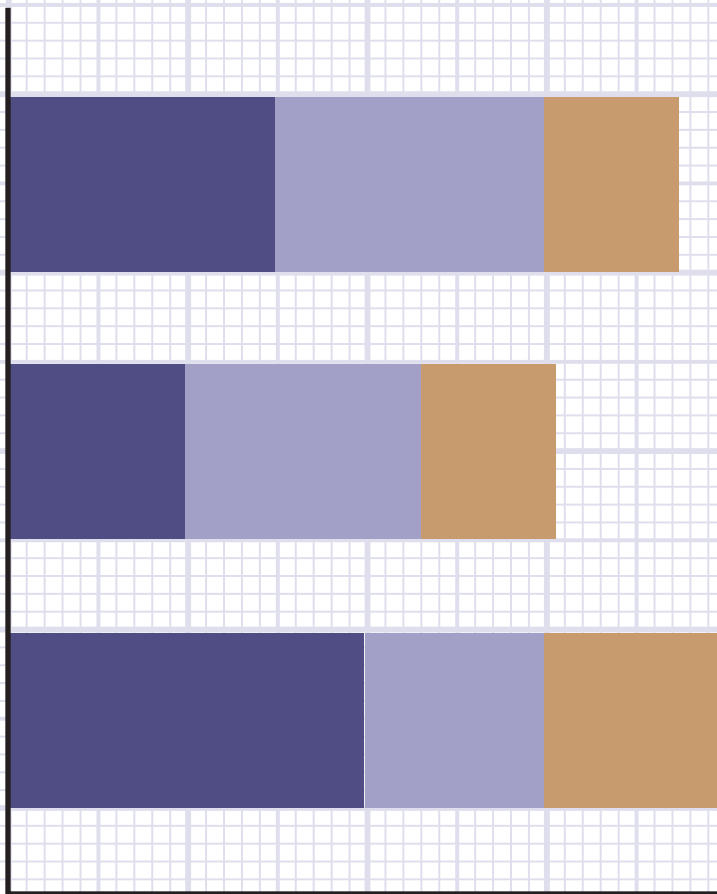


MBA MULTIFAMILY

Q3 2008

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS



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1331 L Street, NW, Washington, DC 20005 (202) 557-2700

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QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS

Production

Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations Third Quarter 2008

Commercial and multifamily mortgage loan originations remained low in the third quarter, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations. Third quarter originations were fifty-three percent lower than during the same period last year. The year-over-year decrease was seen across all property types and most investor groups.

"Uncertainty stemming from the credit crunch, and now the deteriorating economy, has led to a continued pull-back among both lenders and borrowers," said Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research. "The need among most investor groups to conserve capital, and the uncertainty of how the slowing economy will affect property fundamentals, is fueling a prolonged pause in all aspects of commercial real estate activity."

Decreases in total commercial/multifamily mortgage originations continued to be led by a drop in commercial mortgage-backed security (CMBS) conduit loans and loans for commercial bank portfolios. These numbers show the impact of the recent credit crunch and other market disruptions.

THIRD QUARTER 2008 FIFTY-THREE PERCENT LOWER THAN THIRD QUARTER

2007

The decrease in commercial/multifamily lending activity during the third quarter was driven by decreases in originations for all property types. When compared to the third quarter of 2007, the overall 53 percent decrease included an 87 percent decrease in loans for hotel properties, a 61 percent decrease in loans for office properties, a 59 percent decrease in loans for health care properties, a 39 percent decrease in loans for industrial properties, a 30 percent decrease in multifamily property loans, and a 30 decrease in retail property loans.

Among investor types, conduits for CMBS saw a significant decrease of 93 percent compared to last year's third quarter. There was also a 71 percent decrease in loans for commercial bank portfolios, and a 27 percent decrease in loans for life insurance companies. The dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw an increase of 15 percent.

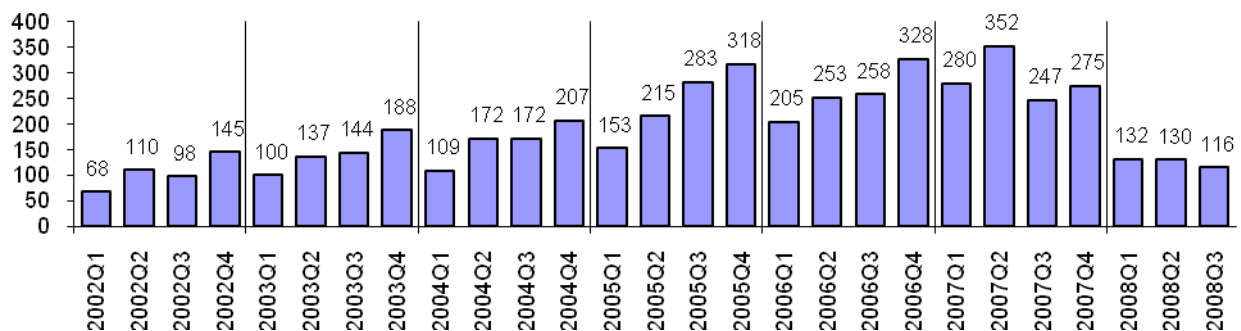
THIRD QUARTER 2008 11 PERCENT LOWER THAN SECOND QUARTER 2008

Third quarter 2008 mortgage originations were 11 percent lower than originations in the second quarter of 2008.

