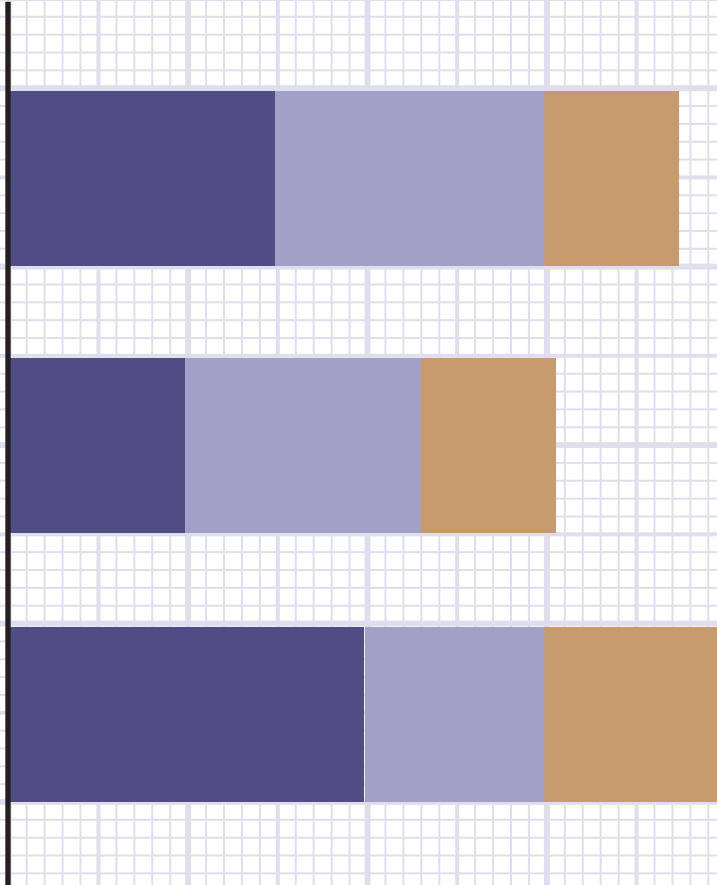


MBA MULTIFAMILY

Q1 2009

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS



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QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS

Production

Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations First Quarter 2009

Commercial and multifamily mortgage loan originations continued to drop in the first quarter of 2009, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations. First quarter originations were 70 percent lower than during the same period last year and 26 percent lower than during the fourth quarter of 2008. The year-over-year decrease was seen across all investor groups and most property types.

"In the first quarter of 2009 we saw the effects of the continued recession coupled with little demand from borrowers and a constrained supply from lenders as a result of the credit crunch," said Jamie Woodwell, Vice President of Commercial Real Estate Research at the Mortgage Bankers Association. "The net result was low levels of new originations."

Decreases in total commercial/multifamily mortgage originations continued to be led by a drop in commercial mortgage-backed security (CMBS) conduit loans.

FIRST QUARTER 2009 70 PERCENT LOWER THAN FIRST QUARTER 2008

The 70 percent overall decrease in commercial/multifamily lending activity during the first quarter was driven by decreases in originations for all property

types. When compared to the first quarter of 2008, the decrease included an 88 percent decrease in loans for hotel properties, an 80 percent decrease in loans for health care properties, a 76 percent decrease in loans for retail properties, a 66 percent decrease in loans for office properties, a 61 percent decrease in multifamily property loans, and a 50 decrease in industrial property loans.

Among investor types, conduits for CMBS saw a decrease of 96 percent compared to last year's first quarter. There was also an 80 percent decrease in loans for commercial bank portfolios, a 66 percent decrease in loans for life insurance companies, and the dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw a decrease of 26 percent.

