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Who IS Lending? A Look at the Current Market Participants While CMBS is on Hiatus

May 13, 2008

Market Update: Jack Nowakowski, Director, Commercial Mortgage Securities Association

Panel Moderator:

Kieran P. Quinn, Chairman, Mortgage Bankers Association

Panelists: E. J. Burke, Executive Vice President, KeyCorp

Warren Friend, Managing Director, Morgan Stanley

Richard D. Jones, Partner, Dechert LLP

Charlie Knudsen, Principal, QuadCapital Advisors, LLC

Tim Mazzetti, CMB, Executive Vice President, Cohen Financial

David A. Roberts, CMB,

President & Chief Operating Officer, Grandbridge Real Estate Capital, LLC



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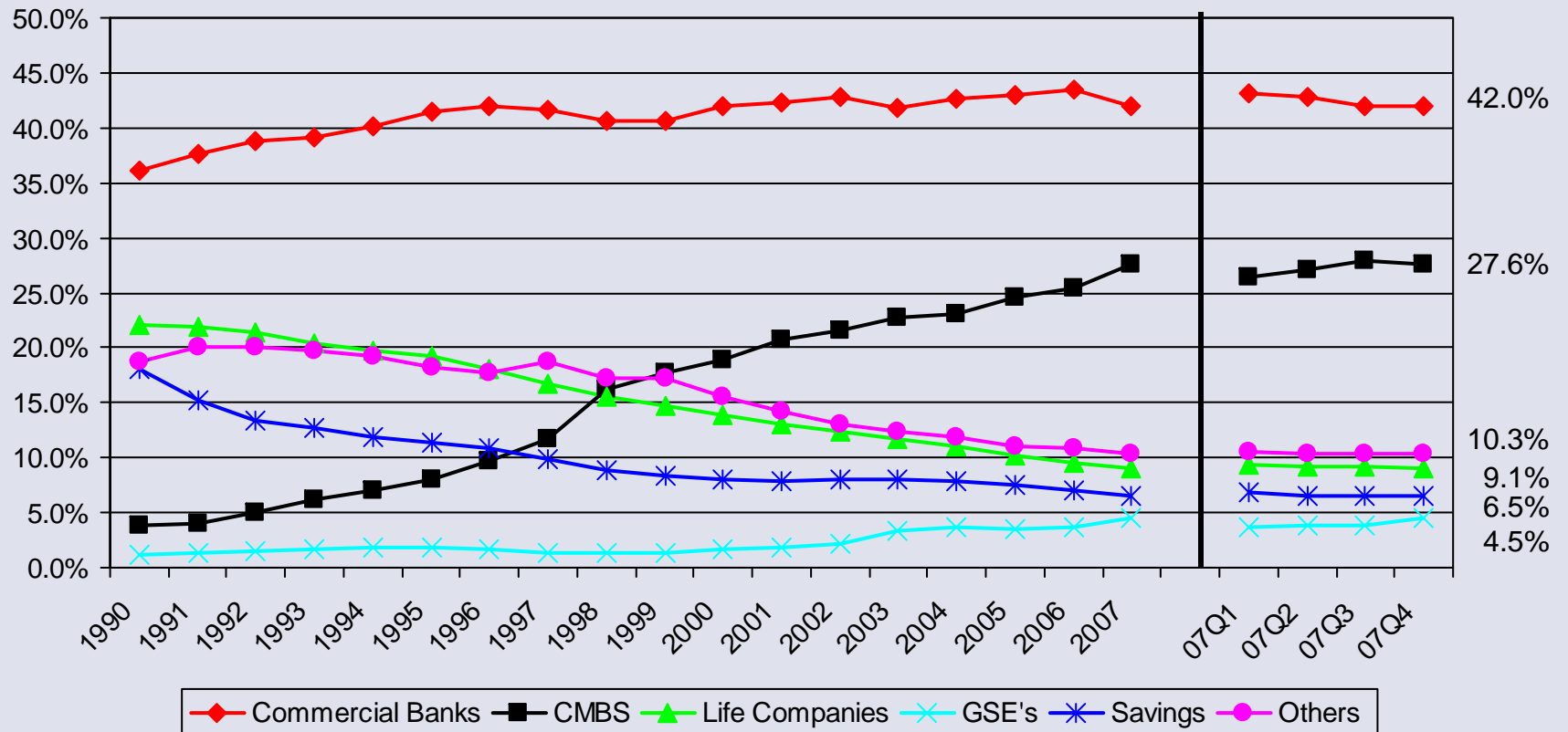


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Holder of Commercial & Multifamily Mortgages (percentage distribution)



Source: Federal Reserve, Flow of Funds



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Maturing Loans

DSCR	Loans Maturing in Less than 12 Months		Loans Maturing in 13 to 24 Months	
	Current Balance (\$M)	% of All \$	Current Balance (\$M)	% of All \$
< .5	\$4,869.5	6.6%	\$702.5	1.3%
.51 to 1.0	\$4,001.0	5.4%	\$2,086.9	3.7%
1.01 to 1.2	\$8,975.1	12.2%	\$3,710.1	6.6%
1.21 to 1.4	\$7,945.0	10.8%	\$8,371.2	15.0%
1.41 to 1.8	\$14,538.8	19.7%	\$12,114.2	21.7%
1.81 to 2.5	\$16,585.3	22.5%	\$11,898.4	21.3%
> 2.5	\$8,386.1	11.4%	\$6,370.5	11.4%
NR	\$8,373.2	11.4%	\$10,592.5	19.0%
Total	\$73,674.2		\$55,846.2	

Source: Realpoint.



