

# Commercial/Multifamily Real Estate Finance Update

April 16, 2008

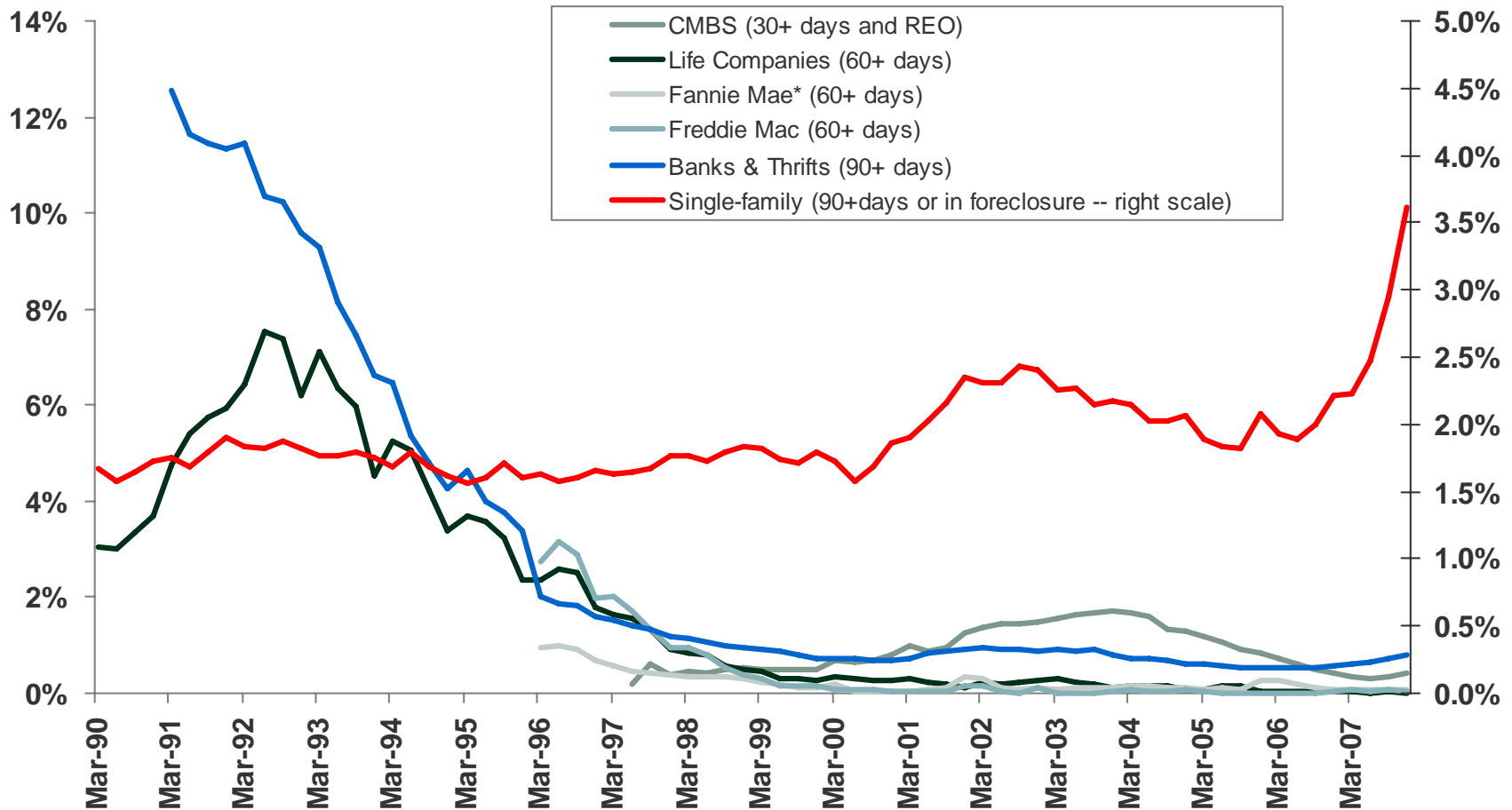
**Jamie Woodwell**

Mortgage Bankers Association

# Commercial/Multifamily Mortgage Delinquency Rates Among Major Investor Groups and Single-family Delinquency Rate

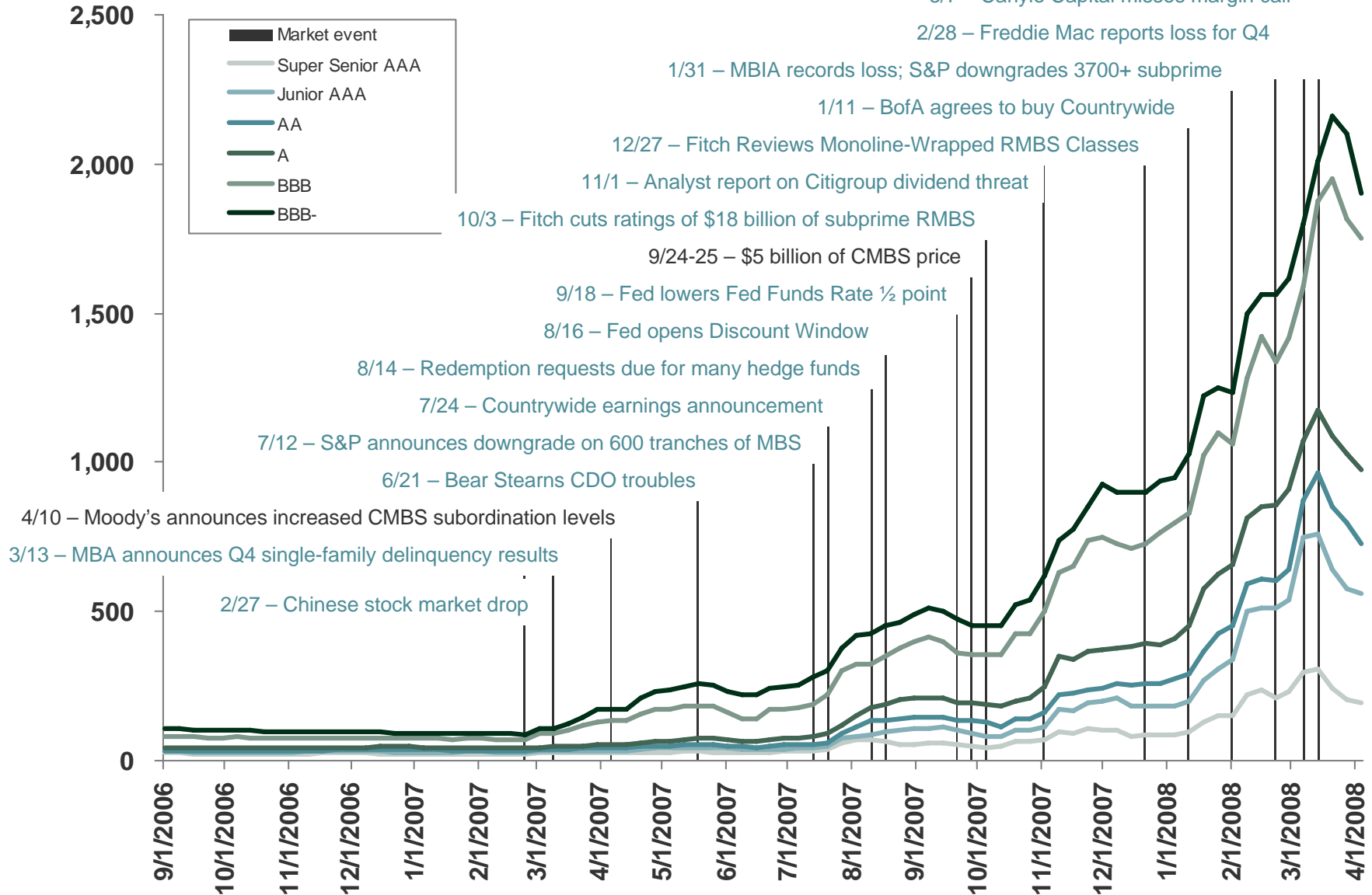


NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.

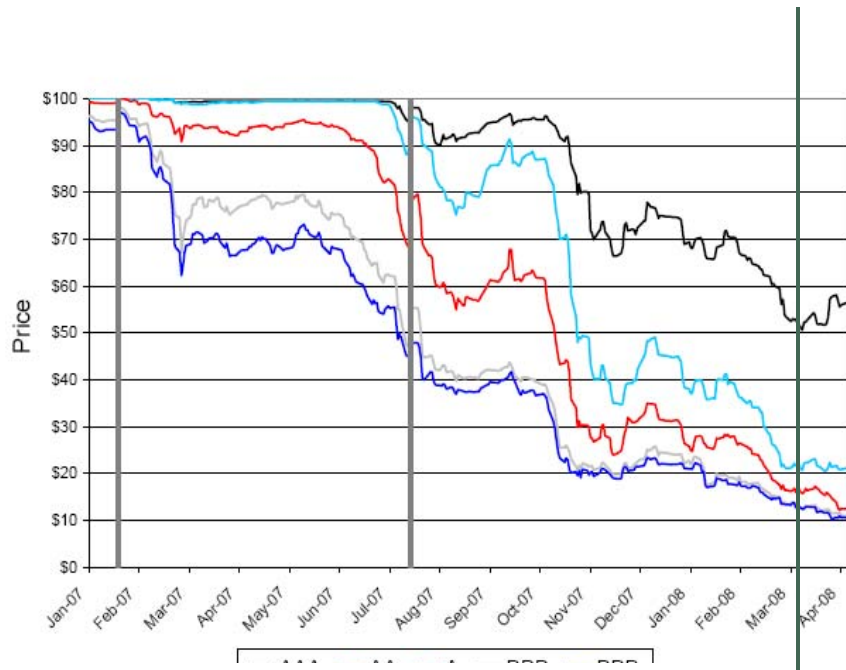


Sources: Mortgage Bankers Association Wachovia Capital Markets, LLC and Intex