

MEBO Q4

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q4 2022

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations
February 13, 2023

Commercial and multifamily mortgage loan originations were 54 percent lower in the fourth quarter of 2022 compared to a year ago, and decreased 23 percent from the third quarter of 2021, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

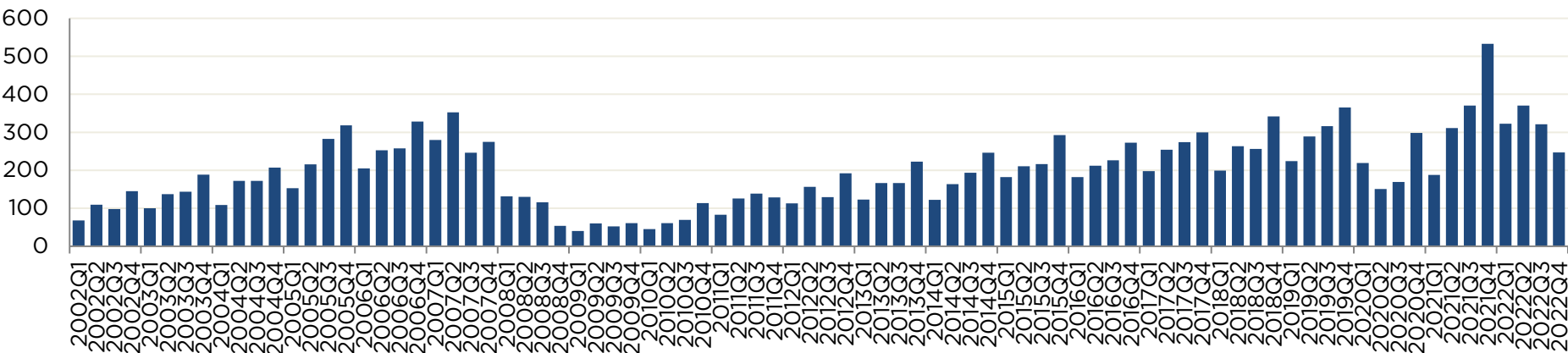
“Borrowing and lending backed by commercial and multifamily properties slipped further to close out 2022,” said Jamie Woodwell, MBA’s Head of Commercial Real Estate Research. “The last quarter of the year typically sees the highest volumes, but the chill caused by rising interest rates, questions about property valuations, and increased

economic uncertainty made the fourth quarter of 2022 the weakest of the year.”

Woodwell continued, “Depositories were the one major capital source to increase volumes from the previous year, but even its fourth quarter activity was roughly half of what it was a year earlier. The overall picture is one of slower borrowing in the face of what have been significant shifts in the market.”

ORIGINATIONS DECREASE 54 PERCENT IN THE FOURTH QUARTER OF 2022

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



Decreases in originations for industrial, office, multifamily, and retail properties led the overall drop in commercial/multifamily lending volumes when compared to the fourth quarter of 2021. There was a 69 percent year-over-year decrease in the dollar volume of loans for industrial properties, a 56 percent decrease for office properties, a 52 percent decrease for multifamily properties, a 46 percent decrease for hotel properties, and a 44 percent decrease for retail properties. Health care property loan originations increased 4 percent compared to the fourth quarter of 2021.

Among investor types, the dollar volume of loans originated for commercial mortgage-backed securities (CMBS) decreased by 92 percent year-over-year. There was a 60 percent decrease for investor-driven lenders, a 53 percent decrease in life insurance company loans, a 47 percent decrease for depositories, and a 13 percent decrease in the dollar volume of government sponsored enterprises (GSEs – Fannie Mae and Freddie Mac) loans.

FOURTH QUARTER ORIGINATIONS DOWN 23 PERCENT FROM THE THIRD QUARTER OF 2022

On a quarterly basis, fourth-quarter originations for hotel properties decreased 39 percent compared to the third quarter 2022. There was a 38 percent decrease in originations for industrial properties, a 37 percent decrease for retail properties, and a 34 percent decrease for health care properties. Originations for multifamily decreased 23 percent, and originations for office properties increased 9 percent.

Among investor types, between the third and fourth quarters of 2022, the dollar volume of loans for investor-driven lenders decreased 38 percent, loans for CMBS decreased 35 percent, originations for depositories decreased 33 percent, and loans for life insurance companies decreased 5 percent. The dollar volume of loans for GSEs increased by 4 percent.

