

MBA COMMERCIAL REAL ESTATE/MULTIFAMILY FINANCE

**QUARTERLY SURVEY OF
COMMERCIAL/MULTIFAMILY
MORTGAGE BANKERS ORIGINATIONS**

Q4 2010



© 2011 Mortgage Bankers Association (MBA). All rights reserved, except as explicitly granted.
1717 Rhode Island Avenue, NW, Washington, DC 20036 • (202) 557-2700

This data is provided by MBA solely for use as a reference. No part of the survey or data may be reproduced, stored in a retrieval system, transmitted or redistributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without MBA's prior written consent.

Disclaimer

Although the MBA takes great care in producing this and all related data products, the MBA does not guarantee that the information is accurate, current or suitable for any particular purpose. The referenced data are provided on an "as is" basis, with no warranties of any kind whatsoever, either express or implied, including, but not limited to, any warranties of title or accuracy or any implied warranties of merchantability or fitness for a particular purpose. Use of the data is at the user's sole risk. In no event will MBA be liable for any damages whatsoever arising out of or related to the data, including, but not limited to direct, indirect, incidental, special, consequential or punitive damages, whether under a contract, tort or any other theory of liability, even if MBA is aware of the possibility of such damages.

MBA COMMERCIAL REAL ESTATE/MULTIFAMILY FINANCE

QUARTERLY SURVEY OF
COMMERCIAL/MULTIFAMILY
MORTGAGE BANKERS ORIGINATIONS

Q4 2010



Production

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

Mortgage bankers originated \$110 billion of commercial and multifamily mortgages during 2010 – an increase of 36 percent from 2009, according to preliminary estimates based on the Mortgage Bankers Association’s (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

Life insurance companies were a leading source of lending in 2010, with origination volumes 155 percent higher than 2009 levels. Fannie Mae, Freddie Mac and FHA/Ginnie Mae also saw strong volumes, with increases in production for FHA/Ginnie Mae offsetting a decline in production for Fannie Mae/Freddie Mac. Originations for commercial banks saw a year-over-year decline, while originations for CMBS conduits increased more than 10-fold.

“Commercial and multifamily mortgage originations jumped 63 percent in the fourth quarter, pulling the annual total for 2010 up to a preliminary estimate of \$110 billion,” said Jamie Woodwell, MBA’s Vice President of Commercial Real Estate Research. “Life companies and FHA led the increase in

dollar volumes, but a large percentage increase in originations for CMBS is likely the most symbolic change from last year.”

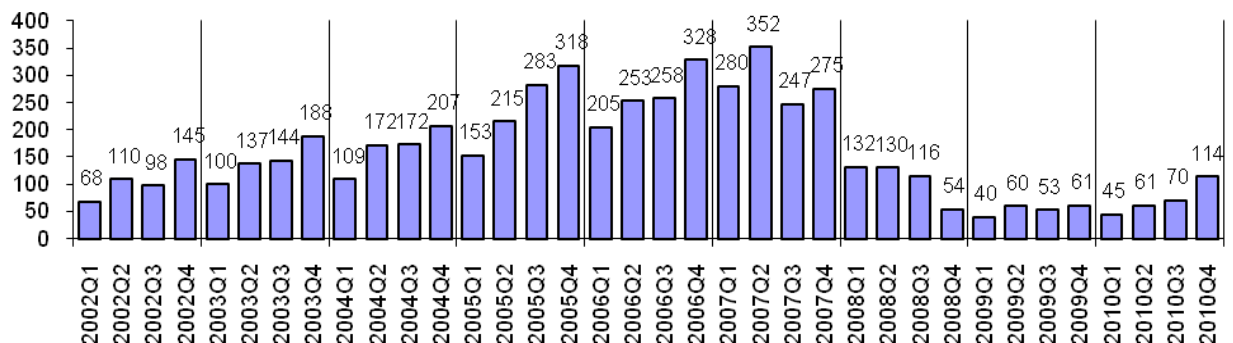
FOURTH QUARTER 2010 EIGHTY-EIGHT PERCENT HIGHER THAN FOURTH QUARTER 2009

The 88 percent overall increase in commercial/multifamily lending activity between the fourth quarter of 2009 and the fourth quarter of 2010 was driven by increases in originations for office and hotel properties. When compared to the fourth quarter of 2009, the increase included a 170 percent increase in loans for office properties, a 169 percent increase in loans for hotel properties, a 98 percent increase in loans for industrial properties, a 94 percent increase in loans for retail properties, an 81 percent increase in multifamily property loans, and a 4 percent increase in health care property loans.

Among investor types, loans for conduits for CMBS saw a 60-fold increase compared to last year’s fourth quarter. There was also a 170 percent increase in loans for life insurance companies, a 65 percent increase

Commercial/Multifamily Mortgage Bankers Originations Index

2001 quarterly average = 100



for Government Sponsored Enterprises (or GSEs – Fannie Mae and Freddie Mac), and loans originated for commercial bank portfolios saw a decrease of 25 percent.

