



The 2011 Mortgage Market Report

Presented by



Banesco

HERE WITH YOU



CIASF 2011 MORTGAGE REPORT

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THE 2011 CIASF MORTGAGE MARKET REPORT

THE EVENT

A diverse and experienced group of panelists from various sectors of the lending industry will discuss the current lending environment, forecast trends in lending, and elucidate requirements to obtain financing and close your deal.

PRESENTED BY

THOMAS D WOOD, JR., - President of Thomas D. Wood and Company

PANELISTS

DAVID AUERBACH - Archetype Mortgage Capital

CHRIS MEISNER - OneAmerica Financial Partners

ALINA GARCIA-DUANY, EVP - Chief Lending Officer of Banesco

KEN BORST - StanCorp Mortgage Investors

BOB HUMMEL, SVP - Commercial Real Estate BankUnited

DATA PROVIDED BY

CHARLES FOSCHINI, Vice Chairman - Miami-based Capital Markets Team at CBRE

CHRISTIAN R. LEE, Vice Chairman - Miami-based Capital Markets Team at CBRE

The Miami-based Capital Markets Team at CBRE focuses on the Sale and Finance of Office and Industrial properties throughout the State of Florida. We have been partners since 2002 and have closed \$7 billion in transactions since that time.

SPECIAL THANKS

ANDREW DIXON - Dixon Commercial Real Estate, Inc. - Report Layout

The Commercial Industrial Association of South Florida Inc., "CIASF" is a non-profit organization of business leaders involved in the development, design, construction, sales, and leasing of Industrial and Commercial Real Estate in South Florida.

For information about membership or sponsoring an event call
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Commercial Industrial Association of South Florida

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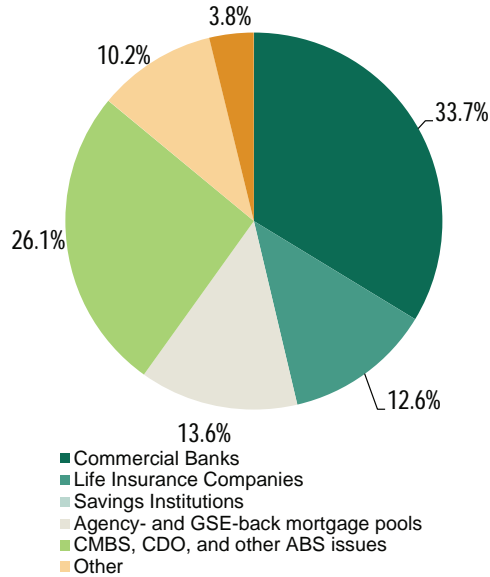
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U.S. Commercial & Multifamily Debt Outstanding