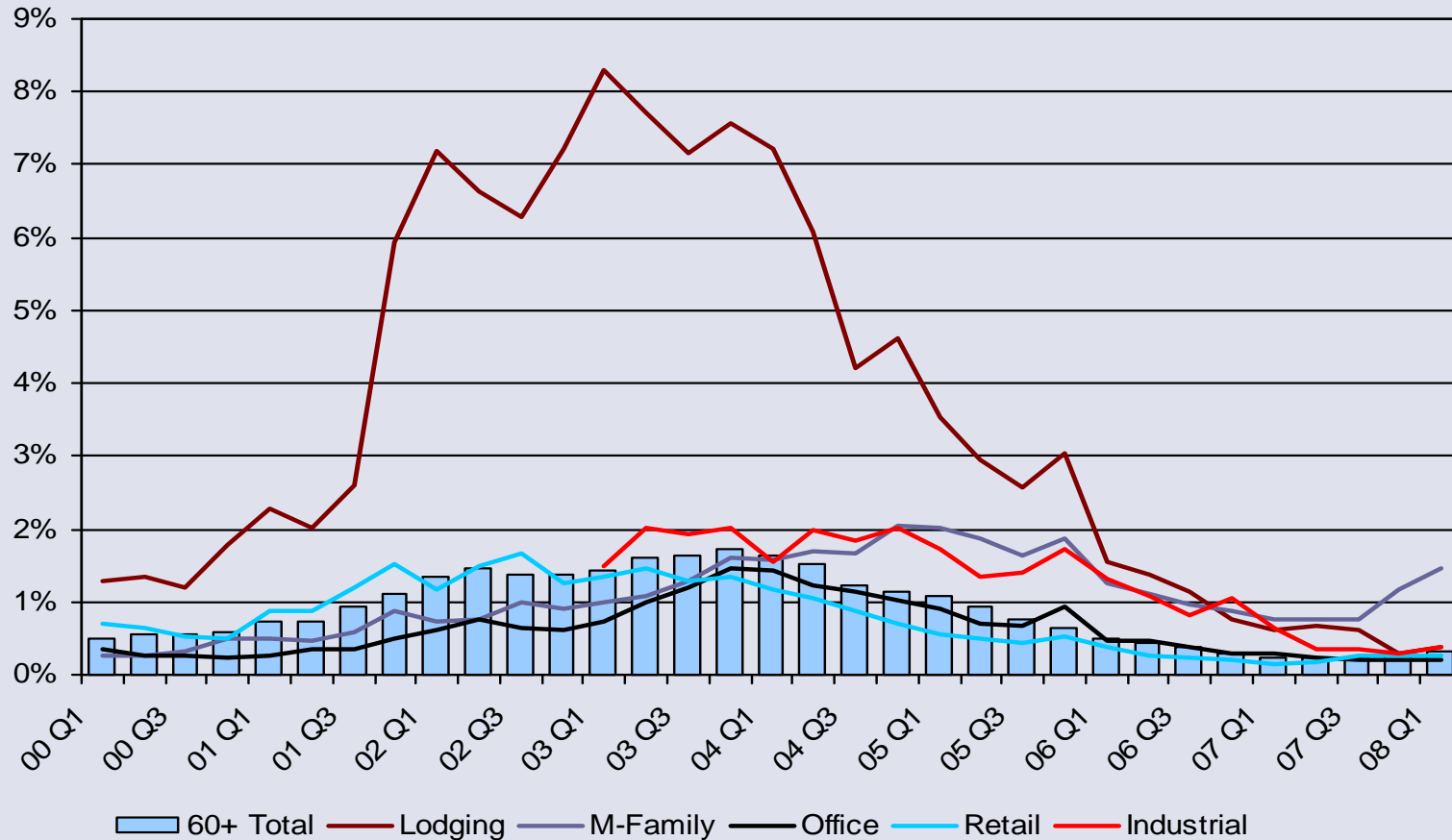
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CMBS Delinquencies by Property Type



Source: Trepp LLC, CMSA. Delinquency rates are for fixed-rate, conduit CMBS transactions. Property type delinquencies based on 30+ day delinquent. Totals based on 60+ days.



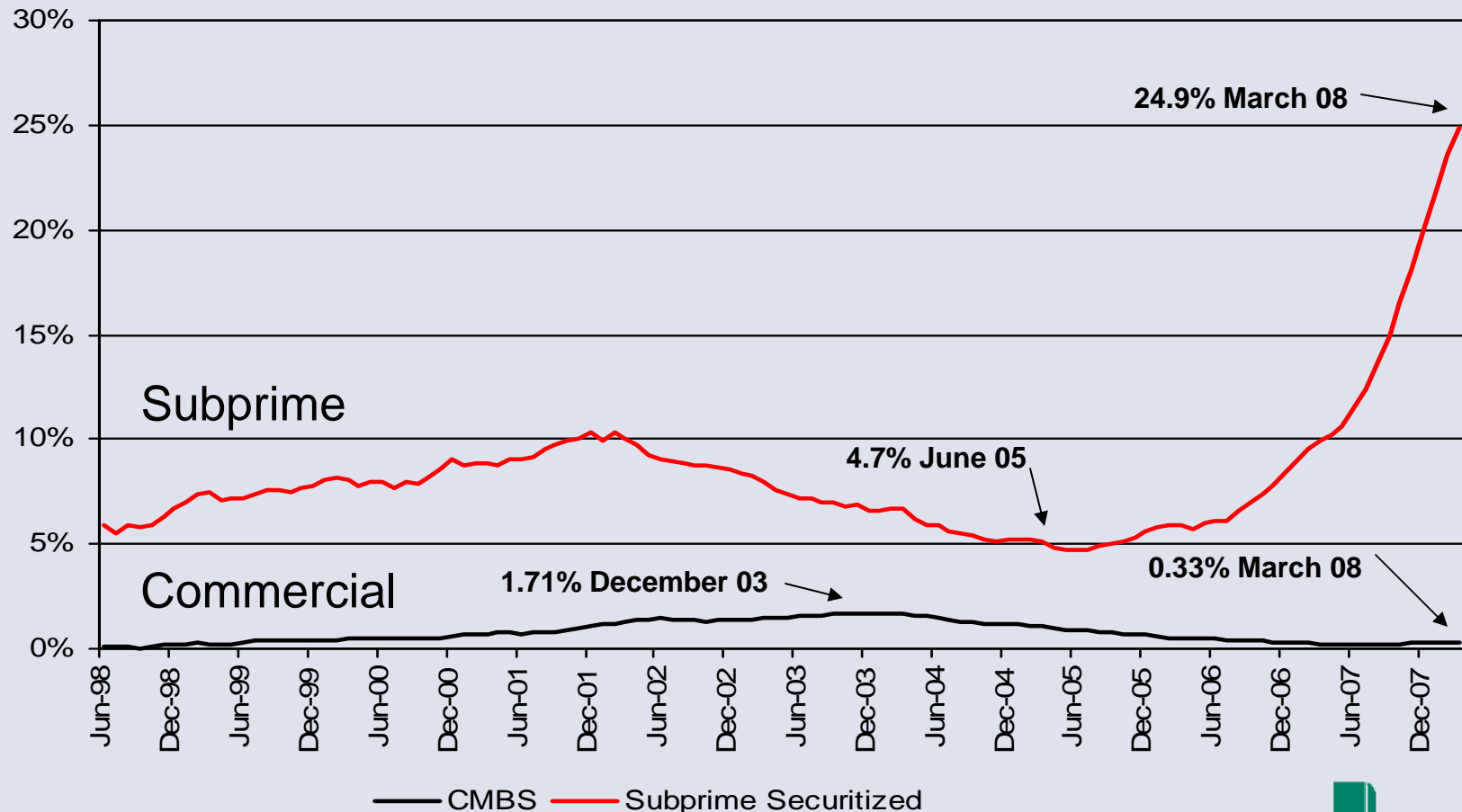
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Delinquency Rates: Subprime vs. Commercial (60+ day) by dollar securitized