Solutions, Inc., American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation. Data are available for life companies and FDIC-insured banks and thrifts since 1990 and 1991, Fannie Mae and Freddie Mac since 1996 and CMBS since 1997. December figures are not available from Fannie Mae for the years 2000 to 2004. Figures for November are used instead. Prior to 1996, bank and thrift figures are for banks only and also include construction and land loans.

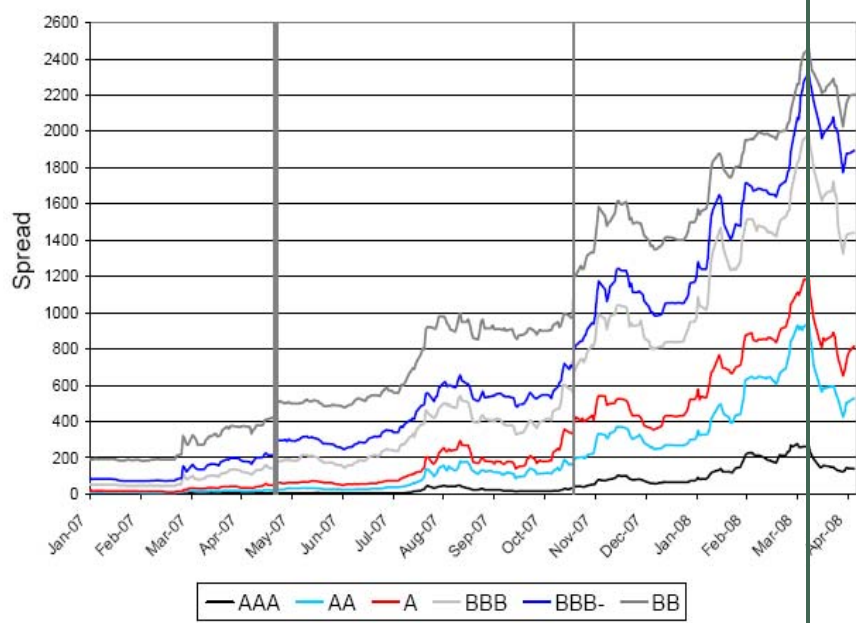
# CMBS Spreads to Swaps (in Basis Points)