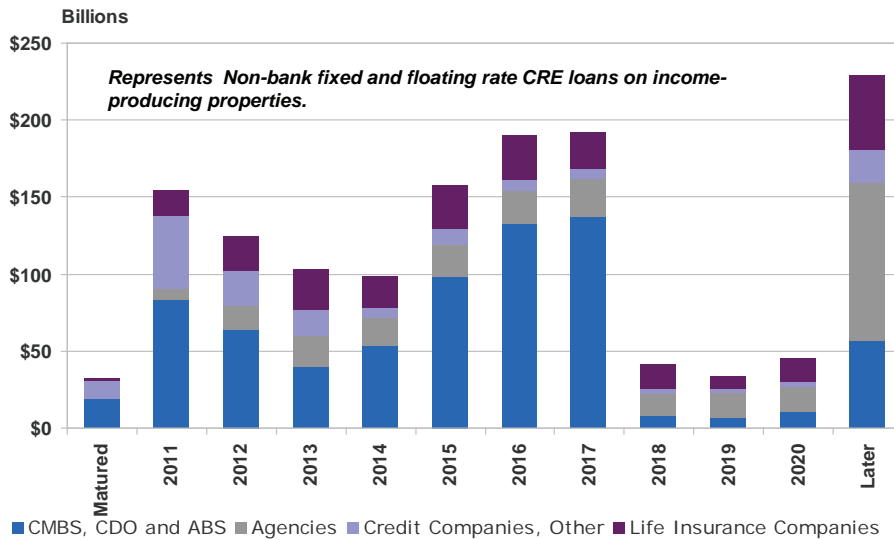
Total \$2.24 Trillion

By Capital Source



Source: Mortgage Bankers Association 1Q 2011

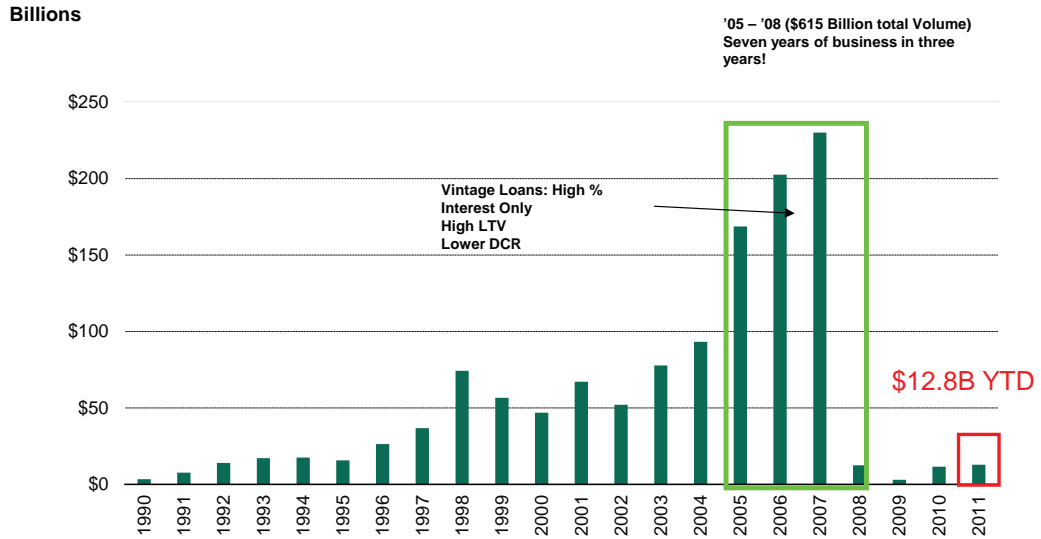
The Wave of Refinancings: Short-Term Problems Loom



Source: MBA Loan Maturity Survey YE 2010

Note:

