

MBA RESEARCH & ECONOMICS

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS

Q2 2010



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Production

Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations Second Quarter 2010

Second quarter 2010 commercial and multifamily mortgage loan originations were one percent higher than during the same period last year and 35 percent higher than during the first quarter, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

"Borrowing remains light as few commercial property owners are selling or refinancing their properties unless they have to," said Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research. "Life insurers, CMBS conduits and others are back in the market and lending, and rates are at extremely attractive levels. However, low volumes of property sales, depressed property values, stressed cash flows and modest loan maturities are all keeping borrowing to a minimum."

SECOND QUARTER 2010 ONE PERCENT HIGHER THAN SECOND QUARTER 2009

The one percent overall increase in commercial/multifamily lending activity during the second quarter was driven by increases in originations for office and industrial properties. When compared to the second quarter of 2009, the increase included a 183 percent increase in loans for industrial properties, a 180 percent increase

in loans for office properties, an 18 percent increase in loans for hotel properties, a 76 percent decrease in loans for health care properties, a 25 percent decrease in multifamily property loans, and a nine percent decrease in retail property loans.

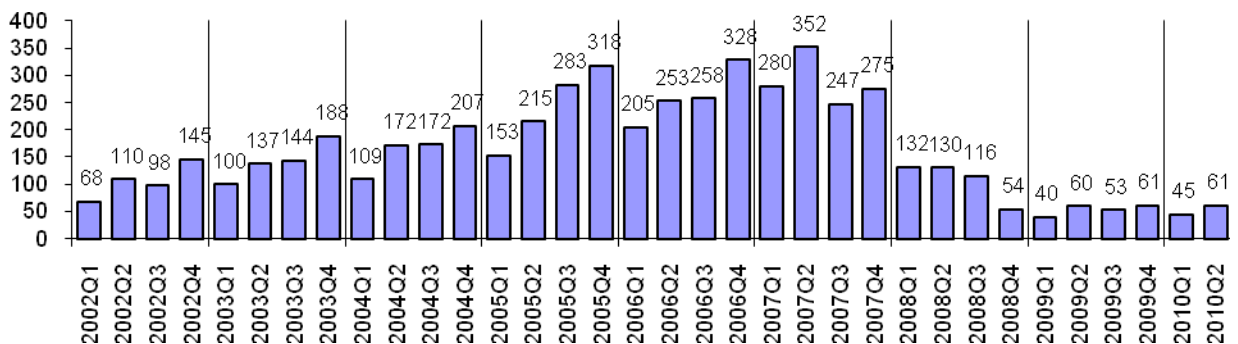
Among investor types, loans for conduits for CMBS saw an increase of 173 percent compared to last year's second quarter. There was also a 148 percent increase in loans for life insurance companies, a 12 percent decrease in loans for commercial bank portfolios, and the dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw a decrease of 55 percent.

SECOND QUARTER 2010 35 PERCENT HIGHER THAN FIRST QUARTER 2010

Second quarter 2010 mortgage originations were 35 percent higher than originations in the first quarter of 2010. Among investor types, loans for conduits for CMBS saw an increase in loan volume of 106 percent compared to the first quarter, loans for life insurance companies saw an increase in loan volume of 57 percent compared to the first quarter, originations for GSEs increased 21 percent from the first quarter to the second quarter of 2010, and loans for commercial bank portfolios decreased by

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



two percent during the same time span.

Compared to the first quarter, second quarter originations for hotel properties saw a 405 percent increase. There was a 114 percent increase for industrial properties, a 107 percent increase for health care properties, a 56 percent increase for office properties, a 38 percent increase for multifamily properties, and an 11 percent decrease for retail properties.

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

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/2Q10CMFOri-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, 2009
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2009

Commercial/Multifamily Mortgage Bankers Originations Index
By Investor Group

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q2-to-Q2	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
TOTAL									
2005	153	215	283	318	25%	\$ 10.1	\$ 11.2	\$ 13.1	\$ 12.3
2006	205	253	258	328	17%	\$ 11.2	\$ 11.1	\$ 13.6	\$ 13.7
2007	280	352	247	275	40%	\$ 13.8	\$ 15.6	\$ 13.3	\$ 16.0
2008	132	130	116	54	-63%	\$ 12.3	\$ 12.3	\$ 10.8	\$ 9.0
2009	40	60	53	61	-54%	\$ 8.4	\$ 11.8	\$ 9.9	\$ 11.0
2010	45	61			1%	\$ 9.2	\$ 11.1		
Conduits									
2005	209	355	445	395	91%	\$ 15.1	\$ 14.8	\$ 16.0	\$ 13.4
2006	283	343	287	519	-3%	\$ 13.6	\$ 15.3	\$ 15.3	\$ 21.1
2007	456	606	206	357	77%	\$ 18.4	\$ 18.4	\$ 14.0	\$ 52.9
2008	19	9	15	6	-98%	\$ 16.0	\$ 16.5	\$ 40.4	\$ 30.9
2009	1	4	2	1	-57%	\$ 5.5	\$ 20.4	\$ 18.2	\$ 12.4
2010	5	11			173%	\$ 45.4	\$ 37.4		
Commercial Banks									
2005	242	420	447	596	83%	\$ 6.5	\$ 12.3	\$ 13.9	\$ 13.8
2006	397	457	543	552	9%	\$ 10.3	\$ 8.6	\$ 15.9	\$ 12.1
2007	316	408	445	521	-11%	\$ 10.0	\$ 15.7	\$ 13.3	\$ 14.0
2008	228	289	129	74	-29%	\$ 11.2	\$ 17.6	\$ 6.0	\$ 8.9
2009	47	49	62	86	-83%	\$ 6.1	\$ 6.1	\$ 6.4	\$ 8.2
2010	45	44			-12%	\$ 4.9	\$ 7.0		
Life Insurance Companies									
2005	138	174	225	274	3%	\$ 8.7	\$ 8.7	\$ 10.1	\$ 8.8
2006	140	206	199	191	18%	\$ 8.7	\$ 9.0	\$ 10.6	\$ 9.1
2007	158	175	222	163	-15%	\$ 9.9	\$ 9.6	\$ 13.0	\$ 9.7
2008	119	128	163	44	-27%	\$ 10.1	\$ 10.7	\$ 13.9	\$ 7.8
2009	41	59	69	93	-54%	\$ 13.4	\$ 12.5	\$ 12.4	\$ 15.6
2010	94	147			148%	\$ 17.0	\$ 16.1		
Fannie Mae/Freddie Mac									
2005	72	89	109	143	-29%	\$ 11.0	\$ 9.0	\$ 10.3	\$ 12.8
2006	94	99	113	138	11%	\$ 12.9	\$ 10.2	\$ 12.4	\$ 11.6
2007	114	112	181	194	14%	\$ 9.8	\$ 10.2	\$ 14.3	\$ 10.9
2008	185	186	208	164	66%	\$ 11.7	\$ 10.1	\$ 13.3	\$ 12.0
2009	136	189	143	122	2%	\$ 11.4	\$ 16.8	\$ 14.8	\$ 13.8
2010	70	85			-55%	\$ 9.8	\$ 11.3		

