Commercial and multifamily mortgage loan originations were 18 percent lower in the fourth quarter of 2020 compared to a year ago, and increased 76 percent from the third quarter of 2020, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

A preliminary MBA measure of commercial and multifamily mortgage originations volumes shows borrowing and lending in 2020 was 30 percent lower than in 2019, with all major property types and most capital sources – outside government-backed loans – seeing lower levels of activity.

“The last three months of 2020 were stronger than earlier quarters for borrowing backed by commercial and multifamily properties,” said Jamie Woodwell, MBA’s Vice President of Commercial Real Estate Research. “Commercial mortgage loan originations during last year’s fourth quarter were 18% lower than a year earlier, but up significantly from the very low third quarter. Borrowing and lending remain weakest for the property types most impacted by the pandemic – particularly hotel and retail buildings. Multifamily, led by government-backed financing from FHA, Freddie Mac and Fannie Mae, continued to see the strongest commercial mortgage activity.”
ORIGINATIONS DECREASE 18 PERCENT IN THE FOURTH QUARTER OF 2020
A decrease in originations for hotel, retail, office, and health care properties led the overall decline in commercial/multifamily lending volumes when compared to the fourth quarter of 2019. There was a 79 percent year-over-year decrease in the dollar volume of loans for hotel properties, a 72 percent decrease for retail properties, a 56 percent decrease for office properties, and a 12 percent decrease for health care properties. Industrial property loan originations increased 15 percent, and multifamily property lending rose 14 percent.

Among investor types, the dollar volume of loans originated for Commercial Mortgage-Backed Securities (CMBS) declined by 64 percent year-over-year. There was a 40 percent decrease for commercial bank portfolio loans, a 33 percent decrease in life insurance company loans, and an 84 percent increase in the dollar volume of Government Sponsored Enterprises (GSEs - Fannie Mae and Freddie Mac) loans.

FOURTH QUARTER ORIGINATIONS UP 76 PERCENT FROM THE THIRD QUARTER OF 2020
On a quarterly basis, fourth quarter originations for hotel properties jumped 411 percent compared to the third quarter 2020. There was a 136 percent increase in originations for industrial properties, a 111 percent increase for retail properties, and a 77 percent increase for multifamily properties. Originations for health care properties increased 77 percent, and originations for office properties increased 26 percent.

Among investor types, between the third and fourth quarter of 2020, the dollar volume of loans for commercial bank portfolios increased 113 percent, loans for life insurance companies increased 100 percent, originations for GSEs increased 67 percent, and the dollar volume of loans for CMBS increased by 35 percent.

PRELIMINARY 2020 ORIGINATIONS 30 PERCENT LOWER THAN 2019
A preliminary measure of commercial and multifamily mortgage originations volumes shows activity in 2020 was 30 percent lower than in 2019. By property type, originations for hotel properties decreased 77 percent from 2019, and there was a 69 percent decrease for retail properties, a 50 percent decrease for office properties, a 27 percent decrease for health care properties, a 18 percent decrease for industrial properties, and multifamily property originations decreased 8 percent. Among investor types, 2020 versus 2019, loans for CMBS decreased 58 percent, originations for commercial bank portfolios decreased 44 percent, and loans for life insurance companies decreased 39 percent. GSE loans increased 18 percent.

In late March, MBA will release its Annual Origination Summation report for 2020 with final origination figures for the year.

To view the report, please visit the following Web link: [https://www.mba.org/Documents/Research/4Q20CMFOriginationsSurvey.pdf](https://www.mba.org/Documents/Research/4Q20CMFOriginationsSurvey.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 Subscription
# Commercial/Multifamily Mortgage Bankers Originations Index

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<th>Percent Change, Year-over-year</th>
<th>Origination Volume Index (2001 Avg Qtr = 100)</th>
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