Disclaimer

Although the MBA takes great care in producing this and all related data products, the MBA does not guarantee that the information is accurate, current or suitable for any particular purpose. The referenced data are provided on an "as is" basis, with no warranties of any kind whatsoever, either express or implied, including, but not limited to, any warranties of title or accuracy or any implied warranties of merchantability or fitness for a particular purpose. Use of the data is at the user’s sole risk. In no event will MBA be liable for any damages whatsoever arising out of or related to the data, including, but not limited to direct, indirect, incidental, special, consequential or punitive damages, whether under a contract, tort or any other theory of liability, even if MBA is aware of the possibility of such damages.
COMMERCIAL/MULTIFAMILY REAL ESTATE MORTGAGE DEBT OUTSTANDING Q1 2023
4. Commercial/Multifamily Mortgage Debt Outstanding

June 21, 2023

The level of commercial/multifamily mortgage debt outstanding increased by $13.2 billion (0.3 percent) in the first quarter of 2023, according to the Mortgage Bankers Association’s (MBA) latest Commercial/Multifamily Mortgage Debt Outstanding quarterly report.

Total commercial/multifamily mortgage debt outstanding rose to $4.55 trillion at the end of the first quarter. Multifamily mortgage debt alone increased $9.3 billion (0.5 percent) to $1.99 trillion from the fourth quarter of 2022.

"The changes in commercial and multifamily mortgage debt outstanding reported in this analysis should be used with caution," said Jamie Woodwell, MBA’s Head of Commercial Real Estate Research. “The bank numbers are heavily influenced by the FDIC’s take-over of certain multifamily and other mortgages formerly held by Signature Bank. Those loans are accounted for in the bank and total figures for Q4 2022 but likely not in the total or federal government figures for Q1 2023. Similarly, it appears some of changes seen in multifamily totals for CMBS may be the result how the Federal Reserve identifies the ‘holder’ of certain assets rather than any changes in the actual amount of loans outstanding.”

Woodwell noted, “We will be working through these issues and amending data as appropriate in future releases.”

The four largest investor groups are: banks and thrifts; federal agency and government sponsored enterprise (GSE) portfolios and mortgage backed securities (MBS); life insurance companies; and commercial mortgage backed securities (CMBS), collateralized debt obligation (CDO) and other asset backed securities (ABS) issues.

![Commercial Multifamily Mortgage Debt Outstanding By Investor Group, First Quarter 2023](image)

Commercial banks continue to hold the largest share (38 percent) of commercial/multifamily mortgages at $1.7 trillion. Agency and GSE portfolios and MBS are the second-largest holders of commercial/multifamily mortgages (21 percent) at $957 billion. Life insurance companies hold $680 billion (15 percent), and CMBS, CDO and other ABS issues hold $597 billion (13 percent). Many life insurance companies, banks and the GSEs purchase and hold CMBS, CDO and other ABS issues. These loans appear in the report in the “CMBS, CDO and other ABS” category.

MBA’s analysis summarizes the holdings of loans or, if the loans are securitized, the form of the security. For example, many life insurance
companies invest both in whole loans for which they hold the mortgage note (and which appear in this data under Life Insurance Companies) and in CMBS, CDOs and other ABS for which the security issuers and trustees hold the note (and which appear here under CMBS, CDO and other ABS issues).

MULTIFAMILY MORTGAGE DEBT OUTSTANDING
Looking solely at multifamily mortgages in the first quarter of 2023, agency and GSE portfolios and MBS hold the largest share of total multifamily debt outstanding at $957 billion (48 percent), followed by banks and thrifts with $593 billion (30 percent), life insurance companies with $215 billion (11 percent), state and local government with $113 billion (6 percent), and CMBS, CDO and other ABS issues holding $66 billion (3 percent).

CHANGES IN COMMERCIAL/MULTIFAMILY MORTGAGE DEBT OUTSTANDING
In the first quarter, life insurance companies saw the largest gains in dollar terms in their holdings of commercial/multifamily mortgage debt – an increase of $10.4 billion (1.5 percent). REITs increased their holdings by $5.9 billion (3.2 percent), agency and GSE portfolios and MBS increased their holdings by $3.8 billion (0.4 percent), and nonfinancial corporate business increased their holdings by $1.4 billion (5.3 percent).

In percentage terms, nonfinancial corporate business saw the largest increase – 5.3 percent – in their holdings of commercial/multifamily mortgages. Conversely, state and local government retirement funds saw their holdings decrease 1.9 percent.

CHANGES IN MULTIFAMILY MORTGAGE DEBT OUTSTANDING
The $9.3 billion increase in multifamily mortgage debt outstanding from the fourth quarter of 2022 represents a quarterly gain of 0.5 percent. In dollar terms, CMBS, CDO and other ABS issues saw the largest gain – $7.0 billion (11.9 percent) – in their holdings of multifamily mortgage debt. Agency and GSE portfolios and MBS increased their holdings by $3.8 billion (0.4 percent), and life insurance companies increased by $3.2 billion (1.5 percent).

