

Money, Money, Money:

Navigating the Current Spectrum of Equity Sources

Moderator:

Eric Silverman: Eastham Capital

Panelists:

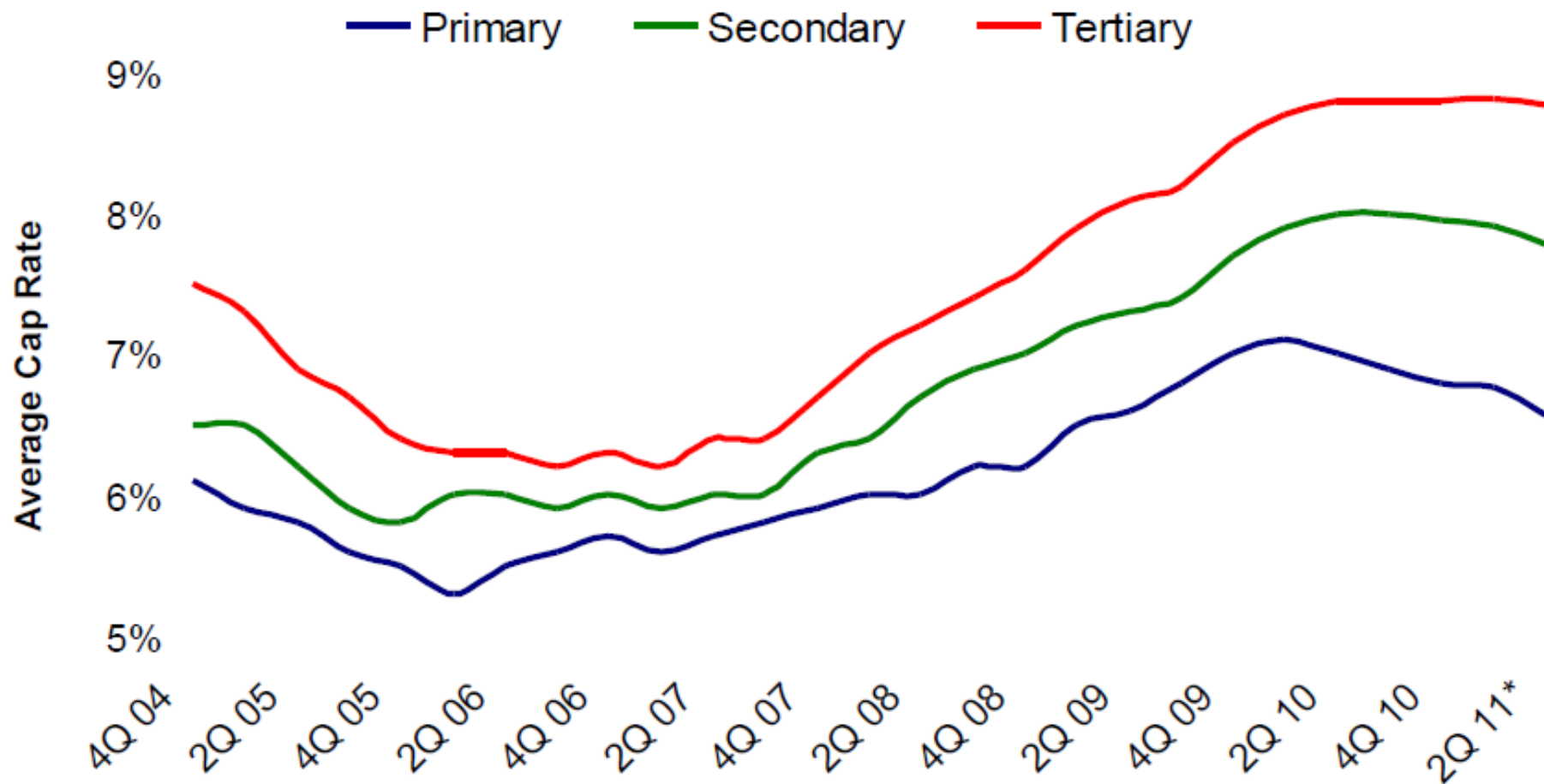
Robert Hart: Kennedy Wilson

Dan McNulty: Rockwood Real Estate Advisors

Dave Valger: DVO Real Estate Holdings