Among investor types, loans for commercial bank portfolios saw a decrease in loan

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



volume of 55 percent compared to the second quarter of 2008, loans for conduits for CMBS saw an increase in loan volume of 67 percent compared to the second quarter of 2008, life insurance companies increased by 27 percent during the same time span, and GSEs volume increased 12 percent from the second quarter 2008 to third quarter 2008. On a quarter-over-quarter basis, the size of the decline in loans for commercial banks overwhelmed increases among other investor groups.

Compared to the second quarter of 2008, third quarter originations for hotel properties saw a 71 percent decrease. There was a 42 percent decrease for health care properties, a 28 percent decrease for office properties, a 22 percent increase for industrial properties, a 9 percent increase for retail properties, and a 9 percent increase for multifamily properties.

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

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/3Q08CMFOiginationsSurvey.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, 2007
- Commercial Real Estate/Multifamily Finance Firms: Annual Origination Volumes, 2007
- 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, Q3-to-Q3	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
TOTAL									
2003	100	137	144	188	47%	\$ 8.4	\$ 8.7	\$ 8.7	\$ 8.8
2004	109	172	172	207	20%	\$ 8.1	\$ 8.5	\$ 9.4	\$ 9.9
2005	153	215	283	318	64%	\$ 10.1	\$ 11.2	\$ 13.1	\$ 12.3
2006	205	253	258	328	-9%	\$ 11.2	\$ 11.1	\$ 13.6	\$ 13.7
2007	280	352	247	275	-4%	\$ 13.8	\$ 15.6	\$ 13.3	\$ 16.0
2008	132	130	116		-53%	\$ 12.3	\$ 12.3	\$ 10.8	
Conduits									
2003	140	202	178	204	36%	\$ 14.9	\$ 15.8	\$ 14.4	\$ 12.0
2004	140	186	183	259	3%	\$ 14.8	\$ 12.7	\$ 11.9	\$ 13.5
2005	209	355	445	395	144%	\$ 15.1	\$ 14.8	\$ 16.0	\$ 13.4
2006	283	343	287	519	-36%	\$ 13.6	\$ 15.3	\$ 15.3	\$ 21.1
2007	456	606	206	357	-28%	\$ 18.4	\$ 18.4	\$ 14.0	\$ 52.9
2008	19	9	15		-93%	\$ 16.0	\$ 16.5	\$ 40.4	
Commercial Banks									
2003	121	138	182	252	65%	\$ 5.5	\$ 4.3	\$ 5.3	\$ 5.3
2004	152	229	337	350	86%	\$ 4.1	\$ 4.0	\$ 6.5	\$ 6.7
2005	242	420	447	596	33%	\$ 6.5	\$ 12.3	\$ 13.9	\$ 13.8
2006	397	457	543	552	22%	\$ 10.3	\$ 8.6	\$ 15.9	\$ 12.1
2007	316	408	445	521	-18%	\$ 10.0	\$ 15.7	\$ 13.3	\$ 14.0
2008	228	289	129		-71%	\$ 11.2	\$ 17.6	\$ 6.0	
Life Insurance Companies									
2003	82	122	149	185	63%	\$ 6.8	\$ 8.1	\$ 8.2	\$ 9.8
2004	106	170	184	188	24%	\$ 8.7	\$ 9.6	\$ 11.8	\$ 9.0
2005	138	174	225	274	22%	\$ 8.7	\$ 8.7	\$ 10.1	\$ 8.8
2006	140	206	199	191	-11%	\$ 8.7	\$ 9.0	\$ 10.6	\$ 9.1
2007	158	175	222	163	11%	\$ 9.9	\$ 9.6	\$ 13.0	\$ 9.7
2008	119	128	163		-27%	\$ 10.1	\$ 10.7	\$ 13.9	
Fannie Mae/Freddie Mac									
2003	58	102	96	148	39%	\$ 7.4	\$ 9.3	\$ 8.7	\$ 9.3
2004	48	124	98	133	3%	\$ 8.1	\$ 10.5	\$ 11.7	\$ 11.7
2005	72	89	109	143	12%	\$ 11.0	\$ 9.0	\$ 10.3	\$ 12.8
2006	94	99	113	138	3%	\$ 12.9	\$ 10.2	\$ 12.4	\$ 11.6
2007	114	112	181	194	61%	\$ 9.8	\$ 10.2	\$ 14.3	\$ 10.9
2008	185	186	208		15%	\$ 11.7	\$ 10.1	\$ 13.3	