ABX on-the-run dollar prices



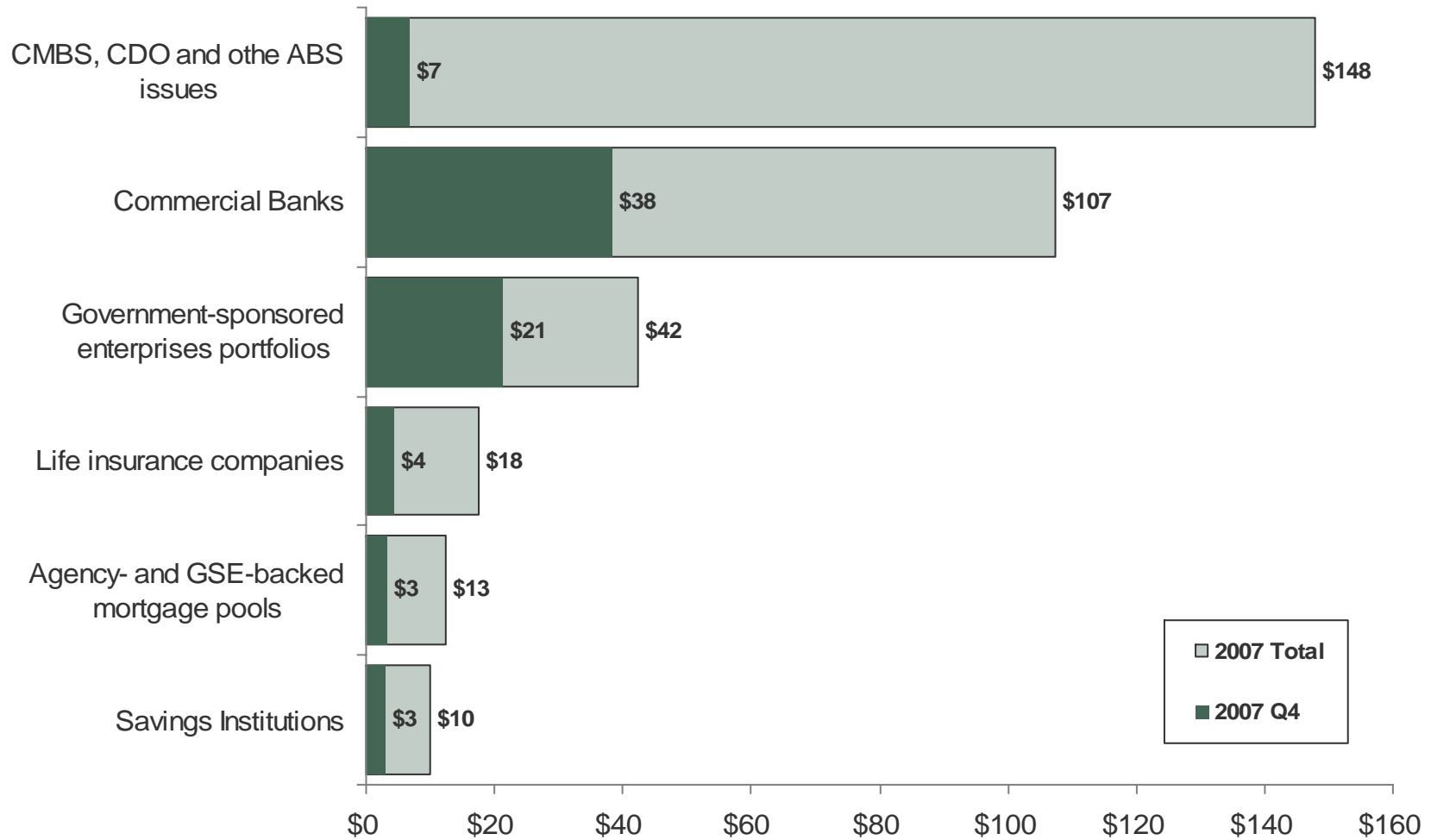
CMBX on-the-run spreads



## ABX Prices and CMBX Spreads

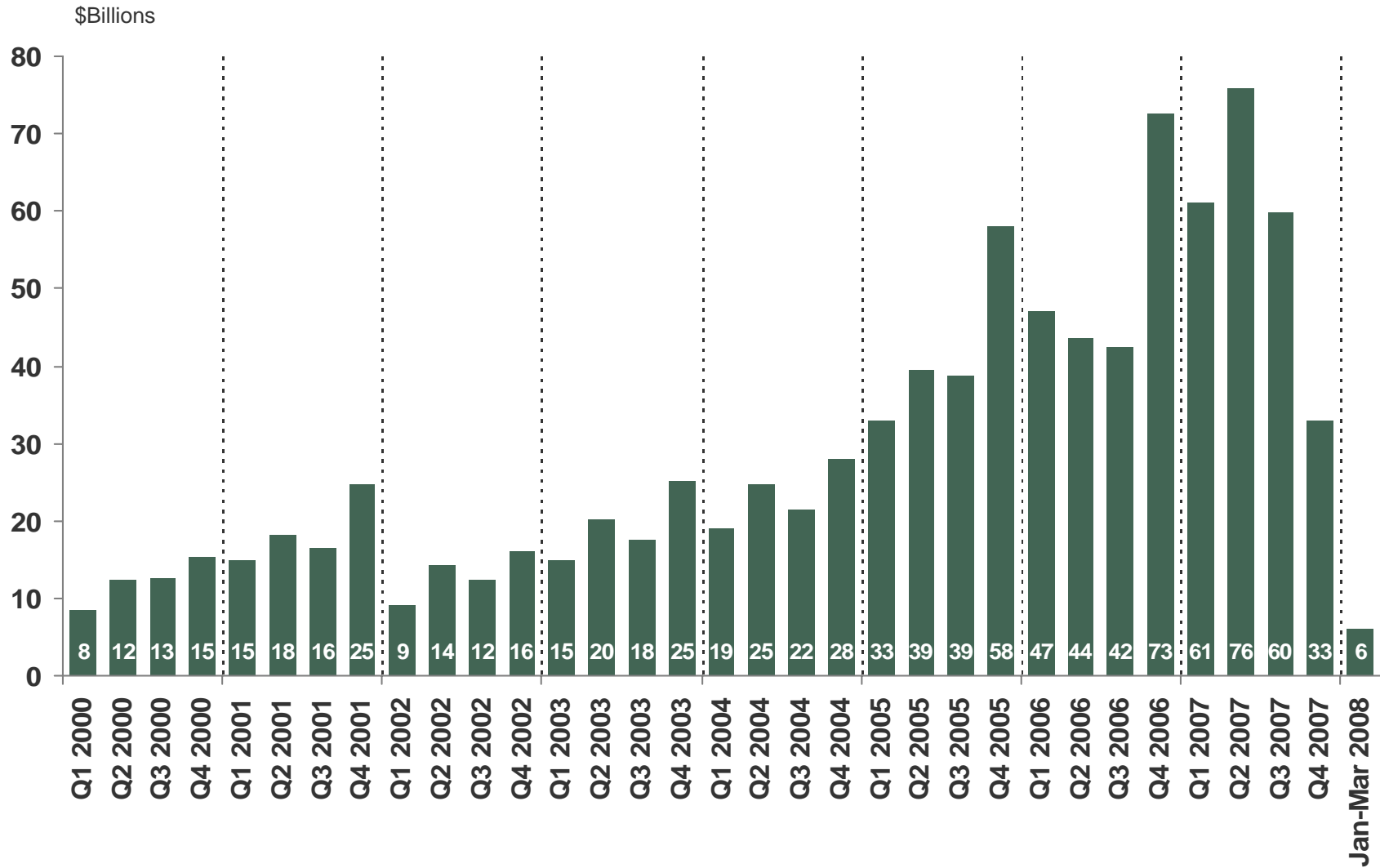
Source: Markit, Banc of America Securities LLC.