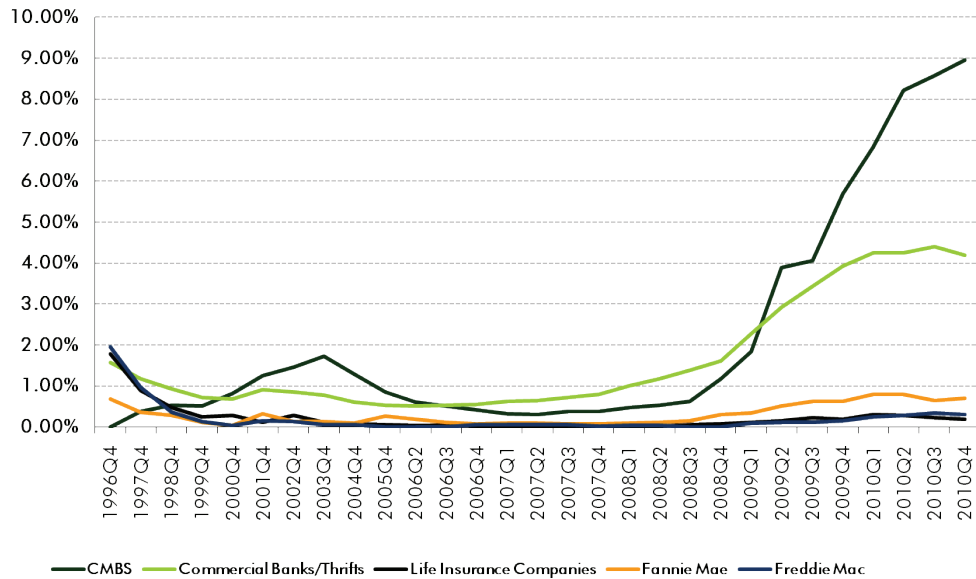
The Boom n' Bust Led by CMBS Issuance



Source: Commercial Mortgage Alert June 2011

Delinquency Rates

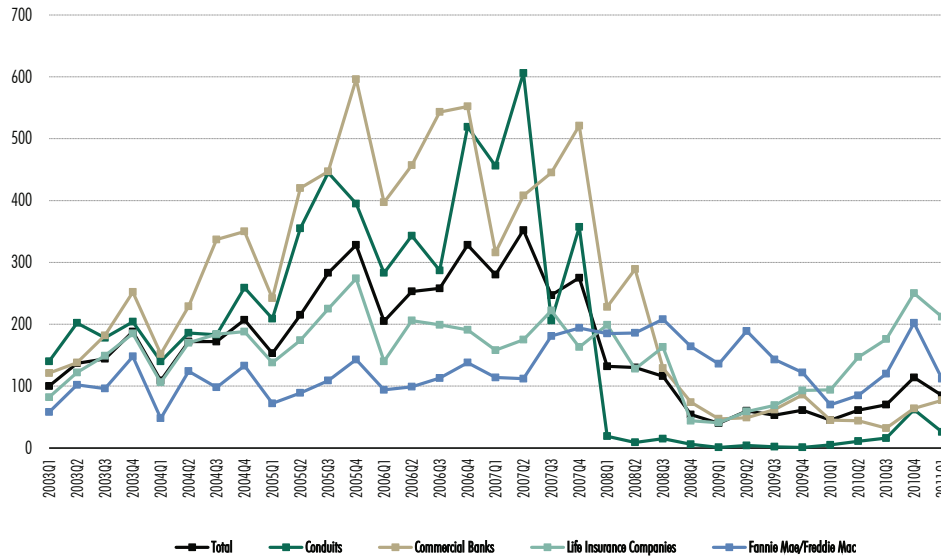
Banks and CMBS Issues Likely to Face Highest Delinquencies Near-Term



Source: MBA, ACLI, Wells Fargo, Fannie Mae, Freddie Mac, OFHEO and FDIC. 4Q 2010

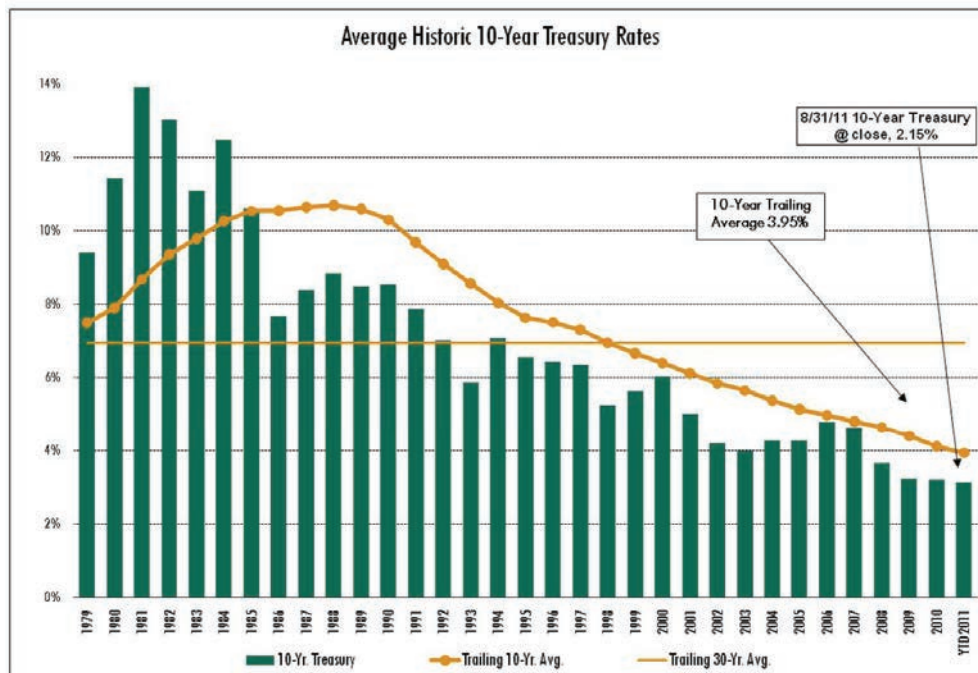
Life Company Originations Rise Sharply During 2010

Commercial/Multifamily Mortgage Bankers Originations Index by Investor Group (2001 average = 100)

