

Multifamily Debt Data Reaches New Record at Year-End 2021



Recent data from the Mortgage Bankers Association's (MBA) latest Commercial/Multifamily Mortgage Debt Outstanding report shows that the level of outstanding debt on commercial/multifamily mortgages – during the final three months of 2021 – was \$287 billion (7.4 percent) higher than the level seen at the end of 2020.

Report Frequency

The MBA releases this data on a quarterly basis and this provides a snapshot of debt and market health at the time. Released at the end of March 2022, this report focuses on the last quarter of 2021 – and compares figures to the preceding quarter and the corresponding quarter of the previous year.

For the purposes of this research, the four major investor groups considered include: “bank and thrift; commercial mortgage-backed securities (CMBS), collateralized debt obligation (CDO) and other asset-backed securities (ABS) issues; federal agency and government-sponsored enterprise (GSE) portfolios and mortgage-backed securities (MBS); and life insurance companies”.

Their data shows that “total mortgage debt outstanding rose by 2.9 percent (\$116.0 billion) in fourth-quarter 2021” and specifically that “multifamily mortgage debt grew by \$42.1 billion (2.4 percent) to \$1.81 trillion during the fourth quarter, and by \$121.9 billion (7.2 percent) for the entire year”.

Understanding the Data

MBA's Vice President of Commercial Real Estate Research Jamie Woodwell commented: “Strong borrowing and lending backed by commercial and multifamily properties drove the level of mortgage debt outstanding to a new high at the end of 2021.”

This was evident in every major capital source, he said, adding: “The 7.4 percent annual increase in outstanding debt compares to a 19.5 percent increase in underlying property values.”

As Yield Pro points out in their analysis, government-sponsored enterprises (GSE) “continued to have the largest share of multifamily mortgages outstanding”.

In related material, MBA confirmed that commercial and multifamily mortgage delinquencies in the US also declined in Q4 2021, characterizing the rates as “down or flat for every major investor group”.