# Net Change in Commercial/Multifamily Mortgage Debt Outstanding, for Selected Investor Groups, Q4 and Full year 2007



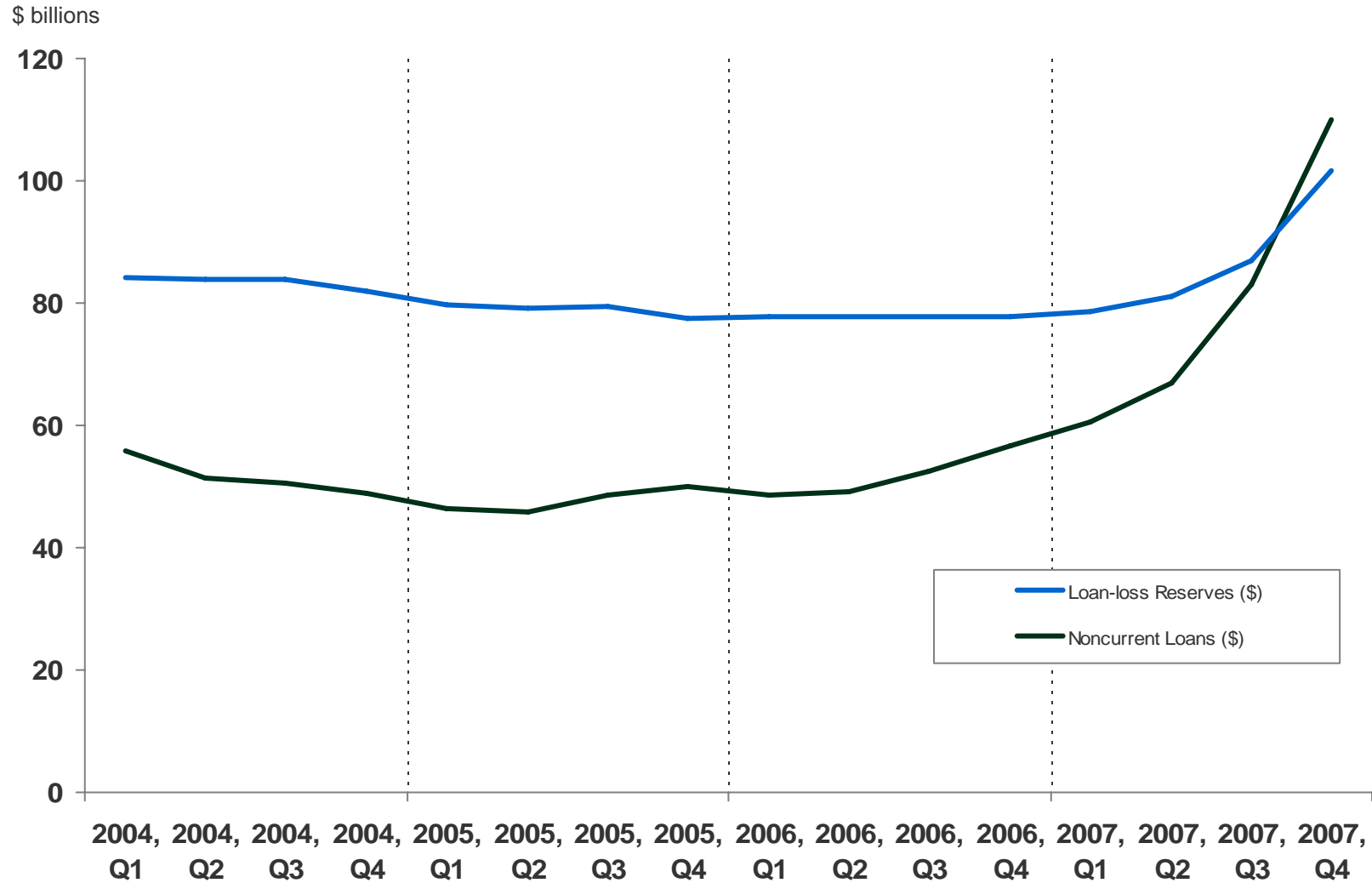
Source: Federal Reserve Board

# CMBS Issuance

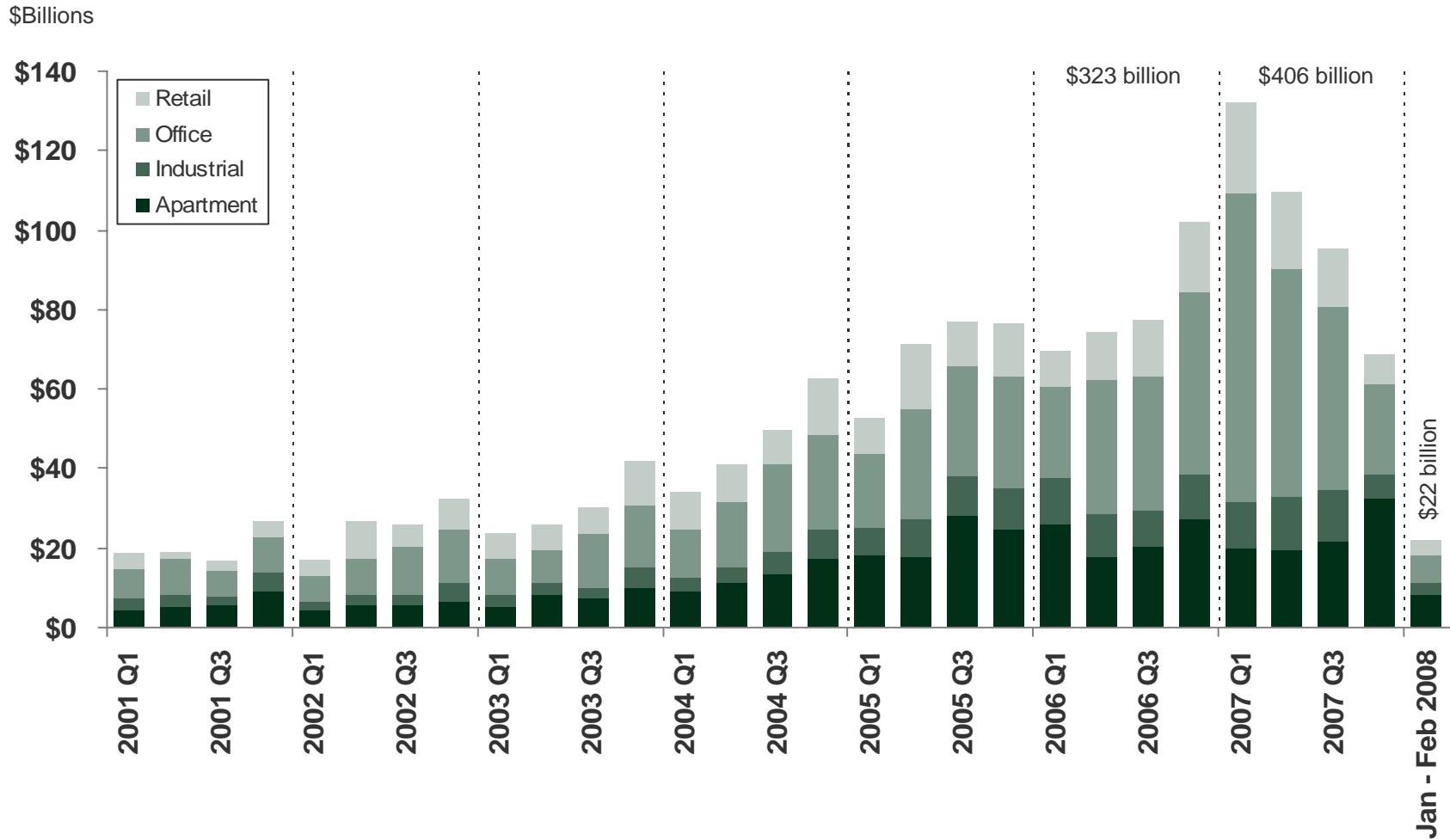


Source: CMAAlert.com

# Non-current Loans and Loan Loss Reserves at FDIC-insured Institutions

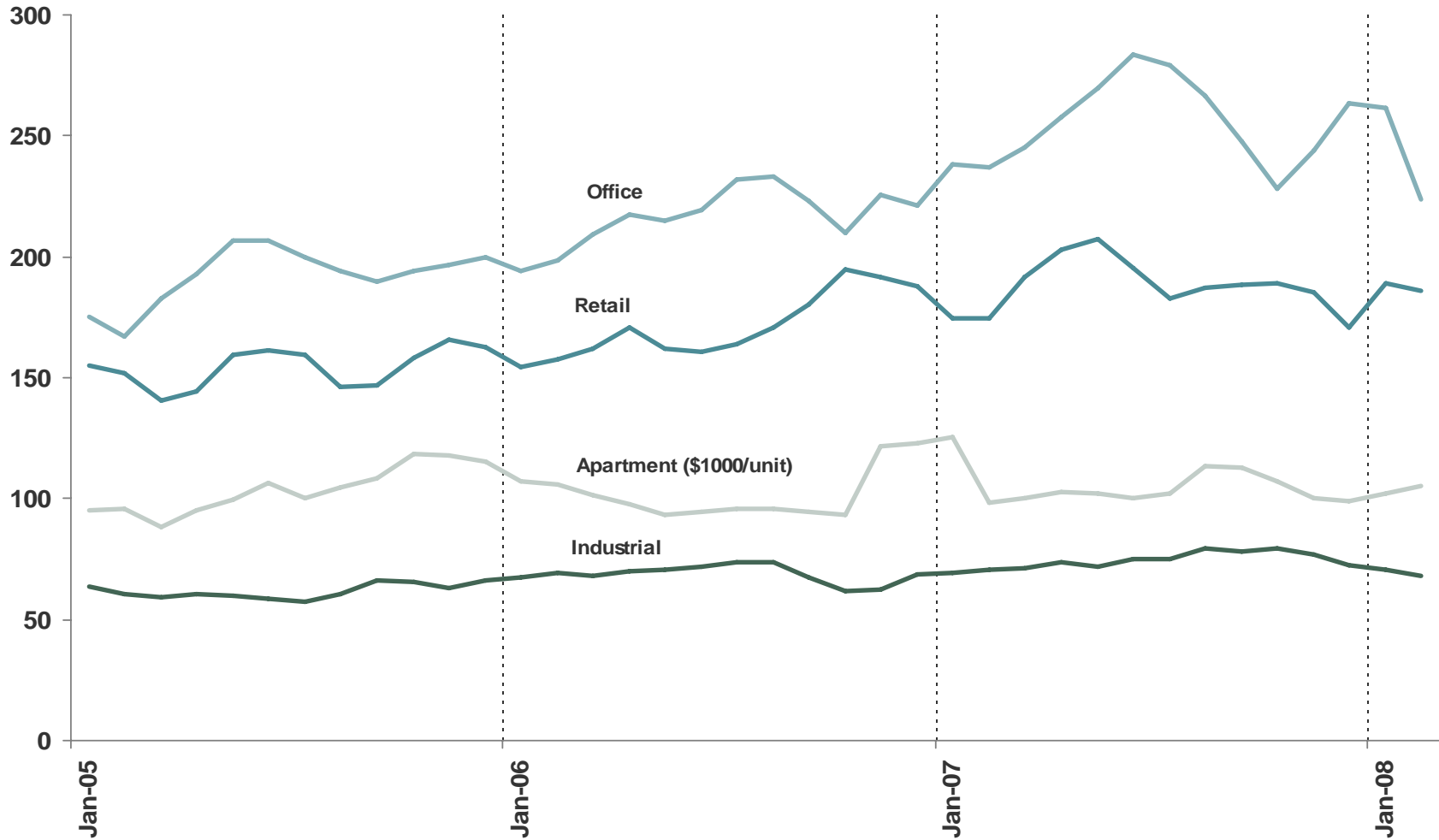


