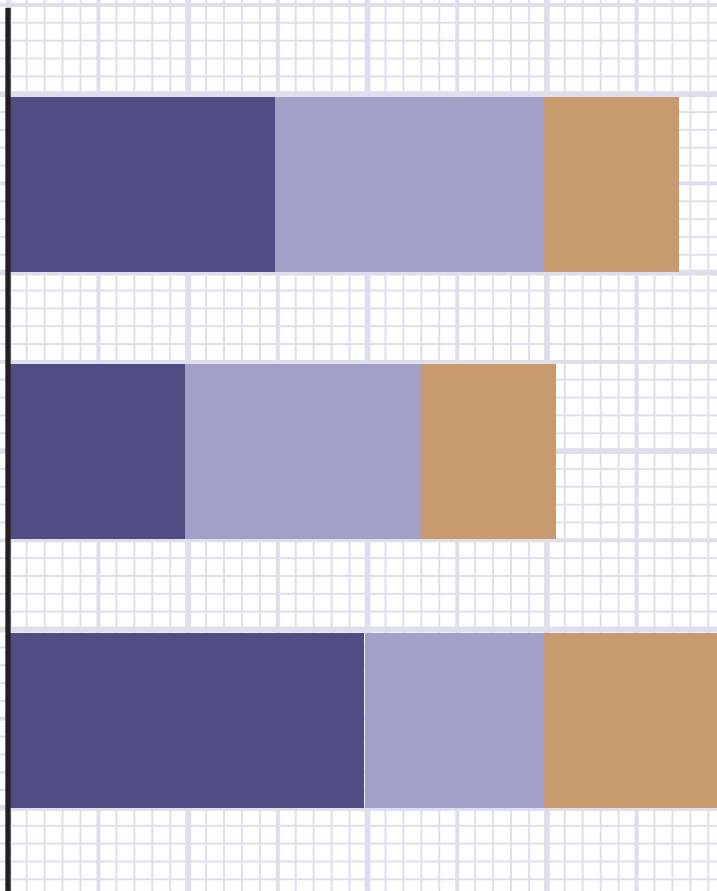


MBA MULTIFAMILY

Q4 2008

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS



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Printed in the United States of America.

QUARTERLY SURVEY OF COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS

Production

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

Commercial and multifamily mortgage loan originations dropped in the fourth quarter, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations. Fourth quarter originations were 80 percent lower than during the same period last year. The year-over-year decrease was seen across all property types and investor groups.

"Commercial and multifamily mortgage lending slowed to a trickle in the fourth quarter," said Jamie Woodwell, Vice President of Commercial Real Estate Research at the Mortgage Bankers Association. "Origination levels in the fourth quarter were 80 percent below last year's fourth quarter, and originations for all of 2008 were down approximately 60 percent from 2007. Between the worsening economy and the continued credit crunch, lenders are extremely cautious about lending and borrowers are likely to hold onto the assets and the loans they already have."

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.

FOURTH QUARTER 2008 80 PERCENT LOWER THAN FOURTH QUARTER 2007

The decrease in commercial/multifamily lending activity during the fourth quarter was driven by decreases in originations for all property types. When compared to the fourth quarter of 2007, the overall 80 percent decrease included a 99 percent decrease in loans for hotel properties, an 82 percent decrease in loans for retail properties, a 76 percent decrease in loans for industrial properties, a 72 percent decrease in loans for office properties, a 62 percent decrease in multifamily property loans, and a 47 decrease in health care property loans.

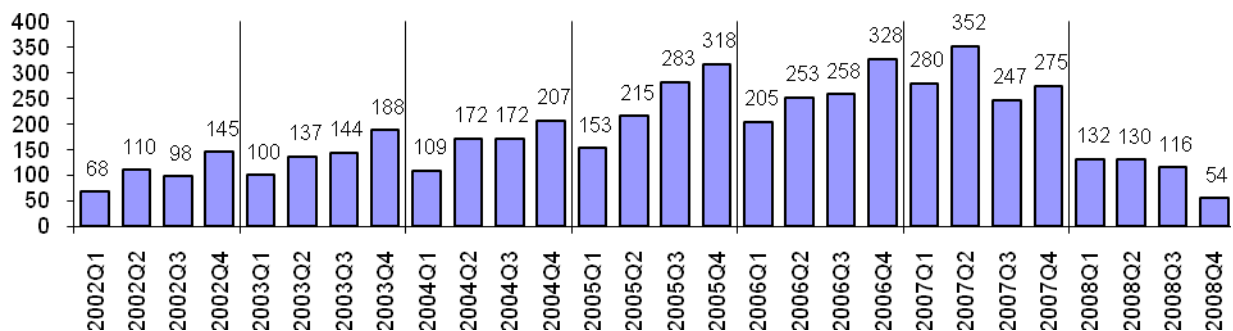
Among investor types, conduits for CMBS saw a significant decrease of 98 percent compared to last year's fourth quarter. There was also an 86 percent decrease in loans for commercial bank portfolios, a 73 percent decrease in loans for life insurance companies, and the dollar volume of loans for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac) saw a decrease of 15 percent.