PRELIMINARY 2022 ORIGINATIONS 10 PERCENT LOWER THAN 2021

A preliminary measure of commercial and multifamily mortgage bankers' originations volumes shows activity in 2022 was 10 percent lower than in 2021. By property type, mortgage bankers originations for office properties decreased 30 percent from 2021, industrial properties decreased 12 percent, and multifamily properties decreased 11 percent. Retail properties increased 16 percent, hotel properties increased 16 percent, and health care property originations increased 23 percent.

Among investor types from 2022 compared to 2021, mortgage bankers originations for CMBS decreased 63 percent, originations for life insurance companies decreased 19 percent, loans for investor-driven lenders decreased 9 percent, and loans for GSEs decreased 4 percent. Depository loans increased 22 percent.

In late March, MBA will release its Annual Origination Summation report for 2022 with final origination figures for the year.

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

Commercial/Multifamily Mortgage Bankers Originations Index

Commercial								Multifamily							
Origination Volume Index				Percent Change,				Origination Volume Index				Percent Change,			
(2001 Avg Qtr = 100)				Year-over-year	Q3-to-Q4	YTD-YTD		(2001 Avg Qtr = 100)				Year-over-year	Q3-to-Q4	YTD-YTD	
Q1	Q2	Q3	Q4	Q4	Q4	YTD		Q1	Q2	Q3	Q4	Q4	Q4	YTD	
TOTAL								Multifamily							
2019	224	289	316	365	7%	15%	13%	2019	389	513	585	625	-4%	7%	8%
2020	219	151	169	298	-18%	76%	-30%	2020	446	388	403	712	14%	77%	-8%
2021	188	311	370	533	79%	44%	67%	2021	423	632	829	1,122	57%	35%	54%
2022	323	370	321	247	-54%	-23%	-10%	2022	665	786	696	536	-52%	-23%	-11%
CMBS/Conduits								Office							
2019	76	120	113	176	81%	56%	24%	2019	116	193	176	215	29%	22%	23%
2020	86	6	48	64	-64%	35%	-58%	2020	126	55	74	94	-56%	26%	-50%
2021	64	113	107	260	305%	144%	167%	2021	83	137	150	209	122%	39%	66%
2022	100	49	31	21	-92%	-35%	-63%	2022	108	123	85	92	-56%	9%	-30%
Depositories								Retail							
2019	344	466	514	589	13%	14%	20%	2019	111	128	144	185	13%	29%	-6%
2020	341	210	165	351	-40%	113%	-44%	2020	70	33	24	51	-72%	111%	-69%
2021	175	362	547	869	147%	59%	83%	2021	38	62	101	106	109%	6%	73%
2022	515	733	684	457	-47%	-33%	22%	2022	72	129	94	60	-44%	-37%	16%
Life Insurance Companies								Industrial							
2019	360	392	407	543	9%	33%	5%	2019	733	537	659	1,043	67%	58%	50%
2020	296	200	182	363	-33%	100%	-39%	2020	445	303	507	1,196	15%	136%	-18%
2021	252	487	501	593	63%	18%	76%	2021	736	1,296	1,300	2,545	113%	96%	140%
2022	456	465	292	278	-53%	-5%	-19%	2022	1,801	1,330	1,254	778	-69%	-38%	-12%
Fannie Mae/Freddie Mac								Hotel							
2019	497	692	739	615	-30%	-17%	-1%	2019	349	412	321	469	-25%	46%	-19%
2020	527	658	680	1,132	84%	67%	18%	2020	203	36	20	100	-79%	411%	-77%
2021	479	439	784	797	-30%	2%	-17%	2021	36	119	190	268	167%	42%	71%
2022	483	568	664	693	-13%	4%	-4%	2022	166	162	236	145	-46%	-39%	16%
Investor-Driven Lenders								Health Care							
2019	297	330	452	540	2%	20%	11%	2019	46	75	120	120	33%	0%	92%
2020	275	86	158	302	-44%	91%	-49%	2020	54	45	59	105	-12%	77%	-27%
2021	369	704	662	940	211%	42%	225%	2021	57	181	86	88	-17%	2%	56%
2022	654	788	611	380	-60%	-38%	-9%	2022	103	175	139	92	4%	-34%	23%



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