# Commercial/Multifamily Property Sales Volume Properties and portfolios \$5 million and greater



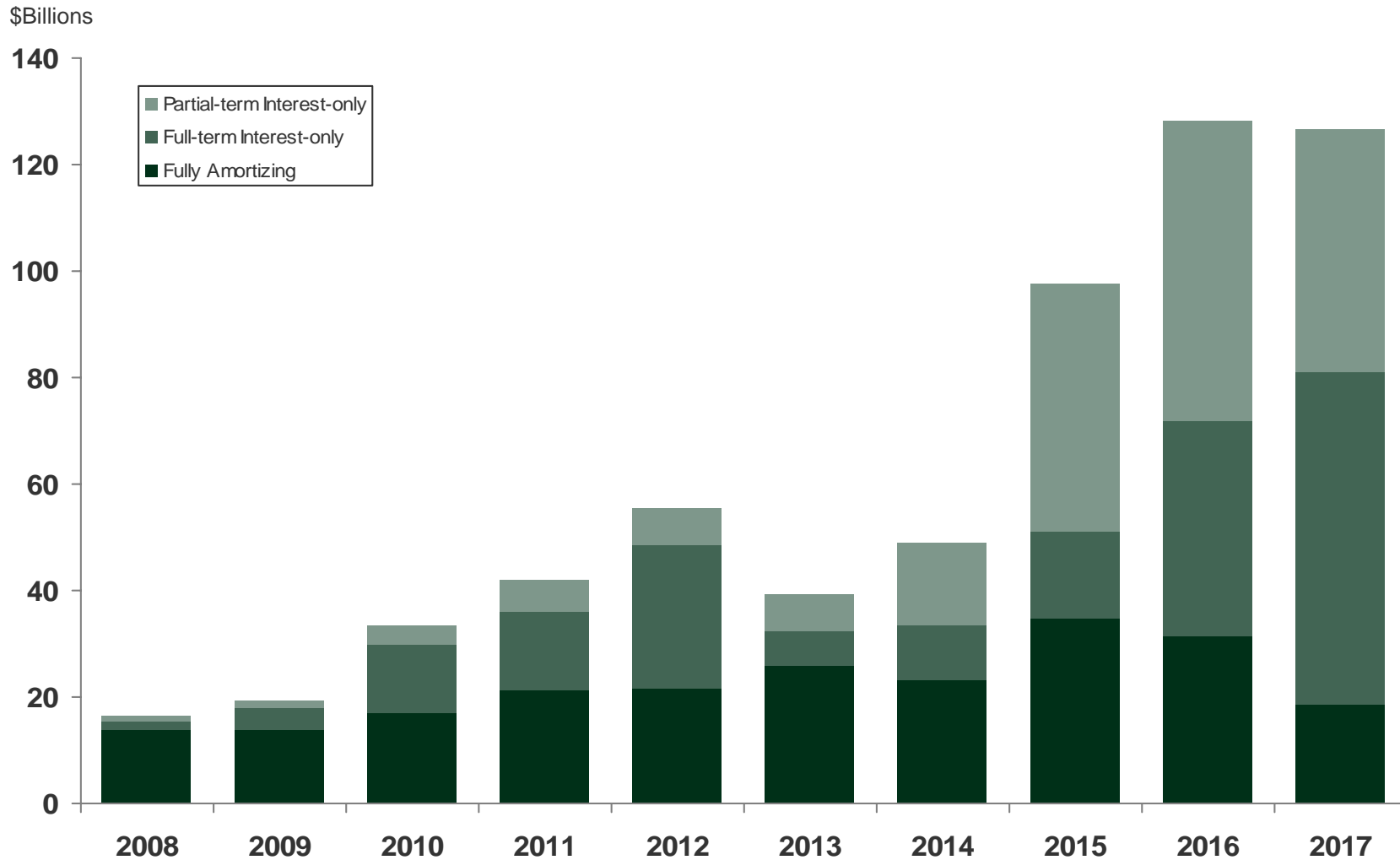
Source: Real Capital Analytics

# Property Prices Per Sq. Ft. (or \$1000/unit) Properties and Portfolios \$5 Million and Greater



Source: Real Capital Analytics

