

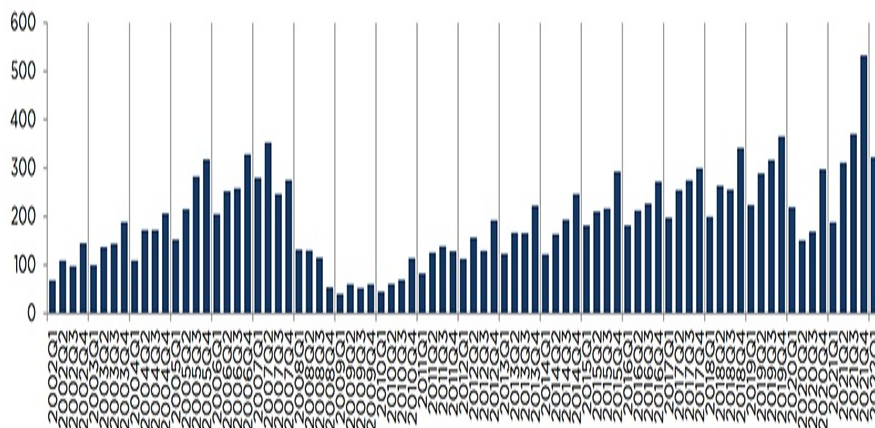


Commercial and Multifamily Lending Surged in Q1

The volume of commercial and multifamily mortgage loan originations **jumped 72 percent** in the first quarter of 2022 compared to a year earlier. The Mortgage Bankers Association (MBA) said lenders reported **solid increases** in all categories of that lending with hotel properties leading the way at 359 percent. While multifamily lending was in fifth place, it still grew 57 percent, behind industrial properties at 145 percent, retail and health care properties (88 and 81 percent, respectively.) Office properties lending increased 30 percent.

Commercial and multifamily loan volume was down by 39 percent compared to the fourth quarter of 2021, but MBA said the quarter-over-quarter change was in line with seasonal trends.

Commercial/Multifamily Mortgage Bankers Originations Index
2001 quarterly average = 100



“The strong momentum in commercial and multifamily borrowing and lending at the end of 2021 carried into the first quarter,” said Jamie Woodwell, MBA’s Vice President of Commercial Real Estate Research. “The continued growth in lending activity is the result of the **ongoing strong demand for certain property types like industrial and multifamily**, as well as renewed interest in other property types that saw more dramatic declines during the early stages of the pandemic, such as hotel and retail.”

“It’s likely that the rise in interest rates will take some wind out of the sails of borrowing in upcoming quarters, but strong market fundamentals, property values and investor interest should continue to support the market,” he said.

Activity also accelerated for all investor types with the dollar volume of loans originated for depositories gaining the most at 194 percent year-over-year. Life insurance company portfolios grew 81 percent, investor-driven lenders investment rose 77 percent, and Commercial Mortgage-Backed Securities (CMBS) increased 56 percent. However, investment by Fannie Mae and Freddie Mac (the GSEs) rose only 1 percent.

The **largest quarter-over-quarter decline** in originations was in the **office category**, down 48 percent. Multifamily lending fell 41 percent, hotels 38 percent, retail 32 percent, and industrial 29 percent. The only increase from the 4th quarter was for health care properties which rose by 17 percent.



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Among investor types, the dollar volume of loans for CMBS decreased 61 percent, loans for depositories declined 41 percent, originations for GSEs were down 39 percent, investor-driven lenders decreased 30 percent, and life insurance company loans decreased 23 percent.