FOURTH QUARTER 2008 53 PERCENT LOWER THAN THIRD QUARTER 2008

Fourth quarter 2008 mortgage originations were 53 percent lower than originations in the third quarter of 2008.

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



Among investor types, loans for life insurance companies saw a decrease in loan volume of 73 percent compared to the third quarter of 2008, loans for conduits for CMBS saw a decrease in loan volume of 60 percent compared to the third quarter of 2008, commercial banks decreased by 43 percent during the same time span, and GSEs volume decreased 21 percent from the third quarter 2008 to fourth quarter 2008.

Compared to the third quarter of 2008, fourth quarter originations for retail properties saw a 75 percent decrease. There was a 68 percent decrease for industrial properties, a 66 percent decrease for hotel properties, a 63 percent decrease for office properties, a 35 percent decrease for health care properties, and a 33 percent decrease for multifamily properties.

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

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/4Q08CMFOri-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, 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, Q4-to-Q4	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
TOTAL									
2003	100	137	144	188	30%	\$ 8.4	\$ 8.7	\$ 8.7	\$ 8.8
2004	109	172	172	207	10%	\$ 8.1	\$ 8.5	\$ 9.4	\$ 9.9
2005	153	215	283	318	54%	\$ 10.1	\$ 11.2	\$ 13.1	\$ 12.3
2006	205	253	258	328	3%	\$ 11.2	\$ 11.1	\$ 13.6	\$ 13.7
2007	280	352	247	275	-16%	\$ 13.8	\$ 15.6	\$ 13.3	\$ 16.0
2008	132	130	116	54	-80%	\$ 12.3	\$ 12.3	\$ 10.8	\$ 9.0
Conduits									
2003	140	202	178	204	26%	\$ 14.9	\$ 15.8	\$ 14.4	\$ 12.0
2004	140	186	183	259	27%	\$ 14.8	\$ 12.7	\$ 11.9	\$ 13.5
2005	209	355	445	395	52%	\$ 15.1	\$ 14.8	\$ 16.0	\$ 13.4
2006	283	343	287	519	32%	\$ 13.6	\$ 15.3	\$ 15.3	\$ 21.1
2007	456	606	206	357	-31%	\$ 18.4	\$ 18.4	\$ 14.0	\$ 52.9
2008	19	9	15	6	-98%	\$ 16.0	\$ 16.5	\$ 40.4	\$ 30.9
Commercial Banks									
2003	121	138	182	252	80%	\$ 5.5	\$ 4.3	\$ 5.3	\$ 5.3
2004	152	229	337	350	39%	\$ 4.1	\$ 4.0	\$ 6.5	\$ 6.7
2005	242	420	447	596	70%	\$ 6.5	\$ 12.3	\$ 13.9	\$ 13.8
2006	397	457	543	552	-7%	\$ 10.3	\$ 8.6	\$ 15.9	\$ 12.1
2007	316	408	445	521	-6%	\$ 10.0	\$ 15.7	\$ 13.3	\$ 14.0
2008	228	289	129	74	-86%	\$ 11.2	\$ 17.6	\$ 6.0	\$ 8.9
Life Insurance Companies									
2003	82	122	149	185	10%	\$ 6.8	\$ 8.1	\$ 8.2	\$ 9.8
2004	106	170	184	188	2%	\$ 8.7	\$ 9.6	\$ 11.8	\$ 9.0
2005	138	174	225	274	46%	\$ 8.7	\$ 8.7	\$ 10.1	\$ 8.8
2006	140	206	199	191	-30%	\$ 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	-73%	\$ 10.1	\$ 10.7	\$ 13.9	\$ 7.8
Fannie Mae/Freddie Mac									
2003	58	102	96	148	29%	\$ 7.4	\$ 9.3	\$ 8.7	\$ 9.3
2004	48	124	98	133	-10%	\$ 8.1	\$ 10.5	\$ 11.7	\$ 11.7
2005	72	89	109	143	8%	\$ 11.0	\$ 9.0	\$ 10.3	\$ 12.8
2006	94	99	113	138	-4%	\$ 12.9	\$ 10.2	\$ 12.4	\$ 11.6
2007	114	112	181	194	41%	\$ 9.8	\$ 10.2	\$ 14.3	\$ 10.9
2008	185	186	208	164	-15%	\$ 11.7	\$ 10.1	\$ 13.3	\$ 12.0