Commercial/Multifamily Mortgage Bankers Originations Index
By Property Type

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q3-to-Q3	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Multifamily									
2003	78	138	115	150	29%	\$ 7.8	\$ 10.1	\$ 8.5	\$ 8.2
2004	71	134	133	157	16%	\$ 7.0	\$ 8.4	\$ 9.9	\$ 10.0
2005	116	153	193	234	45%	\$ 10.7	\$ 11.1	\$ 12.3	\$ 13.3
2006	143	166	155	238	-19%	\$ 11.6	\$ 11.4	\$ 12.3	\$ 14.2
2007	180	195	176	220	14%	\$ 11.8	\$ 12.5	\$ 11.8	\$ 15.0
2008	132	113	123		-30%	\$ 12.6	\$ 11.0	\$ 12.1	
Office									
2003	88	120	156	187	66%	\$ 11.1	\$ 11.0	\$ 13.9	\$ 12.3
2004	121	180	194	210	24%	\$ 12.2	\$ 12.4	\$ 13.9	\$ 13.1
2005	158	226	299	346	54%	\$ 13.3	\$ 15.5	\$ 17.4	\$ 17.5
2006	198	255	277	375	-7%	\$ 15.4	\$ 14.0	\$ 18.4	\$ 19.6
2007	321	302	191	100	-31%	\$ 24.0	\$ 21.1	\$ 17.4	\$ 12.0
2008	79	105	76		-61%	\$ 15.7	\$ 19.0	\$ 15.6	
Retail									
2003	153	169	197	268	59%	\$ 8.5	\$ 7.7	\$ 7.7	\$ 9.2
2004	191	253	255	274	29%	\$ 8.7	\$ 8.0	\$ 8.7	\$ 8.3
2005	198	321	339	445	33%	\$ 7.9	\$ 8.9	\$ 9.5	\$ 9.2
2006	307	343	327	423	-3%	\$ 9.3	\$ 8.6	\$ 10.1	\$ 11.6
2007	384	459	264	264	-20%	\$ 11.8	\$ 12.1	\$ 10.4	\$ 9.1
2008	181	169	185		-30%	\$ 15.8	\$ 13.5	\$ 15.5	
Industrial									
2003	81	114	164	192	62%	\$ 5.2	\$ 4.9	\$ 5.9	\$ 6.3
2004	128	172	181	202	10%	\$ 5.9	\$ 5.4	\$ 6.6	\$ 6.5
2005	166	230	325	380	80%	\$ 6.7	\$ 8.3	\$ 9.6	\$ 8.6
2006	222	308	270	392	-17%	\$ 8.3	\$ 8.7	\$ 9.8	\$ 10.1
2007	254	286	249	196	-8%	\$ 10.5	\$ 10.2	\$ 10.2	\$ 9.4
2008	161	124	151		-39%	\$ 11.6	\$ 9.4	\$ 9.1	
Hotel									
2003	213	101	89	172	16%	\$ 42.5	\$ 20.1	\$ 18.5	\$ 18.3
2004	107	178	175	266	97%	\$ 17.3	\$ 21.6	\$ 19.0	\$ 20.0
2005	210	515	1,107	563	532%	\$ 13.6	\$ 31.6	\$ 52.0	\$ 21.9
2006	558	681	990	676	-11%	\$ 24.8	\$ 28.7	\$ 42.5	\$ 24.6
2007	762	2,931	815	3,035	-18%	\$ 31.6	\$ 55.8	\$ 33.8	\$ 199.5
2008	308	371	107		-87%	\$ 40.0	\$ 38.5	\$ 23.1	
Health Care									
2003	169	351	186	339	-5%	\$ 6.8	\$ 9.1	\$ 9.0	\$ 7.2
2004	135	171	215	371	15%	\$ 7.3	\$ 5.7	\$ 8.8	\$ 9.8
2005	129	192	559	559	160%	\$ 7.8	\$ 7.6	\$ 14.1	\$ 12.5
2006	287	532	434	523	-22%	\$ 12.6	\$ 10.7	\$ 9.7	\$ 10.2
2007	471	458	1,081	540	149%	\$ 8.4	\$ 11.7	\$ 14.6	\$ 10.7
2008	400	758	442		-59%	\$ 7.8	\$ 8.5	\$ 6.5	



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2007 Commercial/Multifamily Annual Origination Volumes Rankings

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Regional and Local Firms (member \$250/nonmember \$350)

2007 Commercial/Multifamily Annual Origination Volume Summation

Member \$250/nonmember \$350

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