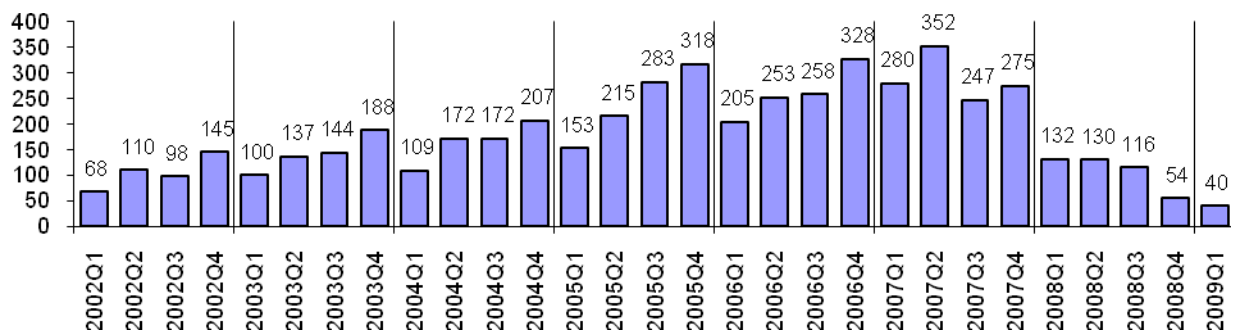
FIRST QUARTER 2009 26 PERCENT LOWER THAN FOURTH QUARTER 2008

First quarter 2009 mortgage originations were 26 percent lower than originations in the fourth quarter of 2008.

Among investor types, loans for conduits for CMBS saw a decrease in loan volume of 83 percent compared to the fourth quarter of 2008, loans for commercial bank portfolios saw a decrease in loan volume of 37 percent compared to the fourth quarter of

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



2008, GSEs' volume decreased by 17 percent during the same time span, and life insurance companies decreased 7 percent from the fourth quarter 2008 to first quarter 2009.

Compared to the fourth quarter of 2008, first quarter originations for health care properties saw a 72 percent decrease. There was a 39 percent decrease for multifamily properties, a 9 percent decrease for retail properties, a 4 percent decrease for office properties, a 67 percent increase for industrial properties, and hotel properties remained relatively unchanged.

To view the report, please visit the following Web link:

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/1Q09CMFOri-nationsSurvey.pdf>

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, 2008
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2008
- MBA Annual Report on Multifamily Lending, 2007

Commercial/Multifamily Mortgage Bankers Originations Index
By Investor Group

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q1-to-Q1	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
TOTAL									
2004	109	172	172	207	9%	\$ 8.1	\$ 8.5	\$ 9.4	\$ 9.9
2005	153	215	283	318	40%	\$ 10.1	\$ 11.2	\$ 13.1	\$ 12.3
2006	205	253	258	328	34%	\$ 11.2	\$ 11.1	\$ 13.6	\$ 13.7
2007	280	352	247	275	37%	\$ 13.8	\$ 15.6	\$ 13.3	\$ 16.0
2008	132	130	116	54	-53%	\$ 12.3	\$ 12.3	\$ 10.8	\$ 9.0
2009	40				-70%	\$ 8.4			
Conduits									
2004	140	186	183	259	0%	\$ 14.8	\$ 12.7	\$ 11.9	\$ 13.5
2005	209	355	445	395	50%	\$ 15.1	\$ 14.8	\$ 16.0	\$ 13.4
2006	283	343	287	519	35%	\$ 13.6	\$ 15.3	\$ 15.3	\$ 21.1
2007	456	606	206	357	61%	\$ 18.4	\$ 18.4	\$ 14.0	\$ 52.9
2008	19	9	15	6	-96%	\$ 16.0	\$ 16.5	\$ 40.4	\$ 30.9
2009	1				-96%	\$ 5.5			
Commercial Banks									
2004	152	229	337	350	25%	\$ 4.1	\$ 4.0	\$ 6.5	\$ 6.7
2005	242	420	447	596	59%	\$ 6.5	\$ 12.3	\$ 13.9	\$ 13.8
2006	397	457	543	552	64%	\$ 10.3	\$ 8.6	\$ 15.9	\$ 12.1
2007	316	408	445	521	-20%	\$ 10.0	\$ 15.7	\$ 13.3	\$ 14.0
2008	228	289	129	74	-28%	\$ 11.2	\$ 17.6	\$ 6.0	\$ 8.9
2009	47				-80%	\$ 6.1			
Life Insurance Companies									
2004	106	170	184	188	29%	\$ 8.7	\$ 9.6	\$ 11.8	\$ 9.0
2005	138	174	225	274	31%	\$ 8.7	\$ 8.7	\$ 10.1	\$ 8.8
2006	140	206	199	191	2%	\$ 8.7	\$ 9.0	\$ 10.6	\$ 9.1
2007	158	175	222	163	12%	\$ 9.9	\$ 9.6	\$ 13.0	\$ 9.7
2008	119	128	163	44	-25%	\$ 10.1	\$ 10.7	\$ 13.9	\$ 7.8
2009	41				-66%	\$ 13.4			
Fannie Mae/Freddie Mac									
2004	48	124	98	133	-17%	\$ 8.1	\$ 10.5	\$ 11.7	\$ 11.7
2005	72	89	109	143	51%	\$ 11.0	\$ 9.0	\$ 10.3	\$ 12.8
2006	94	99	113	138	30%	\$ 12.9	\$ 10.2	\$ 12.4	\$ 11.6
2007	114	112	181	194	22%	\$ 9.8	\$ 10.2	\$ 14.3	\$ 10.9
2008	185	186	208	164	62%	\$ 11.7	\$ 10.1	\$ 13.3	\$ 12.0
2009	136				-26%	\$ 11.4			