Commercial/Multifamily Mortgage Bankers Originations Index
By Property Type

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q2-to-Q2	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Multifamily									
2005	116	153	193	234	14%	\$ 10.7	\$ 11.1	\$ 12.3	\$ 13.3
2006	143	166	155	238	9%	\$ 11.6	\$ 11.4	\$ 12.3	\$ 14.2
2007	180	195	176	220	18%	\$ 11.8	\$ 12.5	\$ 11.8	\$ 15.0
2008	132	113	123	83	-42%	\$ 12.6	\$ 11.0	\$ 12.1	\$ 11.4
2009	51	89	74	77	-21%	\$ 9.5	\$ 15.3	\$ 12.9	\$ 12.4
2010	49	67			-25%	\$ 9.4	\$ 11.1		
Office									
2005	158	226	299	346	26%	\$ 13.3	\$ 15.5	\$ 17.4	\$ 17.5
2006	198	255	277	375	13%	\$ 15.4	\$ 14.0	\$ 18.4	\$ 19.6
2007	321	302	191	100	19%	\$ 24.0	\$ 21.1	\$ 17.4	\$ 12.0
2008	79	105	76	28	-65%	\$ 15.7	\$ 19.0	\$ 15.6	\$ 10.8
2009	27	20	33	29	-81%	\$ 9.6	\$ 10.8	\$ 14.9	\$ 15.5
2010	35	55			180%	\$ 13.4	\$ 19.3		
Retail									
2005	198	321	339	445	27%	\$ 7.9	\$ 8.9	\$ 9.5	\$ 9.2
2006	307	343	327	423	7%	\$ 9.3	\$ 8.6	\$ 10.1	\$ 11.6
2007	384	459	264	264	34%	\$ 11.8	\$ 12.1	\$ 10.4	\$ 9.1
2008	181	169	185	47	-63%	\$ 15.8	\$ 13.5	\$ 15.5	\$ 7.5
2009	43	83	71	95	-51%	\$ 11.0	\$ 16.7	\$ 10.8	\$ 13.6
2010	85	75			-9%	\$ 14.5	\$ 10.8		
Industrial									
2005	166	230	325	380	34%	\$ 6.7	\$ 8.3	\$ 9.6	\$ 8.6
2006	222	308	270	392	34%	\$ 8.3	\$ 8.7	\$ 9.8	\$ 10.1
2007	254	286	249	196	-7%	\$ 10.5	\$ 10.2	\$ 10.2	\$ 9.4
2008	161	124	151	48	-57%	\$ 11.6	\$ 9.4	\$ 9.1	\$ 8.8
2009	80	43	64	76	-65%	\$ 18.4	\$ 7.2	\$ 8.9	\$ 11.4
2010	57	123			183%	\$ 9.4	\$ 13.8		
Hotel									
2005	210	515	1,107	563	189%	\$ 13.6	\$ 31.6	\$ 52.0	\$ 21.9
2006	558	681	990	676	32%	\$ 24.8	\$ 28.7	\$ 42.5	\$ 24.6
2007	762	2,931	815	3,035	330%	\$ 31.6	\$ 55.8	\$ 33.8	\$ 199.5
2008	308	371	107	36	-87%	\$ 40.0	\$ 38.5	\$ 23.1	\$ 22.5
2009	36	84	57	74	-77%	\$ 67.5	\$ 29.0	\$ 35.3	\$ 48.7
2010	20	99			18%	\$ 12.3	\$ 47.5		
Health Care									
2005	129	192	559	559	13%	\$ 7.8	\$ 7.6	\$ 14.1	\$ 12.5
2006	287	532	434	523	177%	\$ 12.6	\$ 10.7	\$ 9.7	\$ 10.2
2007	471	458	1,081	540	-14%	\$ 8.4	\$ 11.7	\$ 14.6	\$ 10.7
2008	400	758	442	288	66%	\$ 7.8	\$ 8.5	\$ 6.5	\$ 6.8
2009	82	224	183	289	-70%	\$ 3.7	\$ 4.7	\$ 5.9	\$ 10.7
2010	26	54			-76%	\$ 3.9	\$ 5.1		

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2009 Commercial/Multifamily Annual Origination Volumes Rankings

All Firms (member \$250/nonmember \$350)

2009 Commercial/Multifamily Annual Origination Volume Summation

Member \$75/nonmember \$100

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