

MIBO Q2

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q2 2023

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations August 15, 2023

Commercial and multifamily mortgage loan originations were 53 percent lower in the second quarter of 2023 compared to a year ago, and increased 23 percent from the first quarter of 2023, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

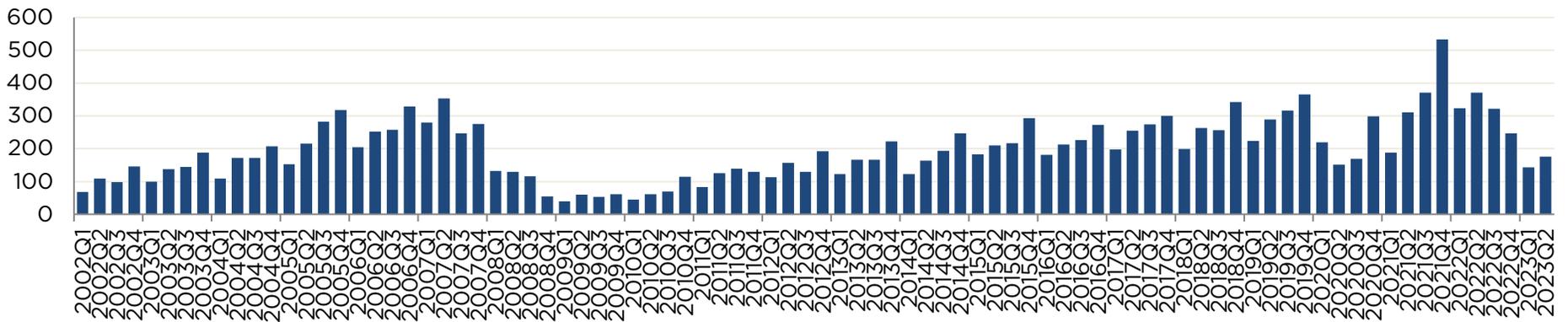
“Commercial real estate borrowing and lending remained subdued in the second quarter of 2023,” said Jamie Woodwell, MBA’s Head of Commercial Real Estate Research. “Origination volumes picked up from the first quarter but were less than half the level of a very strong quarter a year earlier. “Higher interest rates, uncertainty about property values, and questions about some property fundamentals are all contributing to the slowdown. We expect the logjam to begin to break in coming

quarters, but the path forward will depend on where interest rates and other aspects of the economy go from here.”

ORIGINATIONS DECREASE 53 PERCENT IN THE SECOND 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 second quarter of 2022. There was a 74 percent year-over-year decrease in the dollar volume of loans for health care properties, a 66 percent decrease for office properties, a 55 percent decrease for retail properties, a 55 percent decrease for industrial properties, a 48 percent decrease for multifamily loans, and a 32 percent decrease for hotel properties.

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



Among investor types, the dollar volume of loans originated for depositories decreased by 69 percent year-over-year. There was a 60 percent decrease for investor-driven lenders, a 49 percent decrease in life insurance company loans, a 23 percent decrease for commercial mortgage-backed securities (CMBS), and a 11 percent decrease in the dollar volume of government sponsored enterprises (GSEs - Fannie Mae and Freddie Mac) loans.

SECOND QUARTER 2023 ORIGINATIONS UP 23 PERCENT FROM FIRST QUARTER 2023

On a quarterly basis, second-quarter originations for health care properties increased 44 percent compared to first-quarter 2023. There was a 37 percent increase in originations for multifamily properties, a 19 percent increase for industrial properties, and a 16 percent increase for office properties. Originations for retail decreased 13 percent and originations for hotel properties decreased 27 percent.

Among investor types, between the first and second quarter of 2023, the dollar volume of loans for life insurance companies increased 95 percent, loans for investor-driven lenders increased 46 percent, and originations for GSEs increased 22 percent. The dollar volume of loans for

depositories increased by 4 percent and loans for CMBS decreased by 8 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, 2022
- 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	Q1-to-Q2	YTD-YTD		(2001 Avg Qtr = 100)				Year-over-year	Q1-to-Q2	YTD-YTD
	Q1	Q2	Q3	Q4					Q1	Q2	Q3	Q4			
TOTAL								Multifamily							
2020	219	151	169	298	-48%	-31%	-28%	2020	446	388	403	712	-24%	-13%	-7%
2021	188	311	370	533	106%	66%	35%	2021	423	632	829	1,122	63%	49%	26%
2022	323	370	321	247	19%	15%	39%	2022	665	786	696	536	24%	18%	38%
2023	142	175			-53%	23%	-54%	2023	299	409			-48%	37%	-51%
CMBS/Conduits								Office							
2020	86	6	48	64	-95%	-94%	-53%	2020	126	55	74	94	-71%	-56%	-19%
2021	64	113	107	260	1913%	76%	92%	2021	83	137	150	209	149%	65%	-8%
2022	100	49	31	21	-57%	-52%	-16%	2022	108	123	85	92	-11%	14%	-2%
2023	41	38			-23%	-8%	-47%	2023	35	41			-66%	16%	-69%
Depositories								Retail							
2020	341	210	165	351	-55%	-38%	-32%	2020	70	33	24	51	-74%	-53%	-57%
2021	175	362	547	869	72%	107%	-2%	2021	38	62	101	106	88%	62%	-2%
2022	515	733	684	457	102%	42%	132%	2022	72	129	94	60	108%	79%	100%
2023	236	227			-69%	-4%	-63%	2023	67	58			-55%	-13%	-38%
Life Insurance Companies								Industrial							
2020	296	200	182	363	-49%	-33%	-34%	2020	445	303	507	1,196	-44%	-32%	-41%
2021	252	487	501	593	144%	94%	49%	2021	736	1,296	1,300	2,545	327%	76%	172%
2022	456	465	292	278	-5%	2%	25%	2022	1,801	1,330	1,254	778	3%	-26%	54%
2023	122	238			-49%	95%	-61%	2023	498	594			-55%	19%	-65%
Fannie Mae/Freddie Mac								Hotel							
2020	527	658	680	1,132	-5%	25%	0%	2020	203	36	20	100	-91%	-83%	-69%
2021	479	439	784	797	-33%	-8%	-23%	2021	36	119	190	268	234%	228%	-35%
2022	483	568	664	693	29%	18%	14%	2022	166	162	236	145	37%	-2%	112%
2023	414	503			-11%	22%	-13%	2023	152	111			-32%	-27%	-20%
Investor-Driven Lenders								Health Care							
2020	275	86	158	302	-74%	-69%	-42%	2020	54	45	59	105	-40%	-17%	-19%
2021	369	704	662	940	717%	91%	197%	2021	57	181	86	88	302%	219%	140%
2022	654	788	611	380	12%	20%	34%	2022	103	175	139	92	-3%	70%	17%
2023	219	319			-60%	46%	-63%	2023	32	46			-74%	44%	-72%



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