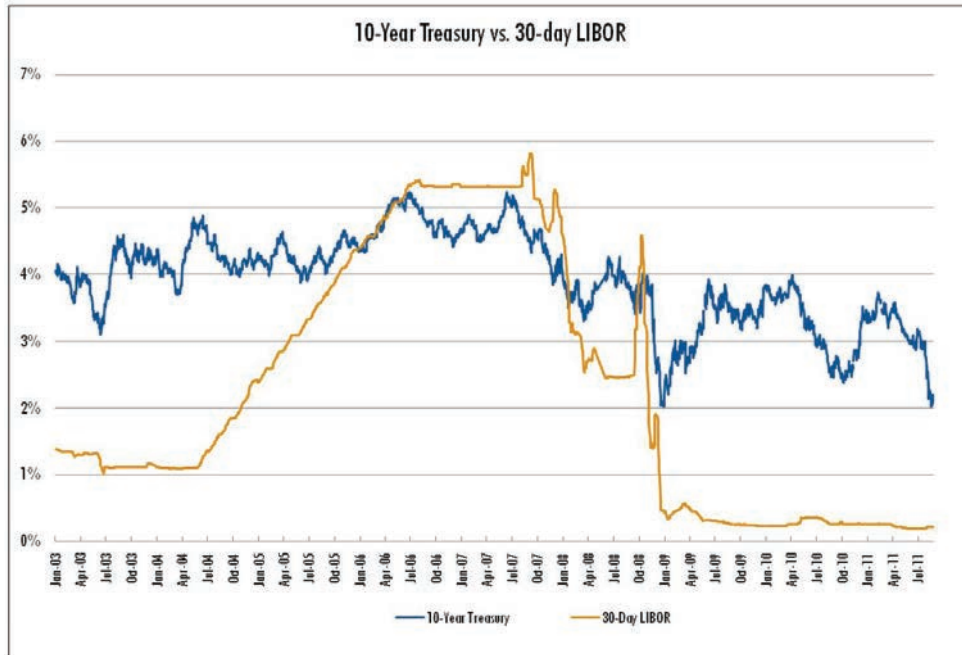


Source: Mortgage Bankers Association, 1Q2011 Survey

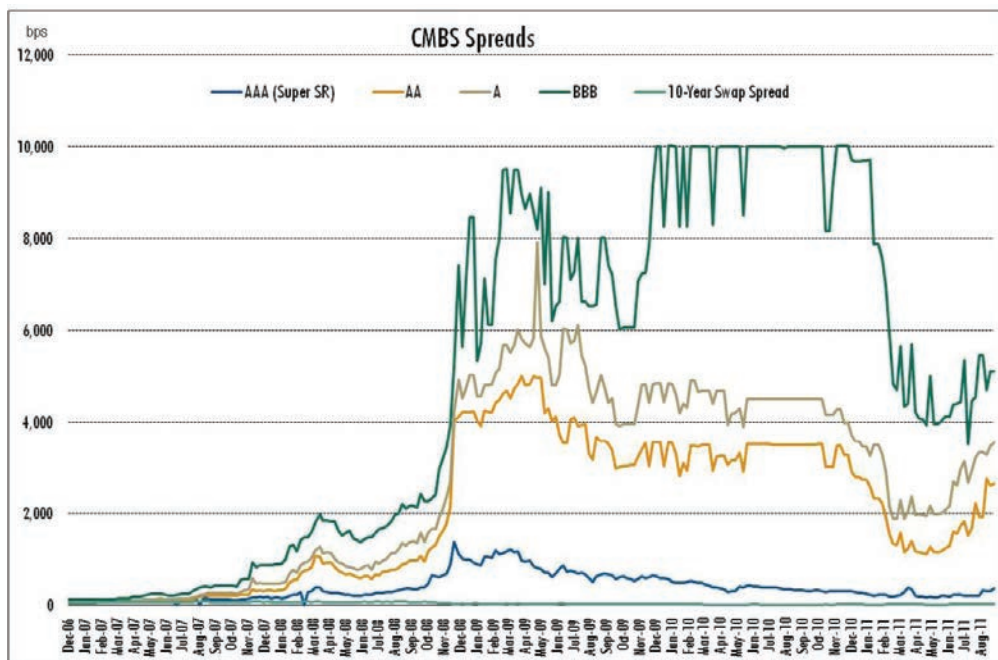
Historic 10-Year Treasury



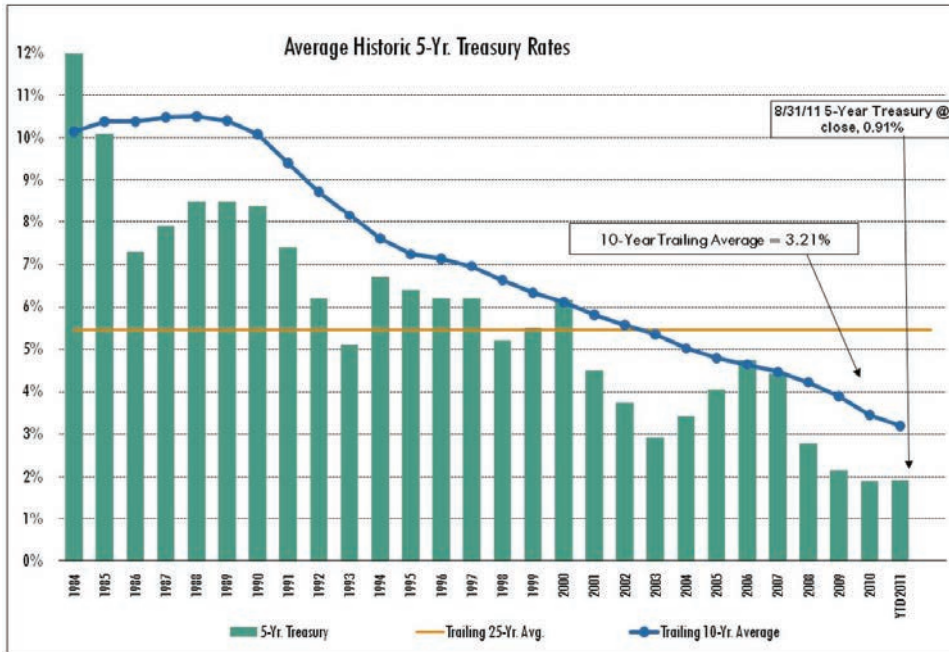
10-Year Treasury vs. 30-day LIBOR



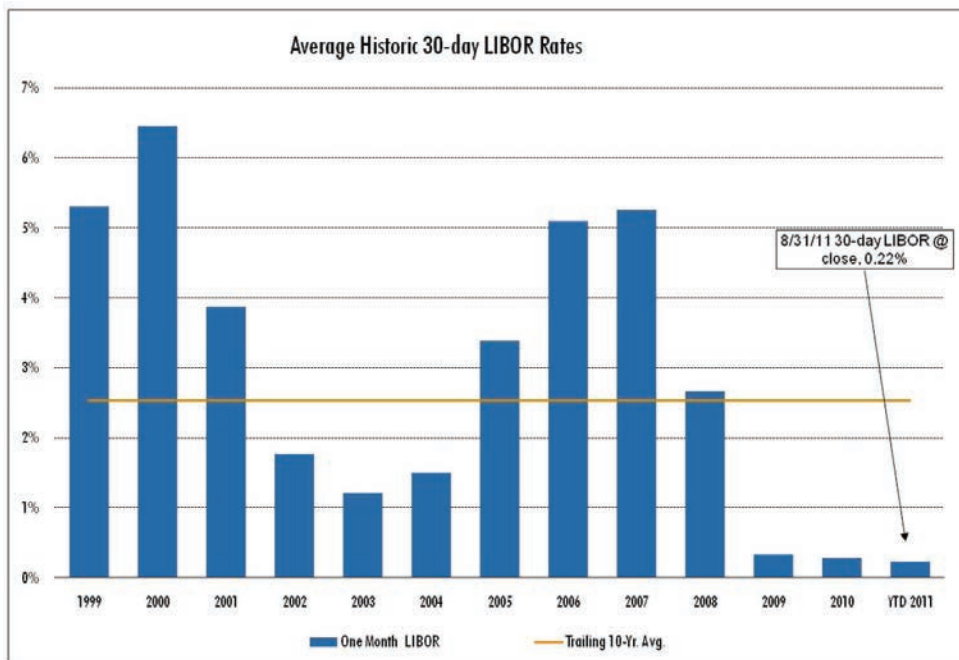
CMBS Spreads



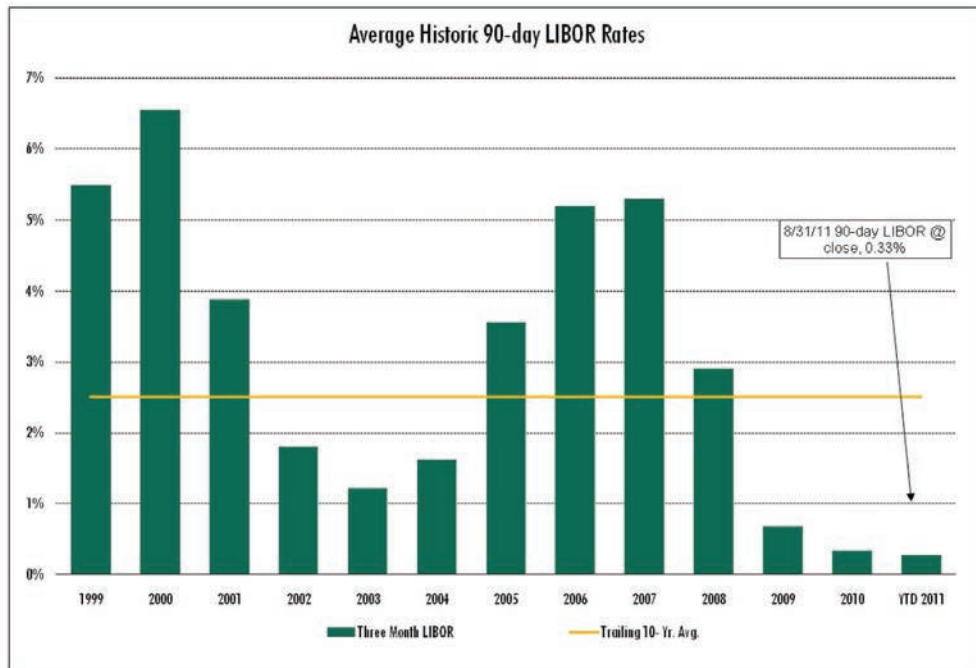
Historic 5-Year Treasury



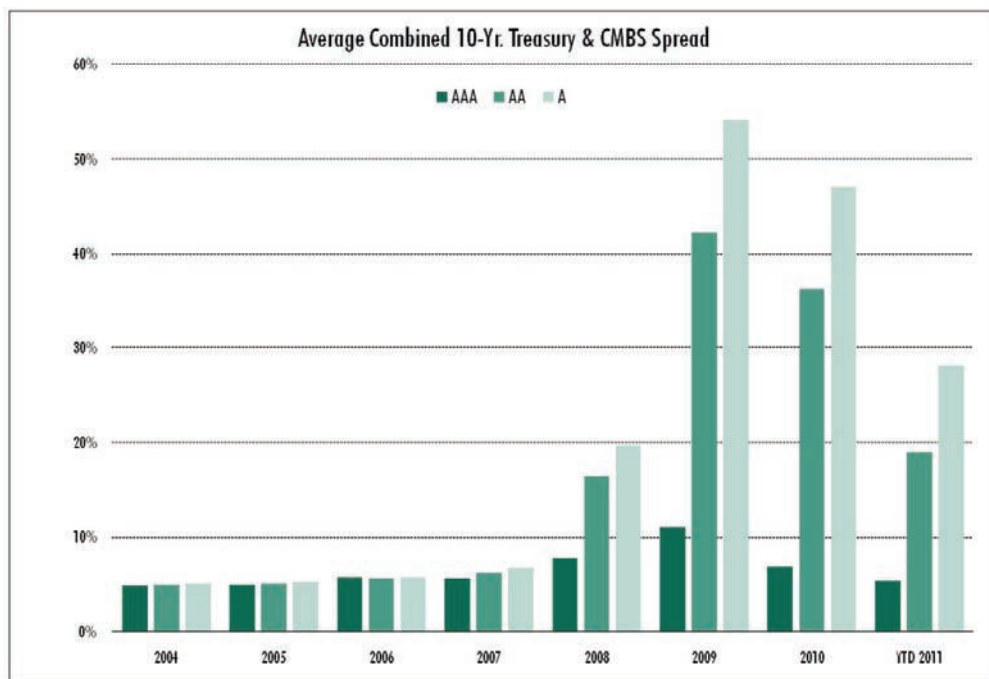
Historic 30-day LIBOR Rates



Historic 90-day LIBOR Rates



Combined 10-Year Treasury & CMBS Spreads



CMBS Yields - Quarterly

US Treasury- 10 Year		CMBS Spreads			Treasury + Spread			Combined Basis Point Chng.		