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— CMBS — Subprime Securitized

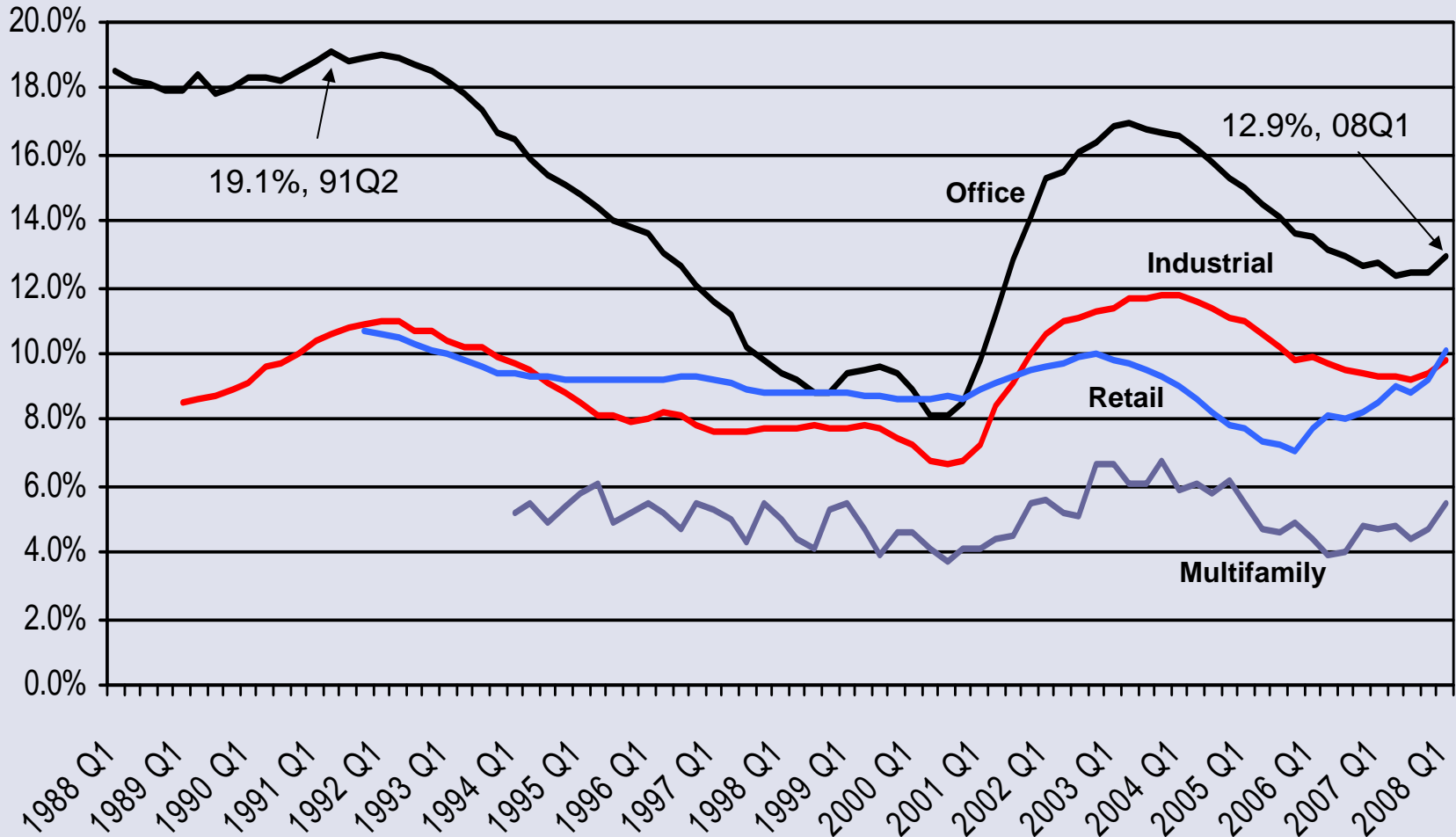
Source: JPMorgan, Trepp LLC, CMSA.