MFE 2011 Conference, Aria Hotel, Las Vegas, Tuesday, October 4th, 2:30PM-3:45PM

Re-Pricing of Risk by Quality Reflected in Apartment Cap Rate Trends by Market

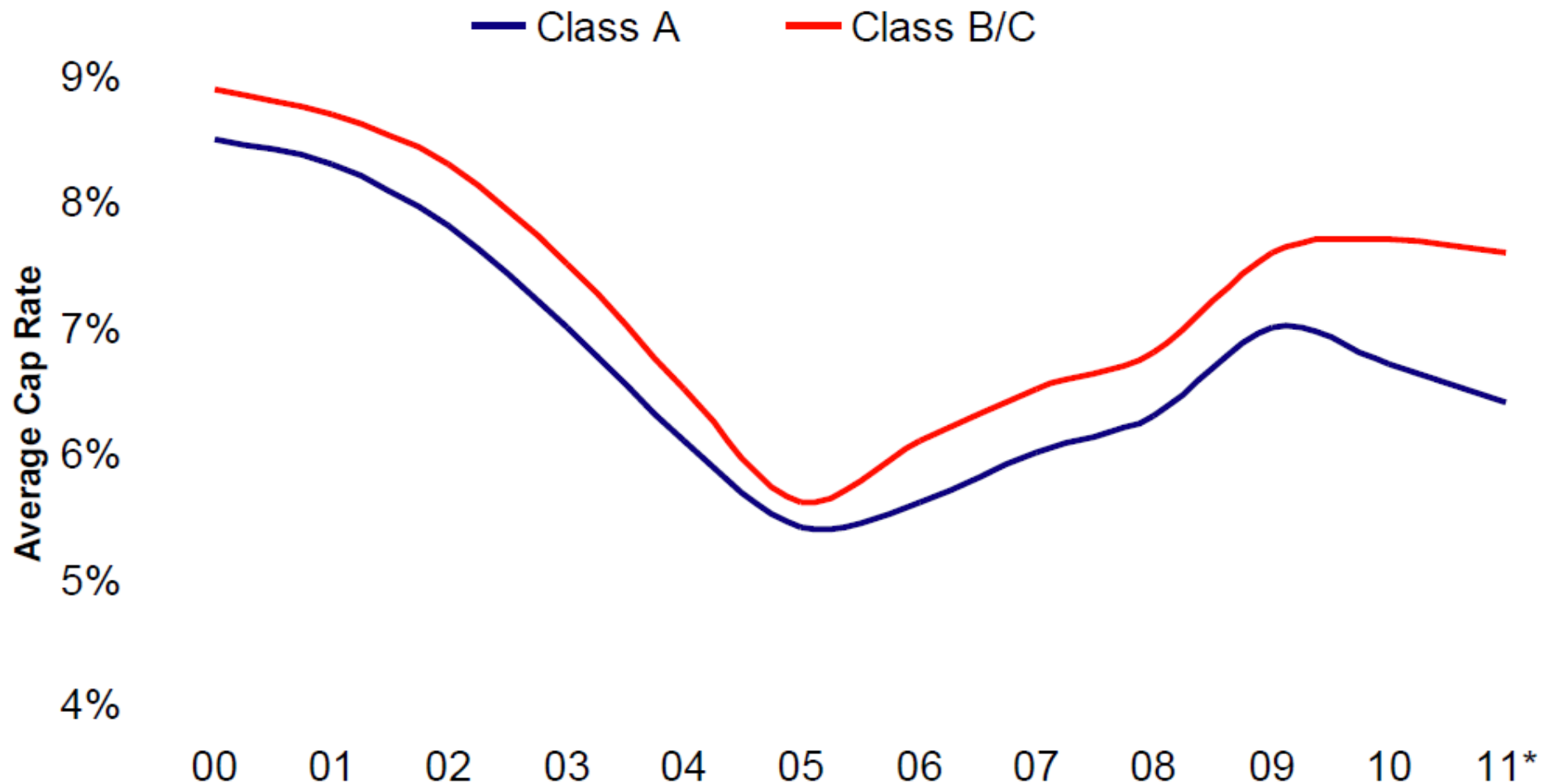


* Preliminary Estimate

Sales \$5 million and greater

Sources: Marcus & Millichap Research Services, Real Capital Analytics

