

MIBO Q1

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q1 2023

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations

May 9, 2023

Commercial and multifamily mortgage loan originations were 56 percent lower in the first quarter of 2023 compared to a year ago, and decreased 42 percent from the fourth quarter of 2022, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

“While the first quarter is typically the quietest quarter of the year, borrowing and lending backed by commercial and multifamily properties declined in the first quarter to the slowest pace since the first quarter of 2014,” said Jamie Woodwell, MBA’s Head of Commercial Real Estate Research. “Uncertainty and volatility in regard to interest rates and property values, and supply and demand imbalances for some property

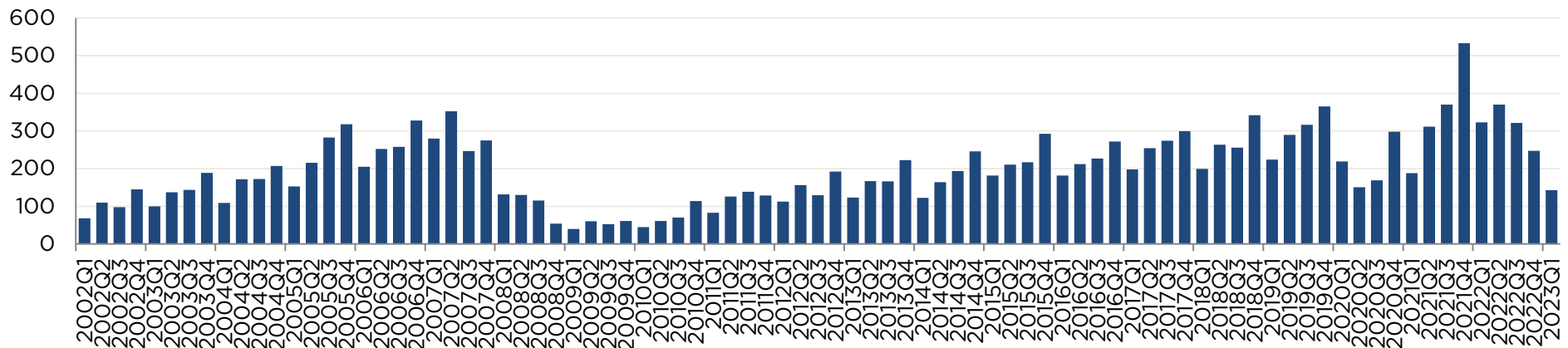
types, has led to a logjam in commercial real estate sales and financing markets.”

Woodwell continued, “As loans mature and adjustable-rate loans reset, we should start to get greater insights into where things stand.”

ORIGINATIONS DECREASE 56 PERCENT IN THE FIRST QUARTER OF 2023

Decreases in originations for all major property types led to the overall drop in commercial/multifamily lending volumes when compared to the first quarter of 2022. There was a 72 percent year-over-year decrease in the dollar volume of loans for industrial properties, a 69 percent decrease

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



for health care properties, a 67 percent decrease for office properties, a 55 percent decrease for multifamily properties, an 8 percent decrease for hotel properties, and an 8 percent decrease for retail properties.

Among investor types, the dollar volume of loans originated for life insurance company loans decreased by 73 percent year-over-year. There was a 67 percent decrease for investor-driven lenders, a 59 percent decrease in commercial mortgage-backed securities (CMBS) loans, a 54 percent decrease for depositories, and a 14 percent decrease in the dollar volume of government sponsored enterprises (GSEs - Fannie Mae and Freddie Mac) loans.

FIRST QUARTER 2023 ORIGINATIONS DOWN 42 PERCENT FOURTH QUARTER 2022

On a quarterly basis, fourth-quarter originations for health care properties decreased 65 percent compared to fourth-quarter 2022. There was a 61 percent decrease in originations for office properties, a 44 percent decrease for multifamily properties, and a 36 percent decrease for industrial properties. Originations for retail increased 12 percent and originations for hotel properties increased 5 percent.