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Property Vacancy Rates



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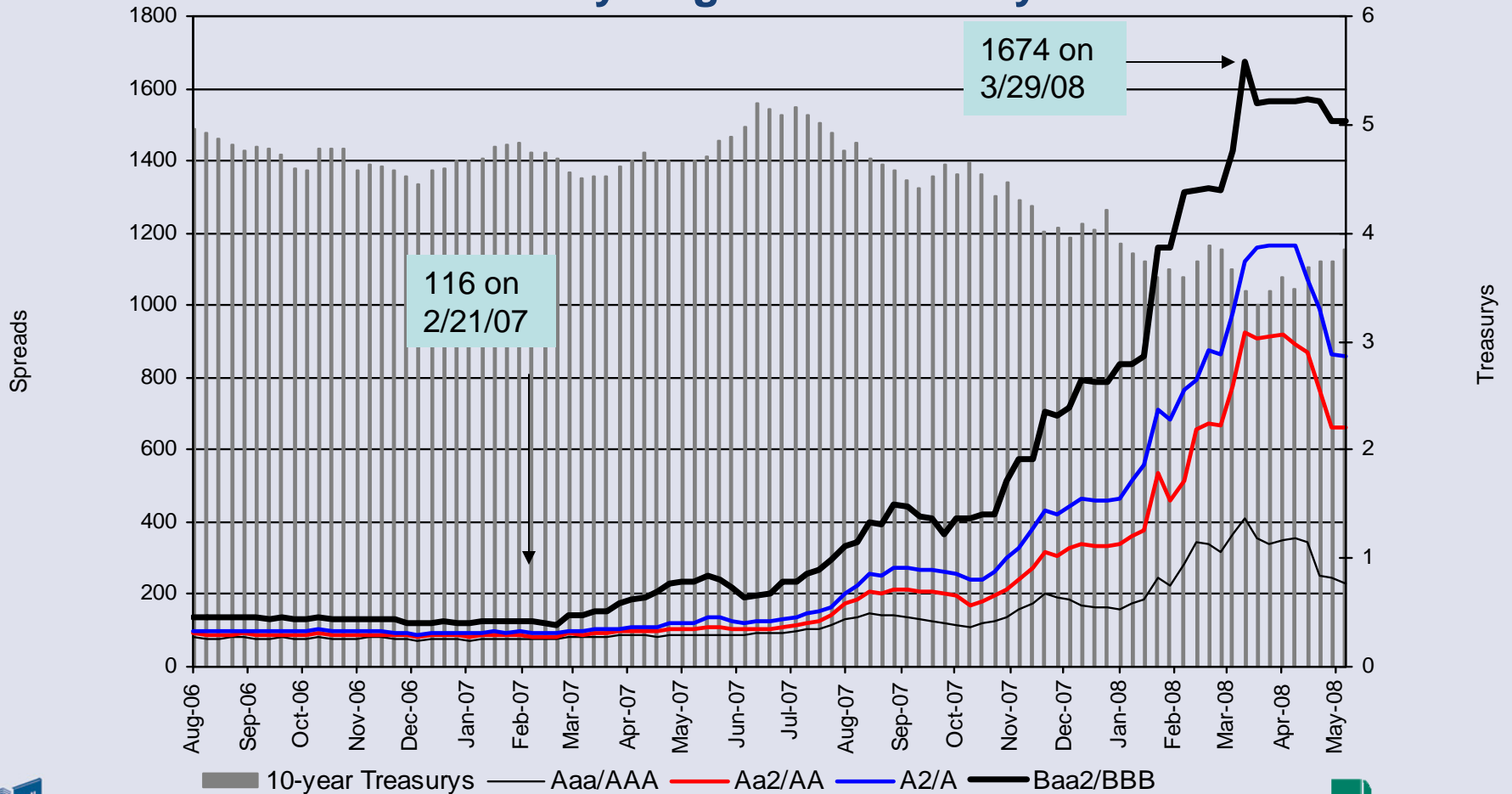
— Industrial — Multi-family — Office — Retail



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CMBS Spreads Over 10-Year Treasurys – Investment Grade: Weekly August 2006 – May 2008



Source: Morgan Stanley. Latest observation: May 7, 2008.



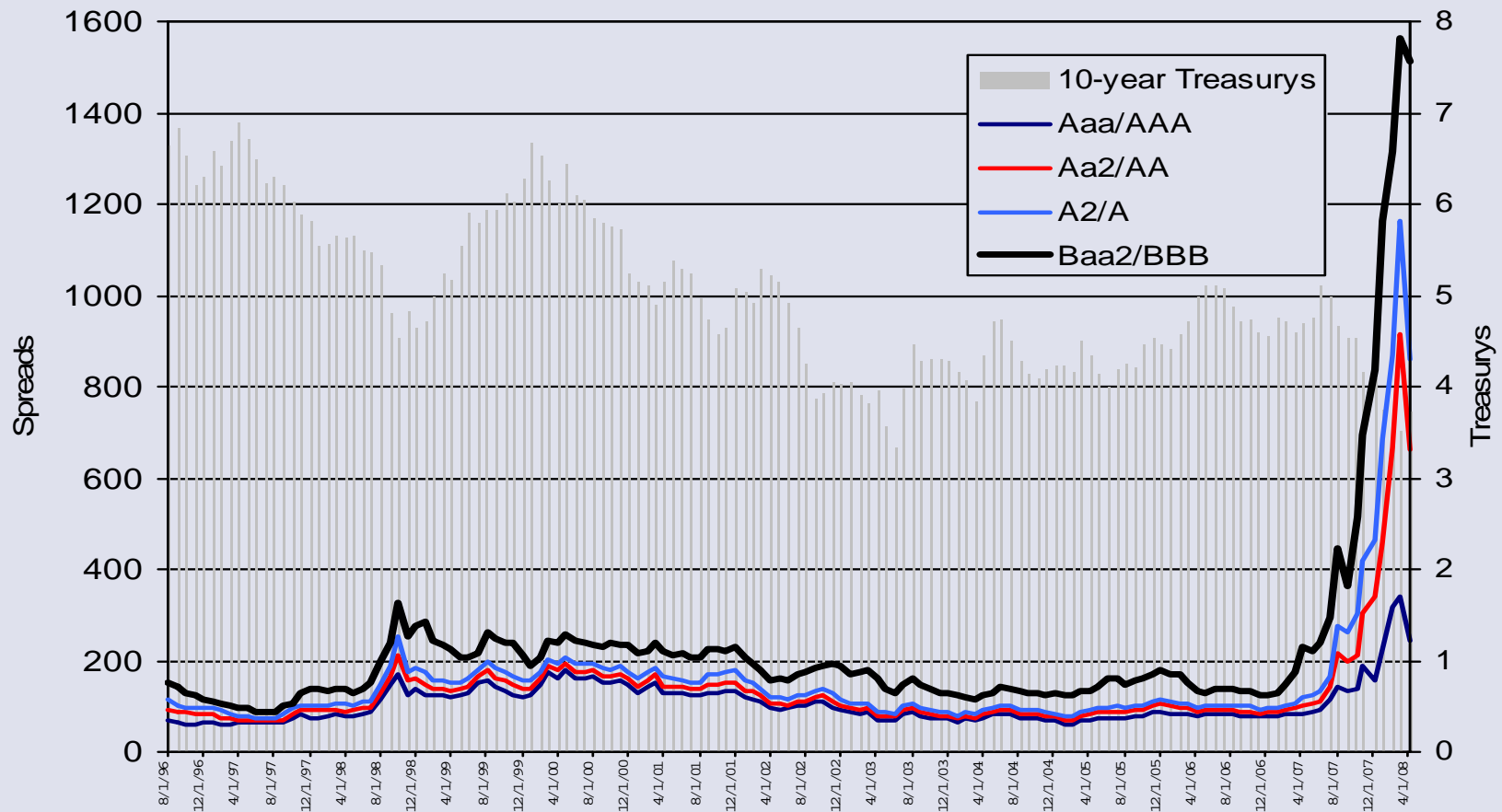
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CMBS Spreads Over 10-Year Treasuries: Investment Grade



Source: Morgan Stanley.