# Volume of Maturing CMBS Fixed-rate Conduit Mortgages



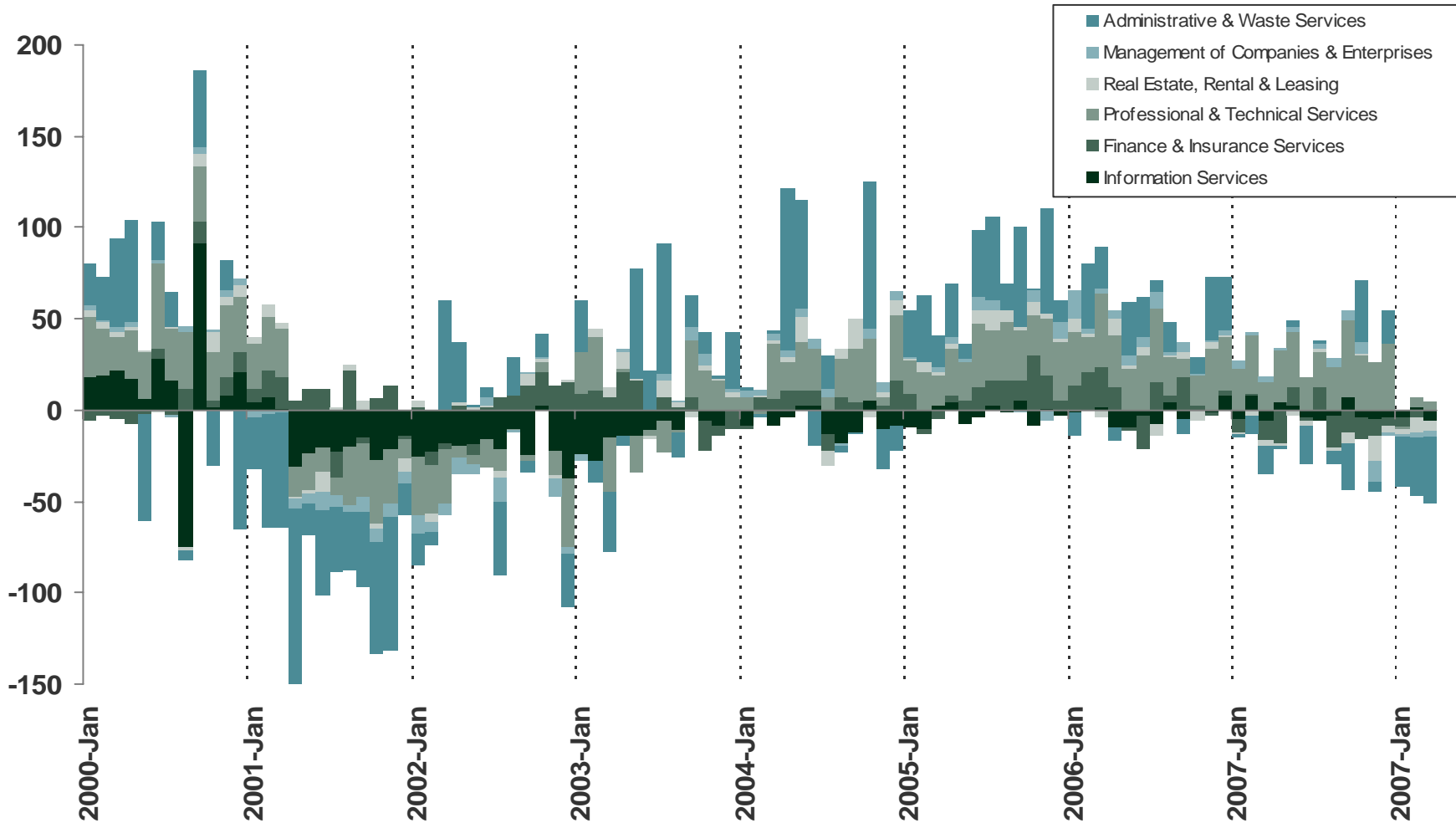
Source: JPMorgan

## **The Economy & Demand for Space**

# Month-over-month Change in Selected Office-demanding Industries

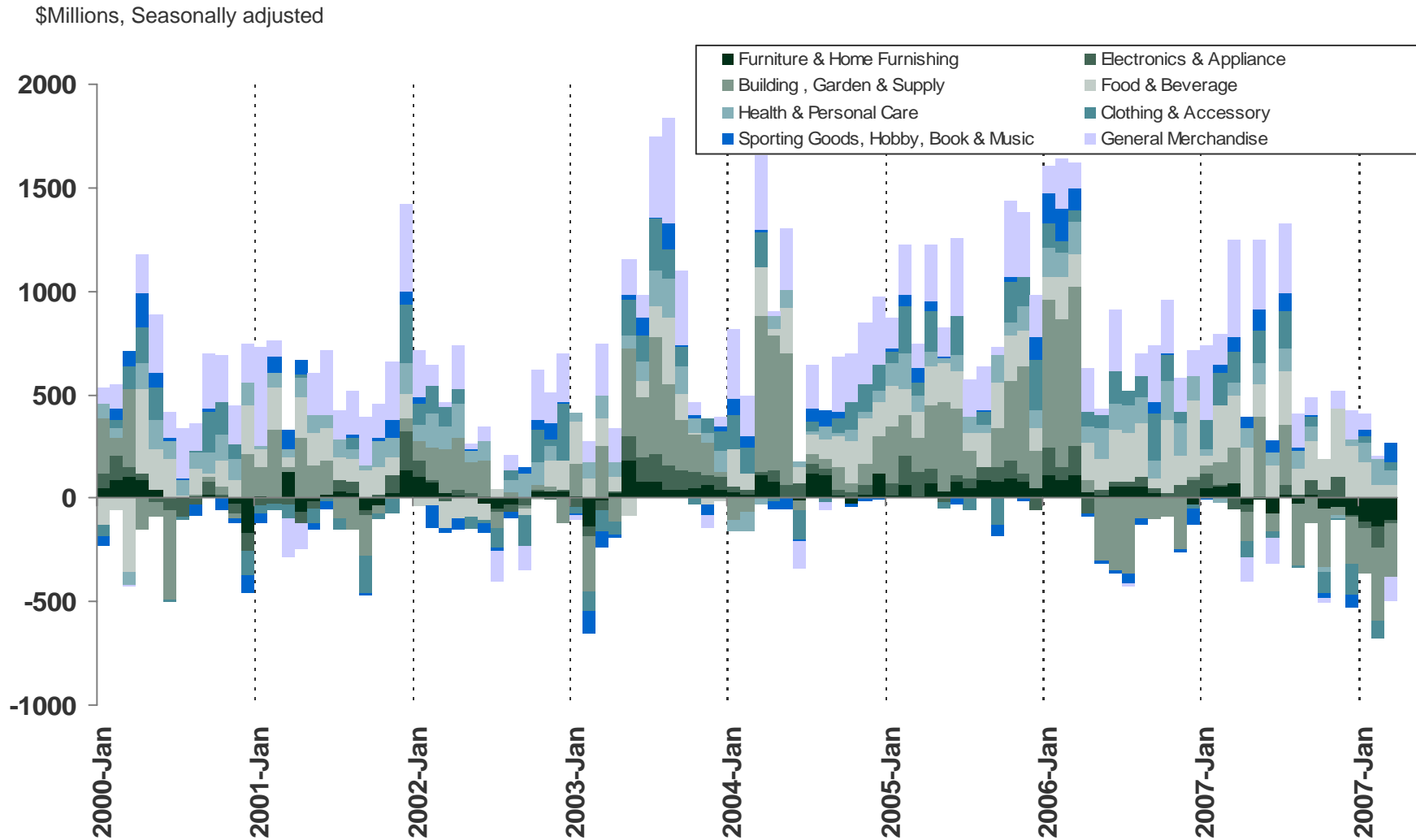


Thousands of jobs, Seasonally adjusted



Source: Bureau of Labor Statistics.

