

CRE Mortgage Lending Inches Upward in Q2

By Paul Bubny

Commercial and multifamily mortgage loan originations increased 3% overall in the second quarter of 2024 compared to a year ago, and increased 27% from Q1 2024, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations. However, the level of increase or decrease varied widely among property types.

According to MBA, there was an 172% year-over-year increase in the dollar volume of loans for hotel properties, a 77% increase for industrial properties and a 50% increase for healthcare properties. Retail property originations decreased 7%, multifamily originations decreased 14% and there was a 29% decrease for office properties.

"Borrowing and lending backed by commercial real estate remained subdued in the second quarter," said Jamie Woodwell, MBA's head of commercial real estate research. "Most capital sources remain ready, willing and able to lend on properties that can support a loan. Driven by growth in the single-asset single-borrower markets, originations for CMBS grew significantly during the quarter."

He added, "With interest rates moderating and a large slug of loans maturing, it is likely we'll see more borrower activity in the coming quarters."