Commercial/Multifamily Mortgage Bankers Originations Index
By Property Type

	Origination Volume Index (2001 Avg Qtr = 100)				Percent Change, Q4-to-Q4	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Multifamily									
2003	78	138	115	150	6%	\$ 7.8	\$ 10.1	\$ 8.5	\$ 8.2
2004	71	134	133	157	4%	\$ 7.0	\$ 8.4	\$ 9.9	\$ 10.0
2005	116	153	193	234	49%	\$ 10.7	\$ 11.1	\$ 12.3	\$ 13.3
2006	143	166	155	238	2%	\$ 11.6	\$ 11.4	\$ 12.3	\$ 14.2
2007	180	195	176	220	-7%	\$ 11.8	\$ 12.5	\$ 11.8	\$ 15.0
2008	132	113	123	83	-62%	\$ 12.6	\$ 11.0	\$ 12.1	\$ 11.4
Office									
2003	88	120	156	187	45%	\$ 11.1	\$ 11.0	\$ 13.9	\$ 12.3
2004	121	180	194	210	12%	\$ 12.2	\$ 12.4	\$ 13.9	\$ 13.1
2005	158	226	299	346	65%	\$ 13.3	\$ 15.5	\$ 17.4	\$ 17.5
2006	198	255	277	375	8%	\$ 15.4	\$ 14.0	\$ 18.4	\$ 19.6
2007	321	302	191	100	-73%	\$ 24.0	\$ 21.1	\$ 17.4	\$ 12.0
2008	79	105	76	28	-72%	\$ 15.7	\$ 19.0	\$ 15.6	\$ 10.8
Retail									
2003	153	169	197	268	46%	\$ 8.5	\$ 7.7	\$ 7.7	\$ 9.2
2004	191	253	255	274	2%	\$ 8.7	\$ 8.0	\$ 8.7	\$ 8.3
2005	198	321	339	445	63%	\$ 7.9	\$ 8.9	\$ 9.5	\$ 9.2
2006	307	343	327	423	-5%	\$ 9.3	\$ 8.6	\$ 10.1	\$ 11.6
2007	384	459	264	264	-38%	\$ 11.8	\$ 12.1	\$ 10.4	\$ 9.1
2008	181	169	185	47	-82%	\$ 15.8	\$ 13.5	\$ 15.5	\$ 7.5
Industrial									
2003	81	114	164	192	5%	\$ 5.2	\$ 4.9	\$ 5.9	\$ 6.3
2004	128	172	181	202	5%	\$ 5.9	\$ 5.4	\$ 6.6	\$ 6.5
2005	166	230	325	380	88%	\$ 6.7	\$ 8.3	\$ 9.6	\$ 8.6
2006	222	308	270	392	3%	\$ 8.3	\$ 8.7	\$ 9.8	\$ 10.1
2007	254	286	249	196	-50%	\$ 10.5	\$ 10.2	\$ 10.2	\$ 9.4
2008	161	124	151	48	-76%	\$ 11.6	\$ 9.4	\$ 9.1	\$ 8.8
Hotel									
2003	213	101	89	172	102%	\$ 42.5	\$ 20.1	\$ 18.5	\$ 18.3
2004	107	178	175	266	54%	\$ 17.3	\$ 21.6	\$ 19.0	\$ 20.0
2005	210	515	1,107	563	112%	\$ 13.6	\$ 31.6	\$ 52.0	\$ 21.9
2006	558	681	990	676	20%	\$ 24.8	\$ 28.7	\$ 42.5	\$ 24.6
2007	762	2,931	815	3,035	349%	\$ 31.6	\$ 55.8	\$ 33.8	\$ 199.5
2008	308	371	107	36	-99%	\$ 40.0	\$ 38.5	\$ 23.1	\$ 22.5
Health Care									
2003	169	351	186	339	29%	\$ 6.8	\$ 9.1	\$ 9.0	\$ 7.2
2004	135	171	215	371	9%	\$ 7.3	\$ 5.7	\$ 8.8	\$ 9.8
2005	129	192	559	559	51%	\$ 7.8	\$ 7.6	\$ 14.1	\$ 12.5
2006	287	532	434	523	-7%	\$ 12.6	\$ 10.7	\$ 9.7	\$ 10.2
2007	471	458	1,081	540	3%	\$ 8.4	\$ 11.7	\$ 14.6	\$ 10.7
2008	400	758	442	288	-47%	\$ 7.8	\$ 8.5	\$ 6.5	\$ 6.8



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2007 Commercial/Multifamily Annual Origination Volume Summation

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