# 3-month Simple Moving Average of Month-over-Month Change in Selected Retail Sales

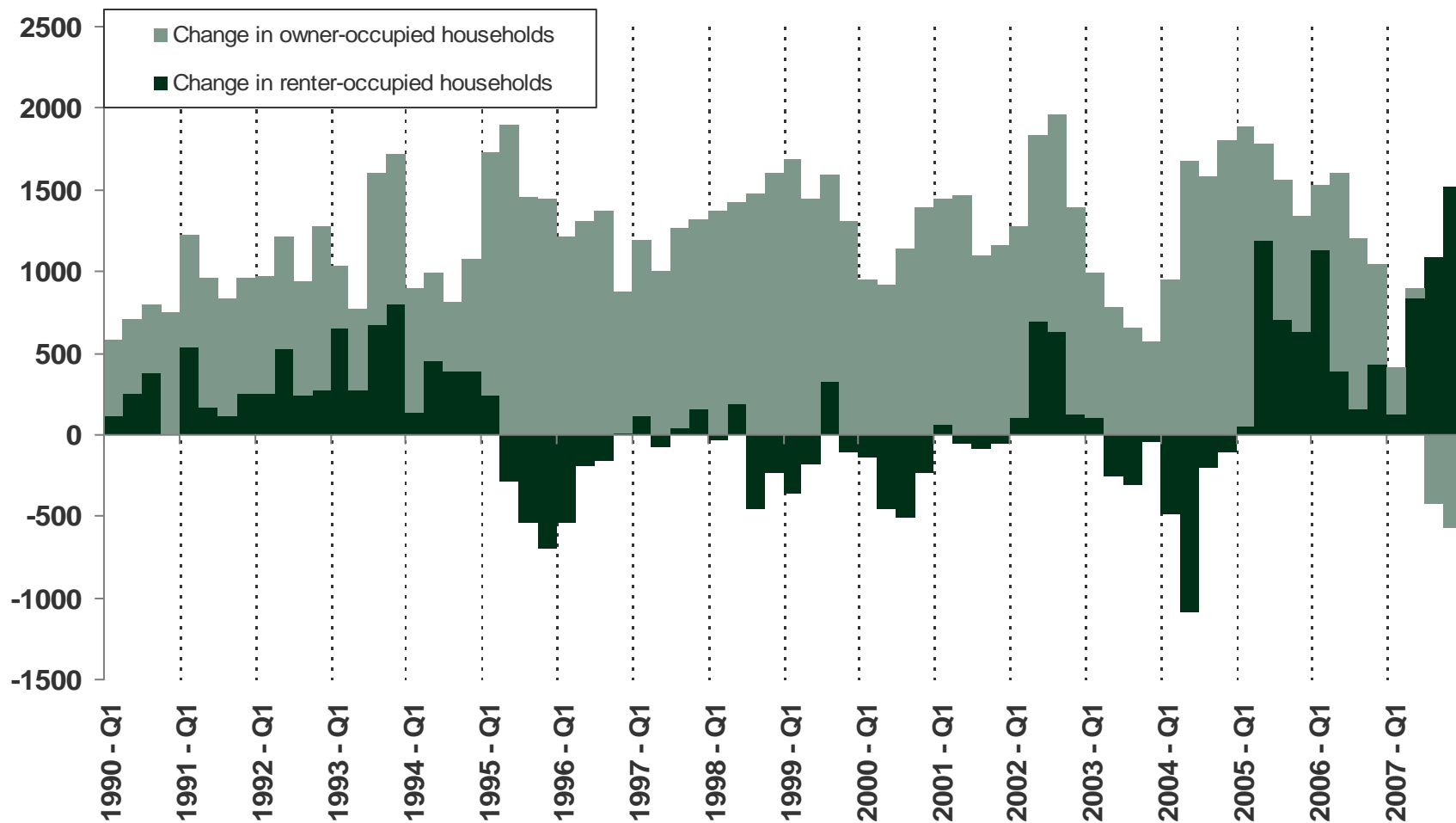


Source: Census Bureau

# Change in Number of Owner- and Renter-occupied Households, Year-over-year (additive)



Thousands of households



Source: Census Bureau and MBA

# MBA Economic Forecast

## April 10, 2008



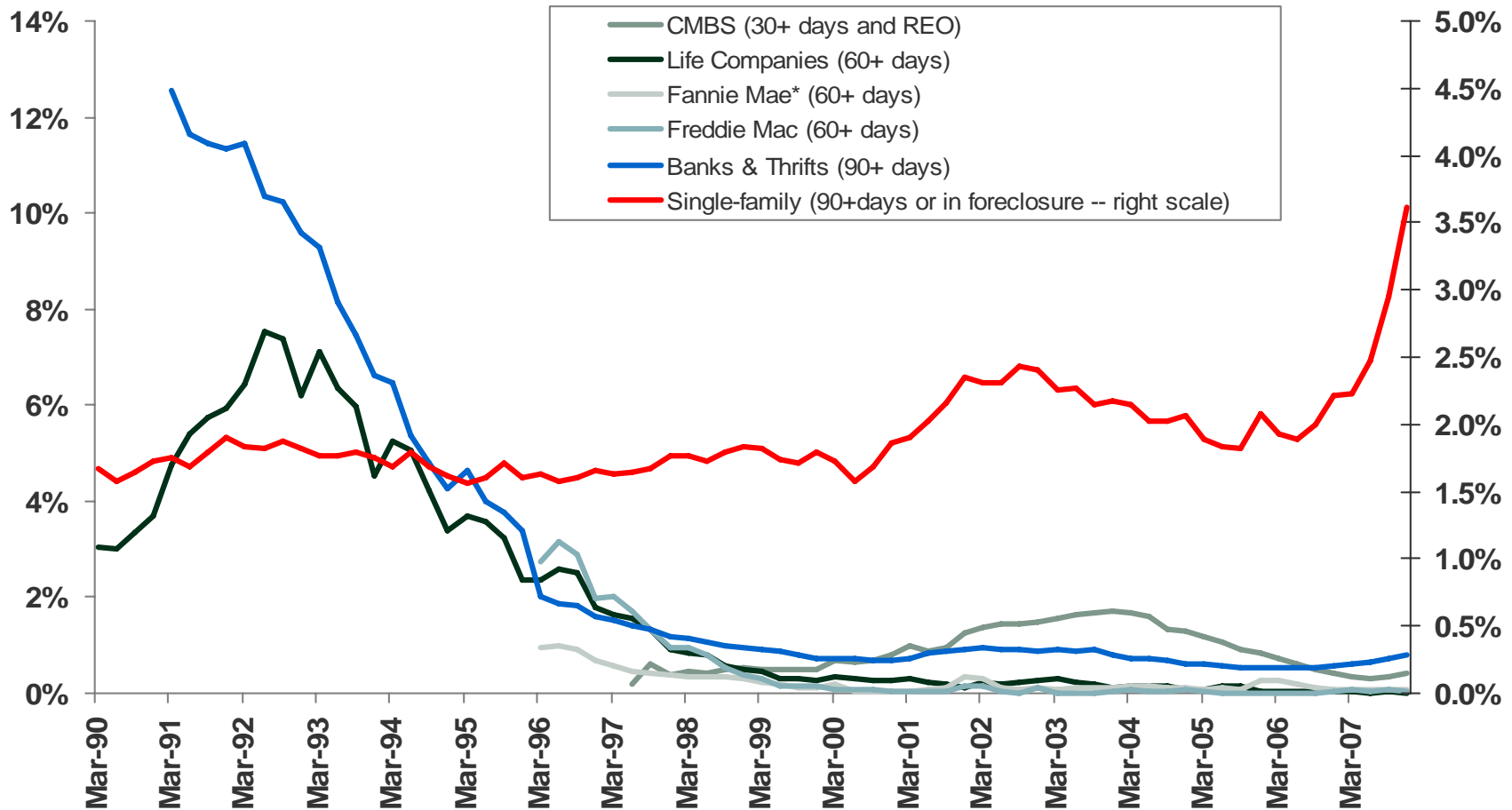
	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i><u>Percent Change, Annual Rate</u></i>												
Real Gross Domestic Product	0.6	3.8	4.9	0.6	0.4	-1.1	2.4	1.7	2.2	2.4	2.5	2.5
Personal Consumption Expenditures	3.7	1.4	2.8	2.3	0.4	-1.4	1.8	0.9	1.4	1.5	1.6	1.9
Business Fixed Investment	2.1	11.0	9.3	6.0	-4.9	-9.0	0.5	-0.1	0.9	2.6	2.9	3.3
Residential Investment	-16.3	-11.8	-20.5	-25.2	-24.5	-22.9	-18.0	-11.7	0.8	9.2	8.6	12.4
Govt. Consumption & Investment	-0.5	4.1	3.8	2.0	1.6	1.2	1.7	2.0	2.0	1.9	1.7	1.6
Net Exports (Bil. Chain 2000\$)	-612	-574	-533	-503	-479	-436	-395	-368	-352	-344	-337	-338
Inventory Investment (Bil. Chain 2000\$)	0	6	31	-18	0	2	0	2	7	11	17	23
GDP Deflator	4.2	2.6	1.0	2.4	2.7	1.9	2.7	2.4	2.5	2.0	1.8	1.4
Consumer Prices	3.7	4.6	2.8	5.0	4.3	2.1	2.8	2.5	2.1	2.0	2.1	2.0
<i><u>Percent</u></i>												
Unemployment Rate	4.5	4.5	4.7	4.8	4.9	5.3	5.7	5.8	5.8	5.9	5.9	5.8
Federal Funds Rate	5.3	5.3	5.1	4.5	3.2	2.1	2.0	2.0	2.0	2.3	2.5	3.0
10-Year Treasury Bond Rate	4.7	4.8	4.7	4.3	3.7	3.6	3.8	4.0	4.2	4.2	4.3	4.3

Source: Mortgage Bankers Association

