properties, a five percent increase for hotel properties, a seven percent decrease for office properties, a 13 percent decrease for retail properties, and a 16 percent decrease for health care properties.

Among investor types, 2018 versus 2017, loans for GSEs increased 16 percent, originations for life insurance companies increased 10 percent, loans for commercial bank portfolios decreased 10 percent and loans for CMBS decreased 26 percent in 2018 versus 2017.

In late March, MBA will release its Annual Origination Summation report for 2018 with final origination figures for the year.

To view the report, please visit the following Web link: <https://www.mba.org/Documents/Research/4Q18CMFOriginationsSurvey.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, 2017
- Commercial/Multifamily Database Subscriptions



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