Market Fax

September 30, 2010

GREEMANN CAPITAL

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Does one size fit all?? Not anymore...

In our March, 2009 Greemann Capital Market Fax we described how the commercial mortgage market has changed by using the analogy of a flock of starlings that fly in unison (Market up until 2007-08) and a covey of quail that when flushed go every direction (Market since 2008). This continues to be the case today. Adding to this is the variety of projects in the market place for lenders to choose from. Let's stop and consider for a moment some of the basic characteristics of commercial real estate:

- Four main property types - Multifamily, Industrial, Retail and Office
- Three general locations - Tier 1, 2, and 3 cities
- Three general classes of property - A, B & C
- Three property sizes - Small (< $2 million), Medium ($2-10 million) and Large (>$10 million).

These characteristics alone allow for more than 100 different possible combinations. If you then consider there is investor owned and owner occupied as well as Credit–Investment grade, regional, local and non-credit the variations are enormous. Why are we going thru this exercise?   We did so to help you understand that commercial real estate, and mortgage debt in particular, varies depending on the characteristics of each deal.   Valuation, underwriting, structure and pricing all vary on each deal. The days of general, across the board statements about commercial real estate are long gone.

Over the past 12 months we have closed, committed or rate locked 20 transactions totaling over $100 million in mortgage debt with investor owned, owner occupied, office, retail, industrial and multifamily properties with 11 different institutional investors.   These lenders are local, regional, national and international in origin. We add value to your transaction by analyzing and understanding your property, its value, and its strengths and weaknesses, and then bringing competitive long term fixed rate debt options to you. We welcome the opportunity to discuss your real estate mortgage needs whether specific or general.

2009-2010
TREASURY CONSTANT MATURITIES & FED FUNDS
— 10 Year — 5 Year — Fed Funds
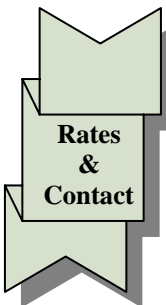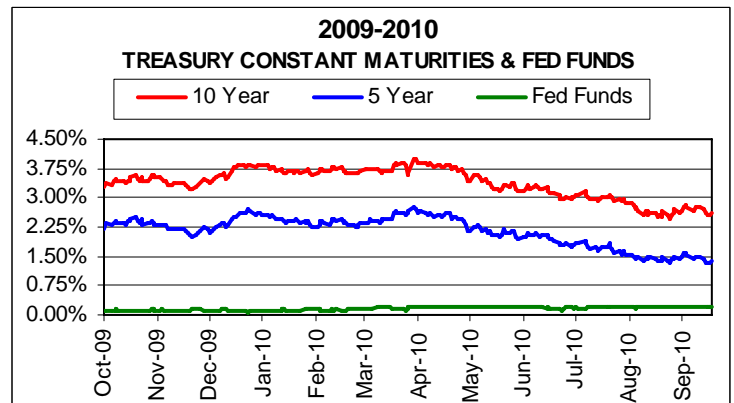
Bond Yields	5 Year	10 Year	30 Year
Current 9/30/10	1.31%	2.55%	3.73%
Wk End 9/24/10	1.36%	2.61%	3.78%
August 2010	1.47%	2.70%	3.80%
August 2009	2.57%	3.59%	4.37%

Rates	Interest Rate Range
3-5 years	4.50%-5.50%
7&10 years	5.00%-6.25%
15,20,25 years	5.50%-6.50%
Amortization	15-30 years

Rates & Contact

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Note: Multi-family rates tend to be lower with the agencies (FNMA, Freddie Mac, or HUD) and small loans higher.

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