

MIBO Q3

QUARTERLY SURVEY OF COMMERCIAL / MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS | Q3 2023

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Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations

November 7, 2023

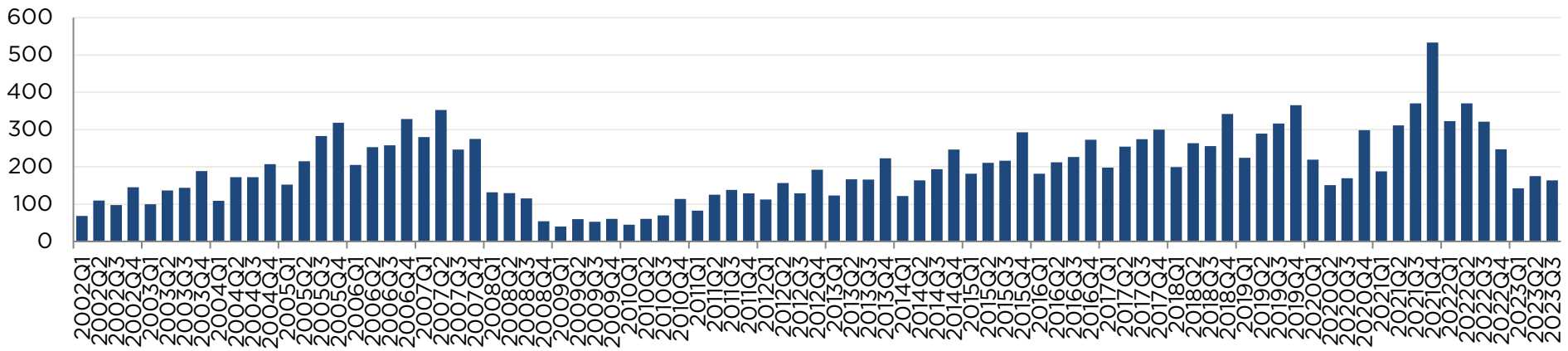
Commercial and multifamily mortgage loan originations were 49 percent lower in the third quarter of 2023 compared to a year ago, and decreased 7 percent from the second quarter of 2023, according to the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

“Borrowing backed by commercial real estate properties declined again in the third quarter,” said Jamie Woodwell, MBA’s Head of Commercial Real Estate Research. “Borrowing and lending were down for every property type and capital source from one year ago. However, compared to this year’s second quarter, volumes were more stable and some sectors – including industrial properties and life company lenders – showed an uptick in volume.”

Added Woodwell, “Year-to-date CRE mortgage borrowing has fallen 49 percent, driven by questions about some properties’ fundamentals, uncertainty about property values, and higher and volatile interest rates. Greater certainty around those conditions is a key prerequisite to breaking the logjam of transaction activity.”

ORIGINATIONS DECREASE 49 PERCENT IN THIRD 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 third quarter of 2022. There was a 76 percent year-over-year decrease in the dollar volume of loans for health care properties, a 52 percent decrease for hotel properties, a 51 percent decrease for retail properties, a 50 percent decrease for multifamily properties, a 49 percent decrease for office loans, and a 35 percent decrease for industrial properties.

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



Among investor types, the dollar volume of loans originated for depositories decreased by 73 percent year-over-year. There was a 55 percent decrease for investor-driven lenders, a 27 percent decrease in government sponsored enterprises (GSEs – Fannie Mae and Freddie Mac) loans, a 5 percent decrease for commercial mortgage-backed securities (CMBS), and a 4 percent decrease in the dollar volume of life insurance company loans.

THIRD QUARTER 2023 ORIGINATIONS DOWN 7 PERCENT FROM SECOND QUARTER 2023

On a quarterly basis, third-quarter originations for health care properties decreased 28 percent compared to second-quarter 2023. There was a 20 percent decrease in originations for retail properties, and a 16 percent decrease for multifamily properties. Originations for hotel properties increased 2 percent, originations for office properties increased 4 percent, and originations for industrial properties increased 36 percent.

Among investor types, between the second and third quarter of 2023, the dollar volume of loans for CMBS decreased 21 percent, loans for depositories decreased 19 percent, originations for investor-driven lenders decreased 13 percent, and loans for GSEs decreased 4 percent.

The dollar volume of loans for life insurance companies increased by 18 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	Q2-to-Q3	YTD-YTD		(2001 Avg Qtr = 100)				Year-over-year	Q2-to-Q3	YTD-YTD
	Q1	Q2	Q3	Q4					Q1	Q2	Q3	Q4			
TOTAL								Multifamily							
2020	219	151	169	298	-47%	12%	-35%	2020	446	388	403	712	-31%	4%	-17%
2021	188	311	370	533	119%	19%	61%	2021	423	632	829	1,122	105%	31%	52%
2022	323	370	321	247	-13%	-13%	17%	2022	665	786	696	536	-16%	-12%	14%
2023	142	175	164		-49%	-7%	-53%	2023	299	409	345		-50%	-16%	-51%
CMBS/Conduits								Office							
2020	86	6	48	64	-58%	749%	-55%	2020	126	55	74	94	-58%	35%	-33%
2021	64	113	107	260	125%	-5%	103%	2021	83	137	150	209	102%	9%	24%
2022	100	49	31	21	-71%	-35%	-36%	2022	108	123	85	92	-44%	-31%	-19%
2023	41	38	30		-5%	-21%	-40%	2023	35	41	43		-49%	4%	-64%
Depositories								Retail							
2020	341	210	165	351	-68%	-21%	-46%	2020	70	33	24	51	-83%	-27%	-67%
2021	175	362	547	869	232%	51%	52%	2021	38	62	101	106	317%	62%	58%
2022	515	733	684	457	25%	-7%	78%	2022	72	129	94	60	-6%	-27%	47%
2023	236	227	183		-73%	-19%	-67%	2023	67	58	47		-51%	-20%	-42%
Life Insurance Companies								Industrial							
2020	296	200	182	363	-55%	-9%	-42%	2020	445	303	507	1,196	-23%	67%	-35%
2021	252	487	501	593	175%	3%	83%	2021	736	1,296	1,300	2,545	156%	0%	165%
2022	456	465	292	278	-42%	-37%	-2%	2022	1,801	1,330	1,254	778	-4%	-6%	32%
2023	122	238	282		-4%	18%	-47%	2023	498	594	809		-35%	36%	-57%
Fannie Mae/Freddie Mac								Hotel							
2020	527	658	680	1,132	-8%	3%	-3%	2020	203	36	20	100	-94%	-45%	-76%
2021	479	439	784	797	15%	79%	-9%	2021	36	119	190	268	866%	60%	33%
2022	483	568	664	693	-15%	17%	1%	2022	166	162	236	145	24%	45%	64%
2023	414	503	484		-27%	-4%	-18%	2023	152	111	113		-52%	2%	-33%
Investor-Driven Lenders								Health Care							
2020	275	86	158	302	-65%	83%	-52%	2020	54	45	59	105	-51%	32%	-35%
2021	369	704	662	940	319%	-6%	234%	2021	57	181	86	88	45%	-52%	104%
2022	654	788	611	380	-8%	-22%	18%	2022	103	175	139	92	61%	-21%	29%
2023	219	319	278		-55%	-13%	-60%	2023	32	46	33		-76%	-28%	-74%



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