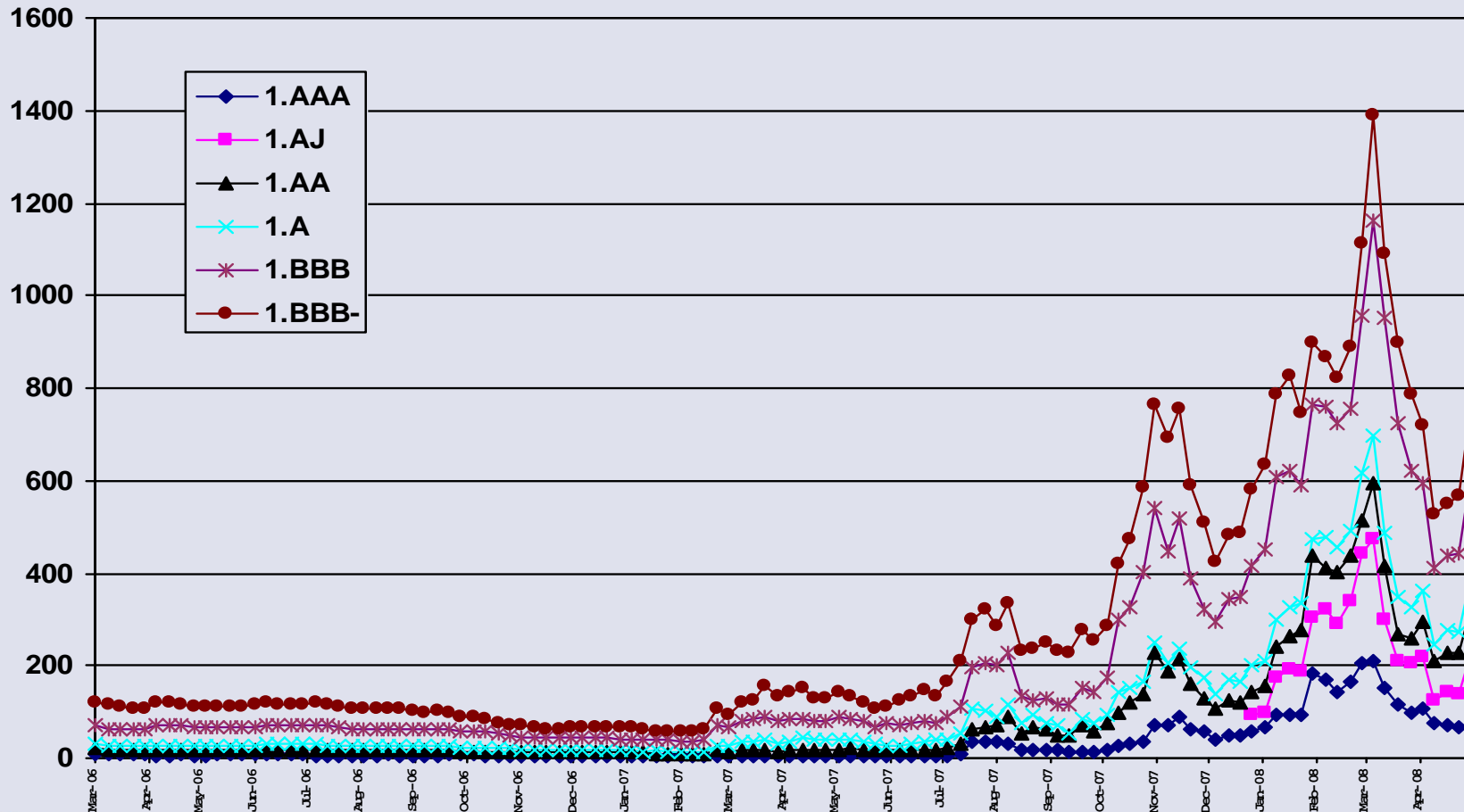
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CMBX.1 Spreads



Source: Markit, CDS IndexCo. AJ tranche added on January 4, 2008.



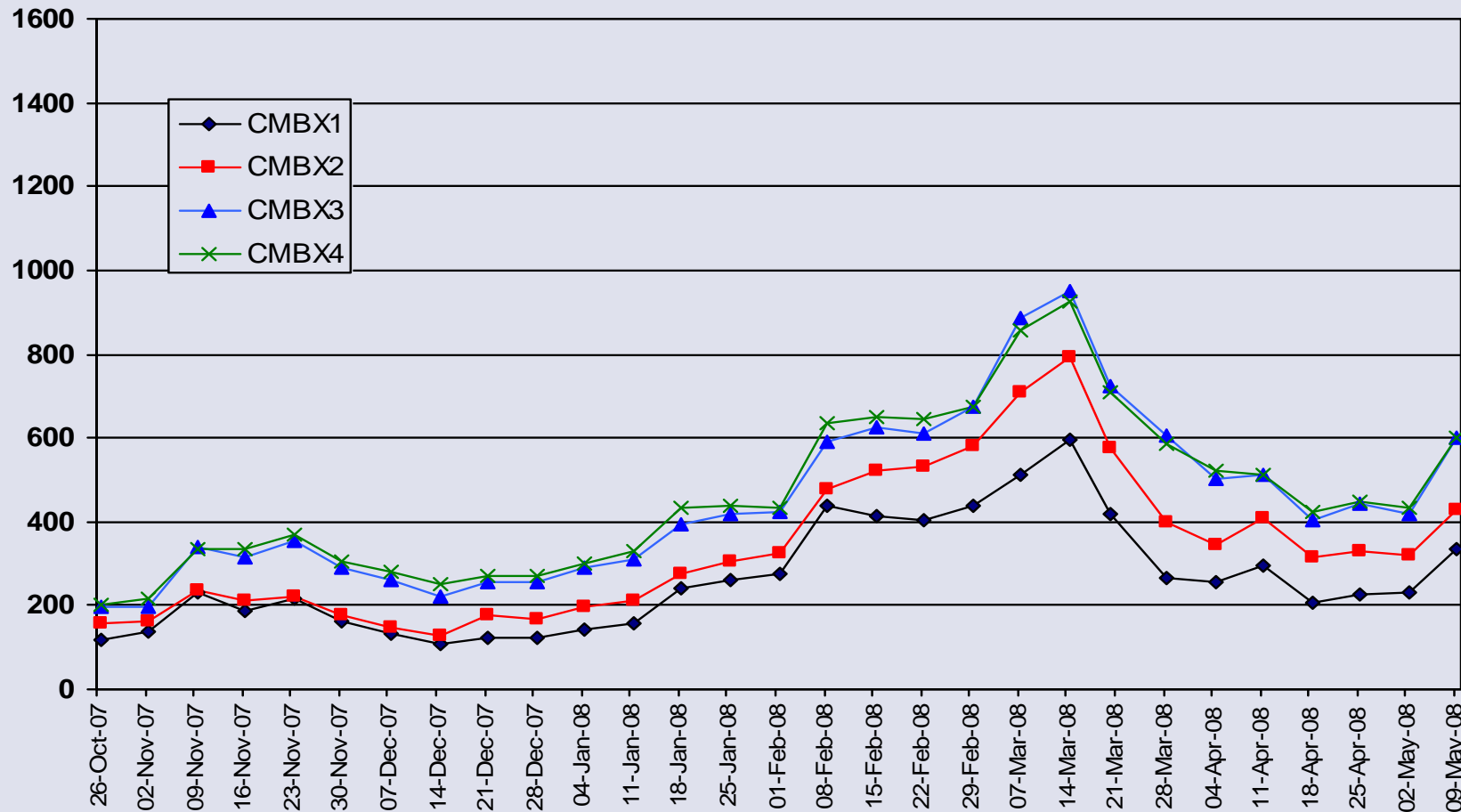
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CMBX - AA Spreads