FOURTH QUARTER 2010 SIXTY-THREE PERCENT HIGHER THAN THIRD QUARTER 2010

Fourth quarter 2010 mortgage originations were 63 percent higher than originations in the third quarter of 2010. Origination volumes typically grow over the course of the year, and changes between the third and fourth quarters are likely driven at least in part by seasonal factors. Among investor types, loans for conduits for CMBS saw an increase in loan volume of 298 percent compared to the third quarter, originations for commercial bank portfolios increased 102 percent from the third quarter to the fourth quarter of 2010, loans for GSEs saw an increase in loan volume of 68 percent, and loans for life insurance companies increased by 42 percent during the same time span.

Compared to the third quarter, fourth quarter originations for hotel properties saw a 333 percent increase. There was a 204 percent increase for health care properties, a 119 percent increase for retail properties, a 76 percent increase for office properties, a 38 percent increase for multifamily properties, and a 3 percent increase for industrial properties.

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

<http://www.mortgagebankers.org/files/Research/CommercialOriginations/4Q10CMFOriginationsSurvey.pdf>

MBA will release detailed figures on 2010 commercial/multifamily origination volumes at the end of March in its Annual Origination Summation report.

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, Q4-to-Q4	Average Loan Size (\$millions)			
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
TOTAL									
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
2009	40	60	53	61	12%	\$ 8.4	\$ 11.8	\$ 9.9	\$ 11.0
2010	45	61	70	114	88%	\$ 9.2	\$ 11.1	\$ 10.5	\$ 13.0
Conduits									
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
2009	1	4	2	1	-82%	\$ 5.5	\$ 20.4	\$ 18.2	\$ 12.4
2010	5	11	16	62	6110%	\$ 45.4	\$ 37.4	\$ 30.5	\$ 69.6
Commercial Banks									
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
2009	47	49	62	86	17%	\$ 6.1	\$ 6.1	\$ 6.4	\$ 8.2
2010	45	44	32	64	-25%	\$ 4.9	\$ 7.0	\$ 4.9	\$ 7.6
Life Insurance Companies									
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
2009	41	59	69	93	112%	\$ 13.4	\$ 12.5	\$ 12.4	\$ 15.6
2010	94	147	176	250	170%	\$ 17.0	\$ 16.1	\$ 15.5	\$ 17.0
Fannie Mae/Freddie Mac									
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
2009	136	189	143	122	-26%	\$ 11.4	\$ 16.8	\$ 14.8	\$ 13.8
2010	70	85	120	202	65%	\$ 9.8	\$ 11.3	\$ 12.6	\$ 13.5

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									
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
2009	51	89	74	77	-8%	\$ 9.5	\$ 15.3	\$ 12.9	\$ 12.4
2010	49	67	101	138	81%	\$ 9.4	\$ 11.1	\$ 12.6	\$ 13.0
Office									
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
2009	27	20	33	29	4%	\$ 9.6	\$ 10.8	\$ 14.9	\$ 15.5
2010	35	55	45	79	170%	\$ 13.4	\$ 19.3	\$ 14.6	\$ 16.5
Retail									
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
2009	43	83	71	95	101%	\$ 11.0	\$ 16.7	\$ 10.8	\$ 13.6
2010	85	75	84	184	94%	\$ 14.5	\$ 10.8	\$ 11.0	\$ 18.9
Industrial									
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
2009	80	43	64	76	59%	\$ 18.4	\$ 7.2	\$ 8.9	\$ 11.4
2010	57	123	145	150	98%	\$ 9.4	\$ 13.8	\$ 14.6	\$ 12.6
Hotel									
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
2009	36	84	57	74	105%	\$ 67.5	\$ 29.0	\$ 35.3	\$ 48.7
2010	20	99	46	198	169%	\$ 12.3	\$ 47.5	\$ 22.0	\$ 50.6
Health Care									
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
2009	82	224	183	289	1%	\$ 3.7	\$ 4.7	\$ 5.9	\$ 10.7
2010	26	54	99	301	4%	\$ 3.9	\$ 5.1	\$ 9.3	\$ 20.7



Purchase ground-breaking,
comprehensive mortgage
origination information.

2009 Commercial/Multifamily Annual Origination Volumes Rankings

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

2009 Commercial/Multifamily Annual Origination Volume Summation

Member \$75/nonmember \$100

2009 Annual Report On Multifamily Lending

Member \$75/nonmember \$150

To purchase these products please visit: <http://store.mortgagebankers.org>
and view under Market and Research Data.

To subscribe, order or participate, call **(800) 348-8653**,
or visit www.mortgagebankers.org/research