Commercial/Multifamily Mortgage Bankers Originations Index
By Property Type

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q1-to-Q1	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Multifamily									
2004	71	134	133	157	-9%	\$ 7.0	\$ 8.4	\$ 9.9	\$ 10.0
2005	116	153	193	234	63%	\$ 10.7	\$ 11.1	\$ 12.3	\$ 13.3
2006	143	166	155	238	23%	\$ 11.6	\$ 11.4	\$ 12.3	\$ 14.2
2007	180	195	176	220	26%	\$ 11.8	\$ 12.5	\$ 11.8	\$ 15.0
2008	132	113	123	83	-27%	\$ 12.6	\$ 11.0	\$ 12.1	\$ 11.4
2009	51				-61%	\$ 9.5			
Office									
2004	121	180	194	210	37%	\$ 12.2	\$ 12.4	\$ 13.9	\$ 13.1
2005	158	226	299	346	30%	\$ 13.3	\$ 15.5	\$ 17.4	\$ 17.5
2006	198	255	277	375	26%	\$ 15.4	\$ 14.0	\$ 18.4	\$ 19.6
2007	321	302	191	100	62%	\$ 24.0	\$ 21.1	\$ 17.4	\$ 12.0
2008	79	105	76	28	-75%	\$ 15.7	\$ 19.0	\$ 15.6	\$ 10.8
2009	27				-66%	\$ 9.6			
Retail									
2004	191	253	255	274	24%	\$ 8.7	\$ 8.0	\$ 8.7	\$ 8.3
2005	198	321	339	445	4%	\$ 7.9	\$ 8.9	\$ 9.5	\$ 9.2
2006	307	343	327	423	55%	\$ 9.3	\$ 8.6	\$ 10.1	\$ 11.6
2007	384	459	264	264	25%	\$ 11.8	\$ 12.1	\$ 10.4	\$ 9.1
2008	181	169	185	47	-53%	\$ 15.8	\$ 13.5	\$ 15.5	\$ 7.5
2009	43				-76%	\$ 11.0			
Industrial									
2004	128	172	181	202	58%	\$ 5.9	\$ 5.4	\$ 6.6	\$ 6.5
2005	166	230	325	380	30%	\$ 6.7	\$ 8.3	\$ 9.6	\$ 8.6
2006	222	308	270	392	33%	\$ 8.3	\$ 8.7	\$ 9.8	\$ 10.1
2007	254	286	249	196	14%	\$ 10.5	\$ 10.2	\$ 10.2	\$ 9.4
2008	161	124	151	48	-37%	\$ 11.6	\$ 9.4	\$ 9.1	\$ 8.8
2009	80				-50%	\$ 18.4			
Hotel									
2004	107	178	175	266	-50%	\$ 17.3	\$ 21.6	\$ 19.0	\$ 20.0
2005	210	515	1,107	563	96%	\$ 13.6	\$ 31.6	\$ 52.0	\$ 21.9
2006	558	681	990	676	166%	\$ 24.8	\$ 28.7	\$ 42.5	\$ 24.6
2007	762	2,931	815	3,035	37%	\$ 31.6	\$ 55.8	\$ 33.8	\$ 199.5
2008	308	371	107	36	-60%	\$ 40.0	\$ 38.5	\$ 23.1	\$ 22.5
2009	36				-88%	\$ 67.5			
Health Care									
2004	135	171	215	371	-20%	\$ 7.3	\$ 5.7	\$ 8.8	\$ 9.8
2005	129	192	559	559	-4%	\$ 7.8	\$ 7.6	\$ 14.1	\$ 12.5
2006	287	532	434	523	123%	\$ 12.6	\$ 10.7	\$ 9.7	\$ 10.2
2007	471	458	1,081	540	64%	\$ 8.4	\$ 11.7	\$ 14.6	\$ 10.7
2008	400	758	442	288	-15%	\$ 7.8	\$ 8.5	\$ 6.5	\$ 6.8
2009	82				-80%	\$ 3.7			



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2008 Commercial/Multifamily Annual Origination Volume Summation

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