Source: Markit, CDS IndexCo.



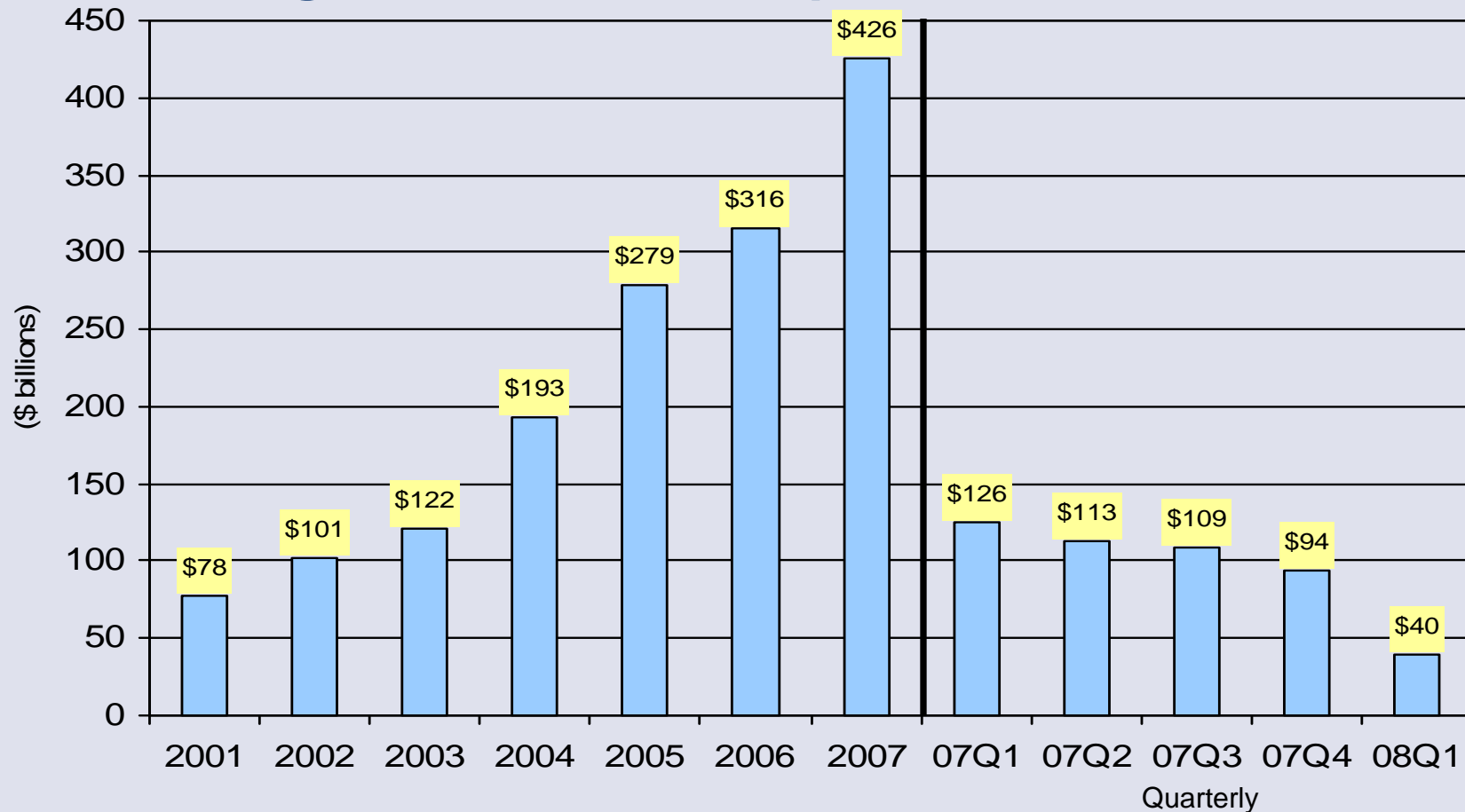
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Sale of Large Commercial Properties



Source: Real Capital Analytics. Limited to properties \$5 million and over. Current as of April 28, 2008.