U.S. Apartment Cap Rates by Class



* 1H11 Estimate

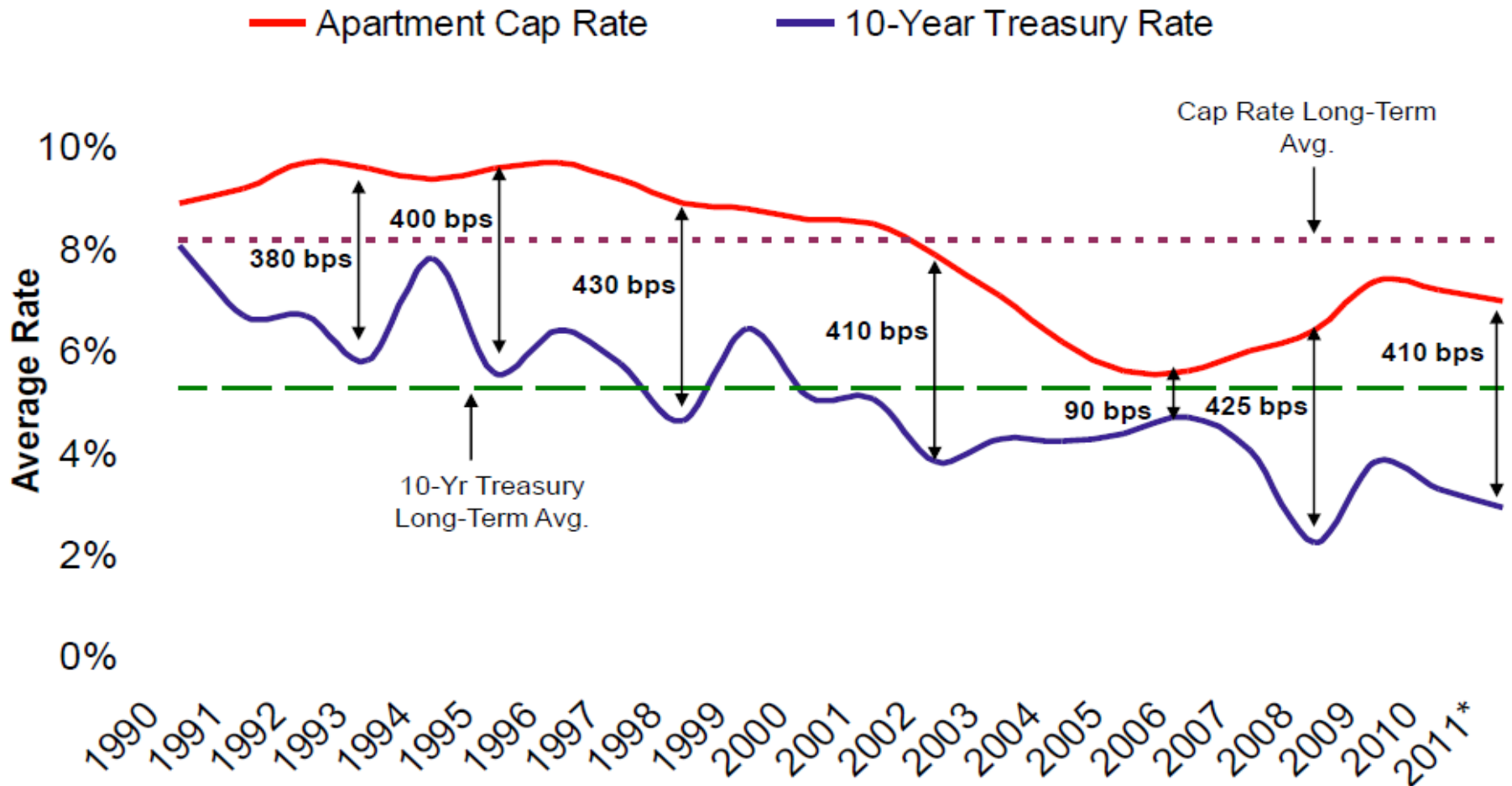
Includes apartment sales \$1M+

Assumes properties less than 10 years old at time of sales to be Class A,
properties older than 10 years assumed to be Class B/C