CMBS, CDO and other ABS issues saw the largest percentage increase in their holdings of multifamily mortgage debt, up 11.9 percent. Private pension funds saw the largest decline in their holdings of multifamily mortgage debt at 100 percent.

MBA’s analysis is based on data from the Federal Reserve Board’s Financial Accounts of the United States, the Federal Deposit Insurance Corporation’s Quarterly Banking Profile, and data from Trepp LLC. More information on this data series is contained in Appendix A.
COMMERCIAL AND MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Commercial and Multifamily Mortgage Debt Outstanding, by Quarter
($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
### Quarterly Commercial and Multifamily Mortgage Debt Outstanding

**Commercial and Multifamily Mortgage Debt Outstanding, by Sector**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2023 Q1</th>
<th>2022 Q4</th>
<th>Change</th>
<th>Sector Share of $ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgage Debt Outstanding</strong> (in $millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2023 Q1</strong></td>
<td>1,744,497</td>
<td>1,749,229</td>
<td>-4,732</td>
<td>-0.3%</td>
</tr>
<tr>
<td><strong>2022 Q4</strong></td>
<td>1,749,229</td>
<td>1,753,294</td>
<td>4,075</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Change</strong></td>
<td>-4,732</td>
<td>4,075</td>
<td>8,807</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Percent</strong></td>
<td>-0.3%</td>
<td>0.2%</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Mortgage Debt Outstanding</strong> ($millions)</td>
<td>4,550,815</td>
<td>4,537,583</td>
<td>13,232</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

**Source:** MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC

**Note:** Beginning with the Q2 2014 release, MBA’s analysis of mortgage debt outstanding modifies the data from the Federal Reserve’s Financial Accounts of the United States with respect to loans held in commercial mortgage-backed securities (CMBS) and by real estate investment trusts (REITs). The corrections create differences with previous releases and with the Federal Reserve data. For more information, please see the Appendix to this report.
COMMERCIAL AND MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Commercial and Multifamily Mortgage Debt Outstanding, by Sector ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
COMMERCIAL AND MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Commercial and Multifamily Mortgage Debt Outstanding, by Selected Sector by Quarter ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
COMMERICAL AND MULTIFAMILY MORTGAGE FLOWS

Net Change in Commercial and Multifamily Mortgage Debt Outstanding, by Quarter

($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
COMMERCIAL AND MULTIFAMILY MORTGAGE FLOWS

Net Change in Commercial and Multifamily Mortgage Debt Outstanding, by Sector ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
MULTIFAMILY MORTGAGE DEBT OUTSTANDING
MULTIFAMILY MORTGAGE DEBT OUTSTANDING
Total Multifamily Mortgage Debt Outstanding, by Quarter ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
## QUARTERLY MULTIFAMILY MORTGAGE DEBT OUTSTANDING
Multifamily Mortgage Debt Outstanding, by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>2023 Q1 ($millions)</th>
<th>% of total</th>
<th>2022 Q4 ($millions)</th>
<th>% of total</th>
<th>Change ($millions)</th>
<th>Percent</th>
<th>Sector Share of $ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency and GSE portfolios and MBS</td>
<td>957,218</td>
<td>48.1%</td>
<td>953,465</td>
<td>48.2%</td>
<td>3,753</td>
<td>0.4%</td>
<td>40.4%</td>
</tr>
<tr>
<td>Bank and Thrift</td>
<td>593,094</td>
<td>29.8%</td>
<td>598,396</td>
<td>30.2%</td>
<td>-5,302</td>
<td>-0.9%</td>
<td>-57.1%</td>
</tr>
<tr>
<td>Life insurance companies</td>
<td>214,626</td>
<td>10.8%</td>
<td>211,411</td>
<td>10.7%</td>
<td>3,215</td>
<td>1.5%</td>
<td>34.6%</td>
</tr>
<tr>
<td>State and local government</td>
<td>113,218</td>
<td>5.7%</td>
<td>112,318</td>
<td>5.7%</td>
<td>900</td>
<td>0.8%</td>
<td>9.7%</td>
</tr>
<tr>
<td>CMBS, CDO and other ABS issues</td>
<td>65,645</td>
<td>3.3%</td>
<td>58,641</td>
<td>3.0%</td>
<td>7,004</td>
<td>119%</td>
<td>75.4%</td>
</tr>
<tr>
<td>Nonfarm noncorporate business</td>
<td>20,972</td>
<td>1.1%</td>
<td>20,872</td>
<td>1.1%</td>
<td>-100</td>
<td>0.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Federal government</td>
<td>10,456</td>
<td>0.5%</td>
<td>10,533</td>
<td>0.5%</td>
<td>-77</td>
<td>-0.7%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>REITs</td>
<td>6,266</td>
<td>0.3%</td>
<td>6,456</td>
<td>0.3%</td>
<td>-190</td>
<td>-2.9%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Finance companies</td>
<td>4,914</td>
<td>0.2%</td>
<td>4,981</td>
<td>0.3%</td>
<td>-67</td>
<td>-1.3%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>State and local government retirement funds</td>
<td>1,889</td>
<td>0.1%</td>
<td>1,925</td>
<td>0.1%</td>
<td>-36</td>
<td>-19%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Nonfinancial corporate business</td>
<td>1,043</td>
<td>0.1%</td>
<td>991</td>
<td>0.1%</td>
<td>52</td>
<td>5.2%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Private pension funds</td>
<td>0</td>
<td>0.0%</td>
<td>63</td>
<td>0.0%</td>
<td>-63</td>
<td>-100.0%</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,989,341</strong></td>
<td></td>
<td><strong>1,980,052</strong></td>
<td></td>
<td><strong>9,289</strong></td>
<td>0.5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC

Note: Beginning with the Q2 2014 release, MBA’s analysis of mortgage debt outstanding modifies the data from the Federal Reserve’s Financial Accounts of the United States with respect to loans held in commercial mortgage-backed securities (CMBS) and by real estate investment trusts (REITs). The corrections create differences with previous releases and with the Federal Reserve data. For more information, please see the Appendix to this report.
MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Multifamily Mortgage Debt Outstanding, by Sector ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
MULTIFAMILY MORTGAGE DEBT OUTSTANDING
Total Multifamily Mortgage Debt Outstanding, by Selected Sector by Quarter
($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
MULTIFAMILY MORTGAGE FLOWS

Net Change in Multifamily Mortgage Debt Outstanding, by Quarter ($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
MULTIFAMILY MORTGAGE FLOWS
Net Change in Multifamily Mortgage Debt Outstanding, by Sector
($millions)

Source: MBA, Federal Reserve Board of Governors, Trepp LLC, and FDIC
APPENDIX A

MBA’s analysis is based on data from the Federal Reserve Board’s *Financial Accounts of the United States*, the Federal Deposit Insurance Corporation’s *Quarterly Banking Profile* and data from Wells Fargo Securities.

Bank Holdings
MBA’s analysis of commercial and multifamily mortgage debt outstanding was changed in the fourth quarter of 2010 to exclude two categories of loans that had previously been included;

a. loans for acquisition, development and construction and

b. loans collateralized by owner-occupied commercial properties.

By excluding these loan types, MBA’s analysis more accurately reflects the balance of loans supported by office buildings, retail centers, apartment buildings and other income-producing properties that rely on rents and leases to make their payments.

For the first quarter 2023, the Federal Reserve Board’s Flow of Funds Accounts data attributed $2.9 trillion of outstanding commercial and multifamily mortgages to banks and thrifts. Comparing this number to the FDIC’s Quarterly Banking Profile for the same period, one sees that banks and thrifts held $593 billion of multifamily mortgages and $1.8 trillion of non-farm nonresidential mortgages, of which 65 percent or $1.2 trillion were income-producing. The combined $1.7 trillion of mortgages backed by multifamily and other income-producing properties is included in this analysis. The $2.9 trillion total reported by the Federal Reserve also includes $631 billion of loans collateralized by owner-occupied commercial properties and another $480 billion of loans backed by acquisition, development and construction projects (including those for single-family development), which are excluded in from this analysis.
Mortgages in CMBS and held by REITs
Beginning with its Q2 2014 release, the Federal Reserve's Financial Accounts of the United States adjusted its balance of commercial mortgages held in CMBS and by REITs to reflect the impact of FAS 167 and its implications for how entities report certain securitized mortgages on their balance sheets. The effect of this change was to inflate the balance of mortgages appearing under REITs by approximately $130 billion and to reduce the balance appearing under CMBS by the same amount. From an accounting perspective, such changes are required, but the changes lead to a significant distortion of the size of the CMBS and REIT markets.

For CMBS, MBA corrects for this by relying on data from Wells Fargo Securities to size the balance of commercial and multifamily mortgages in CMBS (The analysis continues to rely on the Financial Accounts of the United States to size multifamily balances held in CMBS, as the FAS 167 adjustments did not affect them.)

For REIT balances, MBA uses Fed data to reverse the FAS 167 inclusions and thus to report the mortgages, and not securitized assets, that REITs hold. The full corrected series are available as a part of MBA’s CREF Database. Contact CREFRresearch@mba.org for more information.
Purchase ground-breaking, comprehensive mortgage origination information.

**Commercial Real Estate/Multifamily Finance Database Annual Subscription**
Member $4,250 / nonmember $6,500

**Commercial/Multifamily Annual Origination Volumes Rankings**
All Firms (member $250 / nonmember $350)

**Commercial/Multifamily Annual Origination Volume Summation**
Member $150 / nonmember $250

**Commercial/Multifamily Loan Maturity Volumes**
Member $150 / nonmember $250

To subscribe, order or participate, call (800) 348-8653, or visit mba.org/crefresearch