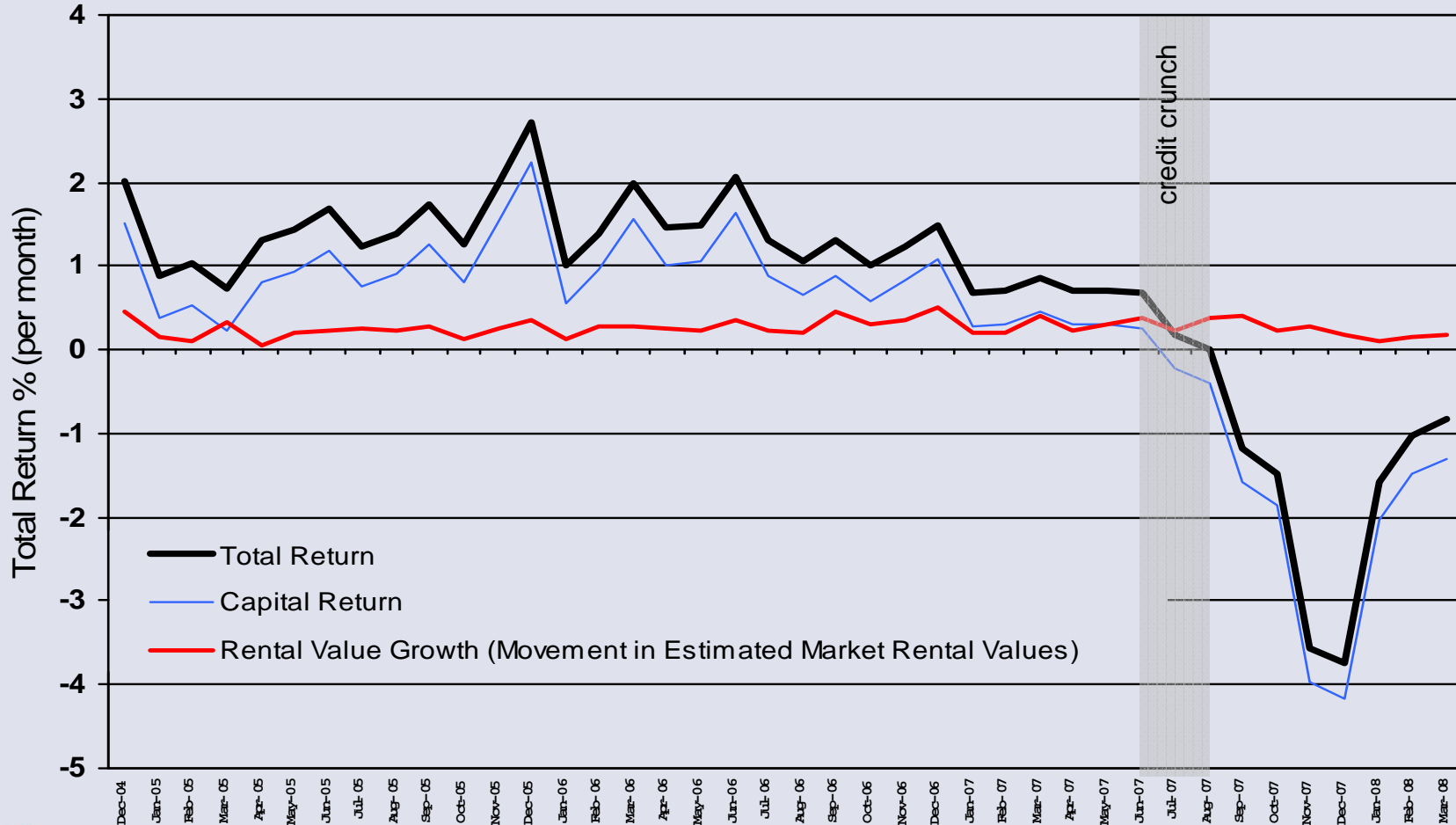
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IPD UK Monthly Property Performance



Source: IPD. 4,073 assets, approximate value \$94 billion.



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Global Property Returns

	2001	2002	2003	2004	2005	2006	2007
Canada	9.2	8.8	8.4	12.9	18.7	18.6	16.1
Denmark	11.4	9.4	7.3	6.3	18.0	17.6	10.2
France	9.7	8.6	8.1	10.1	15.2	21.7	17.8
Ireland	8.2	2.3	12.7	11.5	24.3	27.2	9.9
Netherlands	11.4	8.8	7.1	7.8	10.2	12.5	11.3
Norway	10.8	7.0	7.6	10.4	15.2	17.6	18.3
Portugal	13.1	13.8	10.0	10.6	10.5	12.0	12.4
South Africa	10.5	9.6	15.3	23.4	30.1	26.7	27.7
Spain	9.1	8.2	8.3	11.5	17.2	17.4	12.5
Sweden	4.6	2.4	0.9	5.8	12.7	16.1	14.9
United Kingdom	6.8	9.6	10.9	18.3	19.1	18.1	-3.4
United States	7.3	6.7	9.0	14.5	20.1	16.6	15.8



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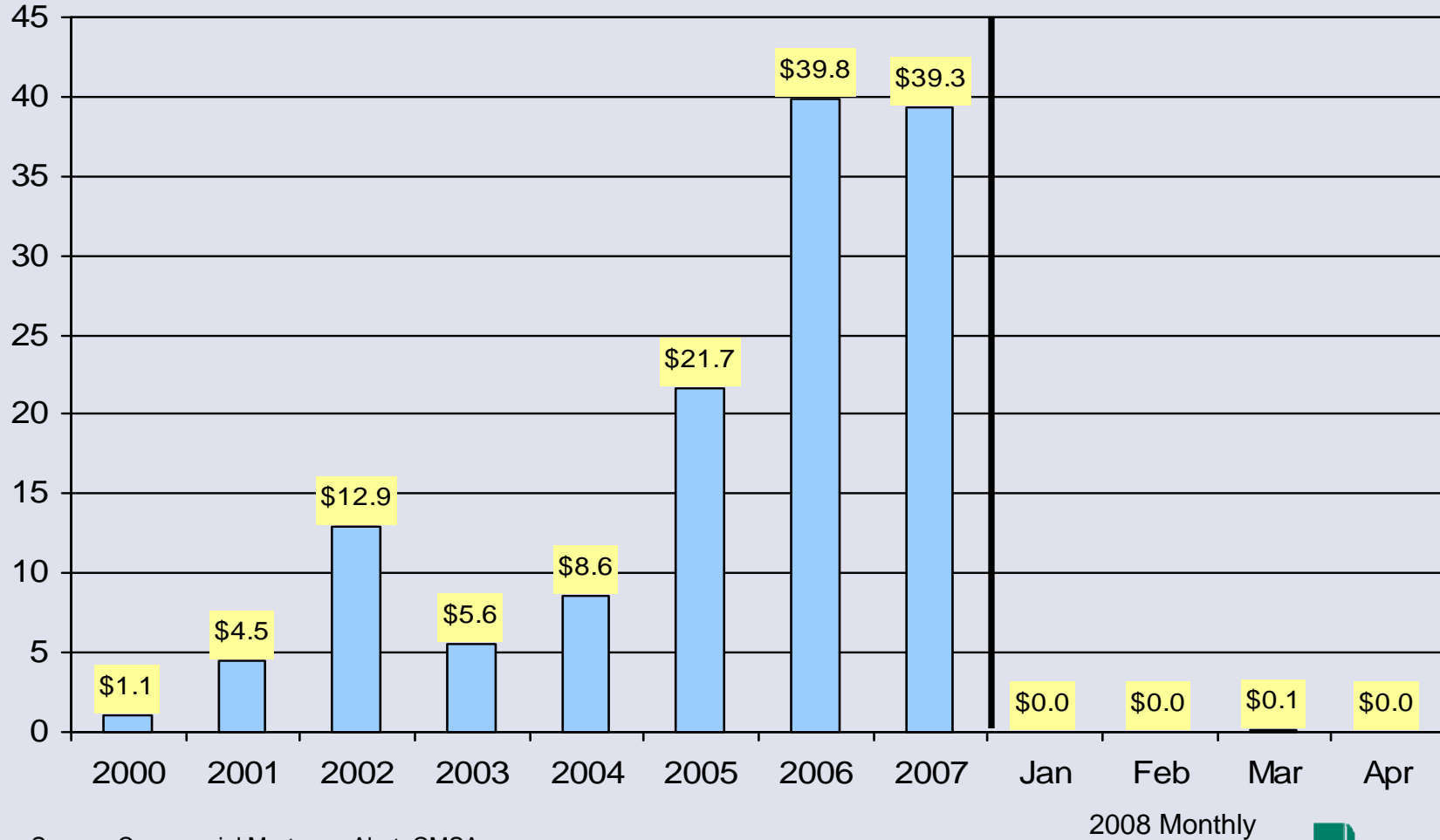
Source: IPD, NCREIF (US).