Quarter	Quarterly Average	AAA	AA	A	AAA	AA	A	AAA	AA	A
05Q2	4.16%	0.65%	0.84%	0.94%	4.82%	5.01%	5.11%	(8)	1	2
05Q3	4.21%	0.70%	0.89%	0.99%	4.91%	5.10%	5.20%	9	9	9
05Q4	4.46%	0.82%	0.98%	1.08%	5.28%	5.44%	5.54%	37	35	34
06Q1	4.55%	0.80%	0.97%	1.07%	5.35%	5.52%	5.62%	7	8	8
06Q2	5.07%	1.35%	0.89%	0.98%	6.41%	5.95%	6.05%	106	43	43
06Q3	4.90%	0.75%	0.90%	0.98%	5.65%	5.80%	5.88%	(76)	(15)	(16)
06Q4	4.63%	0.75%	0.87%	0.96%	5.38%	5.50%	5.59%	(27)	(30)	(29)
07Q1	4.69%	0.75%	0.88%	0.96%	5.44%	5.56%	5.65%	6	6	5
07Q2	4.82%	0.79%	1.05%	1.22%	5.61%	5.87%	6.05%	17	31	40
07Q3	4.74%	1.12%	1.77%	2.21%	5.86%	6.51%	6.95%	25	63	90
07Q4	4.27%	1.47%	2.75%	4.02%	5.74%	7.01%	8.29%	(12)	51	134
08Q1	3.65%	2.44%	7.12%	9.00%	6.09%	10.77%	12.65%	35	375	436
08Q2	3.86%	2.34%	6.85%	8.84%	6.20%	10.71%	12.70%	12	(5)	5
08Q3	3.85%	3.24%	8.56%	12.34%	7.09%	12.41%	16.19%	89	170	350
08Q4	3.24%	8.64%	28.71%	33.89%	11.87%	31.95%	37.12%	478	1954	2093
09Q1	2.67%	10.83%	44.88%	52.94%	13.50%	47.55%	55.62%	163	1560	1849
09Q2	3.28%	7.93%	43.15%	57.65%	11.21%	46.43%	60.93%	(229)	(112)	531
09Q3	3.51%	6.41%	35.23%	47.96%	9.92%	38.74%	51.47%	(129)	(769)	(946)
09Q4	3.42%	5.92%	32.94%	45.06%	9.33%	36.36%	48.48%	(59)	(238)	(299)
10Q1	3.70%	4.66%	32.99%	46.31%	8.36%	36.69%	50.01%	(98)	33	153
10Q2	3.49%	3.73%	33.05%	43.64%	7.22%	36.54%	47.13%	(113)	(15)	(288)
10Q3	2.77%	3.41%	35.01%	45.01%	6.18%	37.79%	47.79%	(104)	125	66
10Q4	2.82%	2.91%	31.57%	40.45%	5.74%	34.39%	43.27%	(45)	(340)	(451)
11Q1	3.44%	2.39%	17.43%	25.77%	5.83%	20.87%	29.21%	10	(1352)	(1407)
11Q2	3.19%	1.91%	12.76%	21.60%	5.10%	15.95%	24.78%	(73)	(492)	(442)

Sources: Banc of America, Barclays Capital, Credit Suisse, Deutsche Bank, RBS Greenwich Capital Markets, JPMorgan Chase Securities, Morgan Stanley and Wells Fargo Securities.