# Commercial/Multifamily Mortgage Delinquency Rates Among Major Investor Groups and Single-family Delinquency Rate



NOTE: Delinquency rates shown are NOT comparable between investor groups. These rates show how performance of loans for each investor groups has varied over time, but cannot be used to compare one investor group to another.



Sources: Mortgage Bankers Association Wachovia Capital Markets, LLC and Intex Solutions, Inc., American Council of Life Insurers, Fannie Mae, Freddie Mac, OFHEO and Federal Deposit Insurance Corporation. Data are available for life companies and FDIC-insured banks and thrifts since 1990 and 1991, Fannie Mae and Freddie Mac since 1996 and CMBS since 1997. December figures are not available from Fannie Mae for the years 2000 to 2004. Figures for November are used instead. Prior to 1996, bank and thrift figures are for banks only and also include construction and land loans.

### **Jamie Woodwell**

jwoodwell@mortgagebankers.org  
1919 Pennsylvania Ave - Washington, DC 20006  
202-557-2936

### **MBA homepage:**

[www.mortgagebankers.org](http://www.mortgagebankers.org)

### **MBA research page:**

[www.mortgagebankers.org/research](http://www.mortgagebankers.org/research)

### **Research Institute for Housing America:**

<http://www.housingamerica.org>

### **Home Loan Learning Center:**

<http://www.homeloanlearningcenter.com>

### **MBA Newslink:**

<http://www.mortgagebankers.org/NewsandMedia/MBANewsLink>