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CRE CDO Issuance (\$ billions)



Source: Commercial Mortgage Alert, CMSA.

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2007 – 2008 CMBS Issuance (\$ millions)

2007	US	Europe	Other	Total	% Chg US /06
1Q	61,155.7	17,077.5	2,974.8	81,208.0	+31.6
2Q	75,832.3	29,858.9	4,868.1	110,559.3	+78.9
3Q	59,939.5	10,337.1	6,997.0	77,273.6	+44.8
4Q	33,268.3	6,378.2	5,992.0	45,638.5	-54.1
Annual – 2007 Total	230,195.8	63,651.7	20,831.9	314,679.4	+13.6
2008					% Chg US /07
January	0	0	0	0	-100.0
February	1,233.9	3,059.4	0	4,293.3	-94.2
March	4,670.6	0	1,430.3	6,100.9	-87.9
April	4,022.9	453.1	326.0	4,802.0	-76.8
May	0	0	0	0	
2008 Year-To-Date	9,927.4	3,512.5	1,756.3	15,196.2	-87.3



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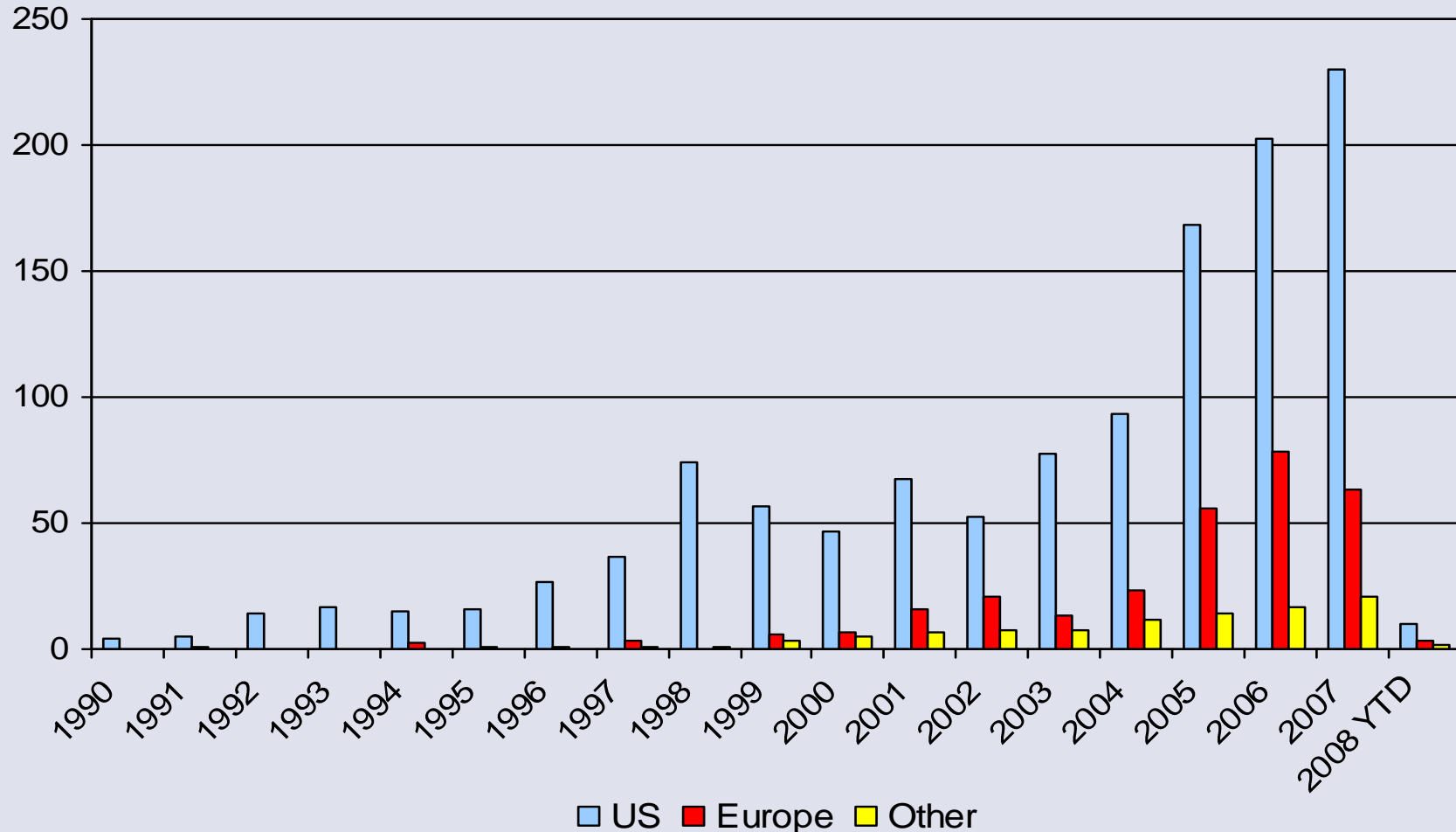
Source: Commercial Mortgage Alert, CMSA. Data as of May 9, 2008



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CMBS Issuance (\$ billions)



Source: Commercial Mortgage Alert, CMSA. Data as of May 9, 2008.



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