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Apartment Cap Rate Trends

Average Cap Rates vs. 10-Year Treasury

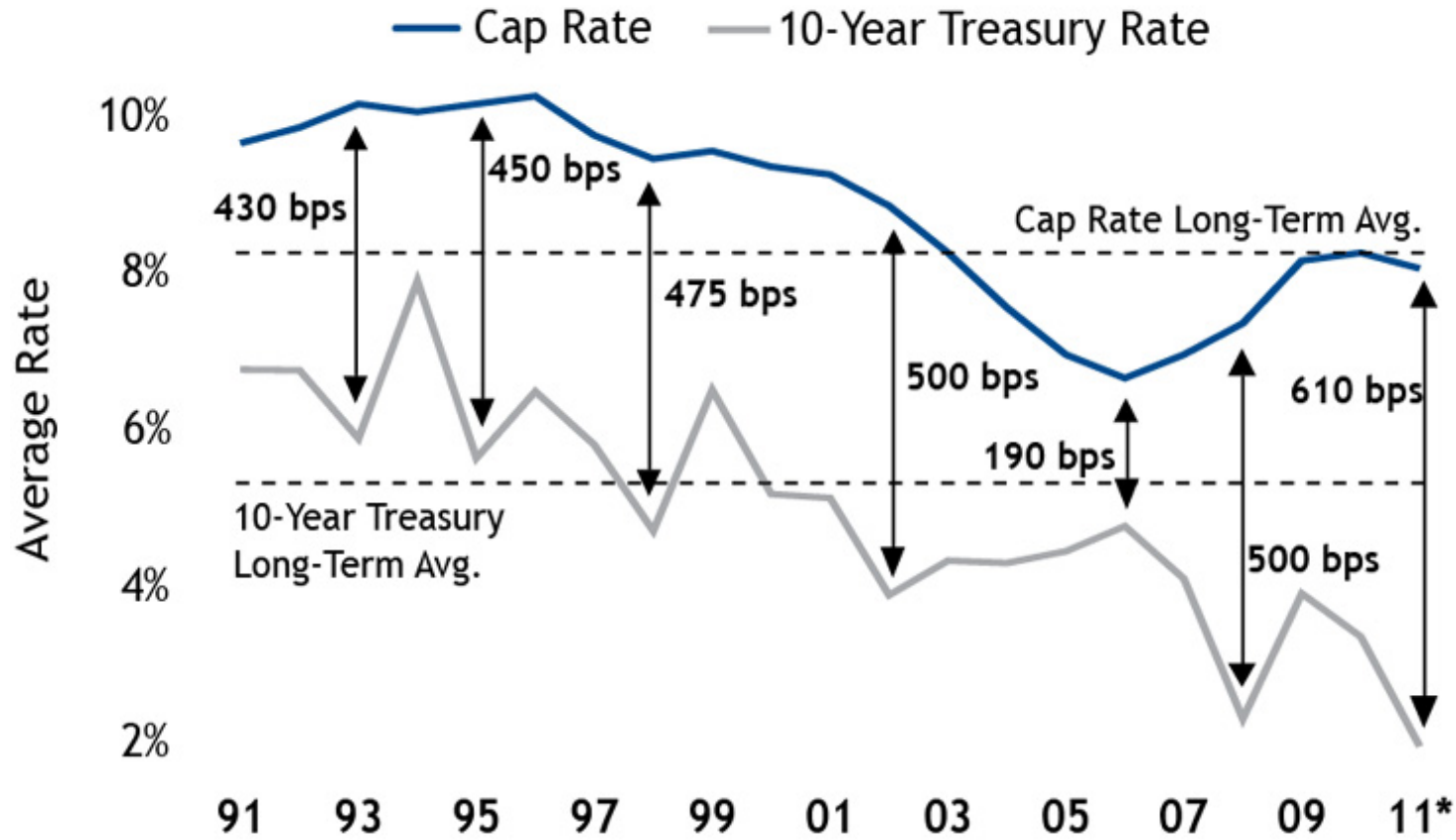


* Through July 18

Sales \$1 million and greater

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Commercial Real Estate Cap Rate vs. 10-Year Treasury