Among investor types, between the fourth quarter of 2022 and first quarter of 2023, the dollar volume of loans for life insurance companies decreased 56 percent, loans for depositories decreased 48 percent,

originations for investor-driven lenders decreased 42 percent, and loans for GSEs decreased 40 percent. The dollar volume of loans for CMBS increased by 99 percent.

To view the report, please visit the following Web link: <https://www.mba.org/news-and-research/research-and-economics/commercial-multifamily-research/quarterly-commercial-multifamily-mortgage-bankers-originations-index>

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, 2022
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2022
- Annual Report on Multifamily Lending, 2021
- Commercial/Multifamily Database Subscription

Commercial/Multifamily Mortgage Bankers Originations Index

	Origination Volume Index				Percent Change,				Origination Volume Index				Percent Change,		
	(2001 Avg Qtr = 100)				Year-over-year	Q4-to-Q1	YTD-YTD		(2001 Avg Qtr = 100)				Year-over-year	Q4-to-Q1	YTD-YTD
	Q1	Q2	Q3	Q4					Q1	Q2	Q3	Q4			
TOTAL								Multifamily							
2020	219	151	169	298	-2%	-40%	-2%	2020	446	388	403	712	15%	-29%	15%
2021	188	311	370	533	-14%	-37%	-14%	2021	423	632	829	1,122	-5%	-41%	-5%
2022	323	370	321	247	72%	-39%	72%	2022	665	786	696	536	57%	-41%	57%
2023	142				-56%	-42%	-56%	2023	299				-55%	-44%	-55%
CMBS/Conduits								Office							
2020	86	6	48	64	14%	-51%	14%	2020	126	55	74	94	8%	-42%	8%
2021	64	113	107	260	-26%	0%	-26%	2021	83	137	150	209	-34%	-11%	-34%
2022	100	49	31	21	56%	-61%	56%	2022	108	123	85	92	30%	-48%	30%
2023	41				-59%	99%	-59%	2023	35				-67%	-61%	-67%
Depositories								Retail							
2020	341	210	165	351	-1%	-42%	-1%	2020	70	33	24	51	-37%	-62%	-37%
2021	175	362	547	869	-48%	-50%	-48%	2021	38	62	101	106	-45%	-25%	-45%
2022	515	733	684	457	194%	-41%	194%	2022	72	129	94	60	88%	-32%	88%
2023	236				-54%	-48%	-54%	2023	67				-8%	12%	-8%
Life Insurance Companies								Industrial							
2020	296	200	182	363	-18%	-45%	-18%	2020	445	303	507	1,196	-39%	-57%	-39%
2021	252	487	501	593	-15%	-31%	-15%	2021	736	1,296	1,300	2,545	66%	-38%	66%
2022	456	465	292	278	81%	-23%	81%	2022	1,801	1,330	1,254	778	145%	-29%	145%
2023	122				-73%	-56%	-73%	2023	498				-72%	-36%	-72%
Fannie Mae/Freddie Mac								Hotel							
2020	527	658	680	1,132	6%	-14%	6%	2020	203	36	20	100	-42%	-57%	-42%
2021	479	439	784	797	-9%	-58%	-9%	2021	36	119	190	268	-82%	-64%	-82%
2022	483	568	664	693	1%	-39%	1%	2022	166	162	236	145	359%	-38%	359%
2023	414				-14%	-40%	-14%	2023	152				-8%	5%	-8%
Investor-Driven Lenders								Health Care							
2020	275	86	158	302	-7%	-49%	-7%	2020	54	45	59	105	16%	-55%	16%
2021	369	704	662	940	34%	22%	34%	2021	57	181	86	88	5%	-46%	5%
2022	654	788	611	380	77%	-30%	77%	2022	103	175	139	92	81%	17%	81%
2023	219				-67%	-42%	-67%	2023	32				-69%	-65%	-69%



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