CIASF 2011 MORTGAGE REPORT

CMBS Yields - Weekly

US Treasury - 10 Year		CMBS Spreads			Treasury + Spread			Combined Basis Point Chng.			10-Year Swap Spread	
Week	Week Avg	AAA	AA	A	AAA	AA	A	AAA	AA	A	Spread	Change
1/28/11	3.37%	2.25%	22.14%	32.94%	5.62%	25.51%	36.31%	11	(115)	(200)	0.090%	2
2/4/11	3.50%	2.14%	19.20%	29.17%	5.64%	22.70%	32.67%	2	(282)	(364)	0.120%	3
2/11/11	3.67%	1.77%	15.42%	21.36%	5.44%	19.09%	25.03%	(20)	(361)	(764)	0.120%	0
2/18/11	3.60%	1.83%	13.35%	18.85%	5.43%	16.95%	22.45%	(1)	(214)	(258)	0.100%	(2)
2/25/11	3.45%	1.99%	13.17%	18.77%	5.44%	16.62%	22.22%	1	(33)	(23)	0.120%	2
3/4/11	3.47%	2.13%	15.73%	22.78%	5.60%	19.20%	26.25%	16	258	403	0.130%	1
3/11/11	3.46%	2.84%	11.54%	18.77%	6.30%	15.00%	22.23%	70	(420)	(403)	0.110%	(2)
3/18/11	3.28%	3.86%	12.36%	20.46%	7.14%	15.64%	23.74%	85	64	152	0.110%	0
3/25/11	3.37%	3.52%	13.92%	23.67%	6.89%	17.29%	27.04%	(25)	165	330	0.120%	1
4/1/11	3.46%	2.01%	11.66%	19.51%	5.47%	15.12%	22.97%	(142)	(217)	(407)	0.110%	(1)
4/8/11	3.52%	1.75%	11.43%	19.70%	5.27%	14.95%	23.22%	(20)	(18)	25	0.100%	(1)
4/15/11	3.49%	1.75%	11.30%	19.67%	5.24%	14.79%	23.16%	(3)	(16)	(6)	0.100%	0
4/22/11	3.38%	1.68%	11.14%	19.31%	5.06%	14.52%	22.69%	(18)	(27)	(47)	0.090%	(1)
4/29/11	3.33%	1.73%	12.82%	21.72%	5.06%	16.15%	25.05%	0	164	236	0.070%	(2)
5/6/11	3.22%	1.71%	11.54%	19.74%	4.93%	14.76%	22.96%	(13)	(139)	(209)	0.090%	2
5/13/11	3.17%	1.63%	11.52%	19.72%	4.80%	14.69%	22.89%	(13)	(7)	(7)	0.075%	(2)
5/20/11	3.17%	2.04%	11.79%	19.99%	5.21%	14.96%	23.16%	41	27	27	0.090%	2
5/21/11	3.11%	2.04%	12.32%	20.67%	5.15%	15.43%	23.78%	(6)	46	61	0.090%	0
5/27/11	3.03%	1.87%	12.90%	21.52%	4.90%	15.93%	24.55%	(25)	50	78	0.120%	3
6/3/11	3.00%	2.22%	16.03%	26.78%	5.22%	19.03%	29.78%	32	311	523	0.110%	(1)
6/10/11	2.98%	2.21%	15.59%	26.04%	5.19%	18.57%	29.02%	(3)	(47)	(76)	0.160%	5
6/17/11	2.98%	2.13%	17.28%	29.65%	5.11%	20.26%	32.63%	(8)	170	362	0.130%	(3)
6/24/11	2.94%	2.01%	18.17%	31.42%	4.95%	21.11%	34.36%	(17)	85	173	0.130%	0
7/1/11	3.05%	1.97%	15.14%	26.64%	5.02%	18.19%	29.69%	7	(292)	(467)	0.140%	1
7/8/11	3.10%	2.00%	16.86%	29.29%	5.10%	19.96%	32.39%	8	177	270	0.140%	0
7/15/11	2.91%	2.07%	22.24%	32.12%	4.98%	25.15%	35.03%	(12)	519	264	0.120%	(2)
7/22/11	2.96%	2.11%	19.26%	33.36%	5.07%	22.22%	36.32%	9	(293)	129	0.120%	0
7/29/11	2.93%	0.00%	0.00%	0.00%	2.93%	2.93%	2.93%	(214)	(1929)	(3339)	0.000%	(12)
8/5/11	2.59%	0.00%	0.00%	0.00%	2.59%	2.59%	2.59%	(34)	(34)	(34)	0.000%	0

Sources: Banc of America, Barclays Capital, Credit Suisse, Deutsche Bank, RBS Greenwich Capital Markets, JPMorgan Chase Securities, Morgan Stanley and Wells Fargo Securities.

Long Term, Low Fixed Rate Business Financing





Is an SBA 504 Loan or 504 Refinance right for your business?

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Source: SBA South Florida District Office (2010). All SBA loans subject to credit approval.

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