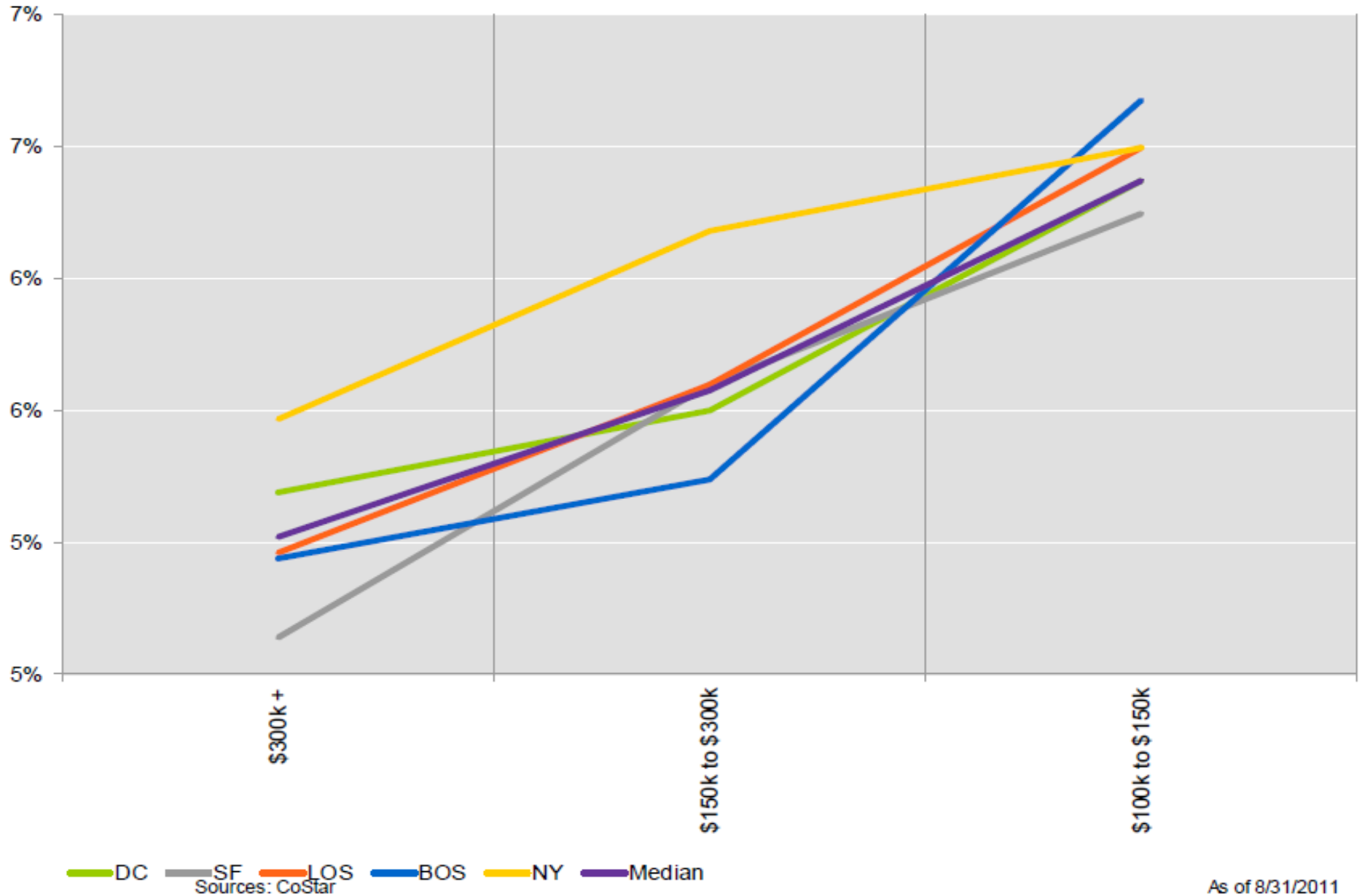
* Through September 28

Sales \$1M and above

Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

HIGHER CAP RATES FOR CHEAPER APARTMENTS

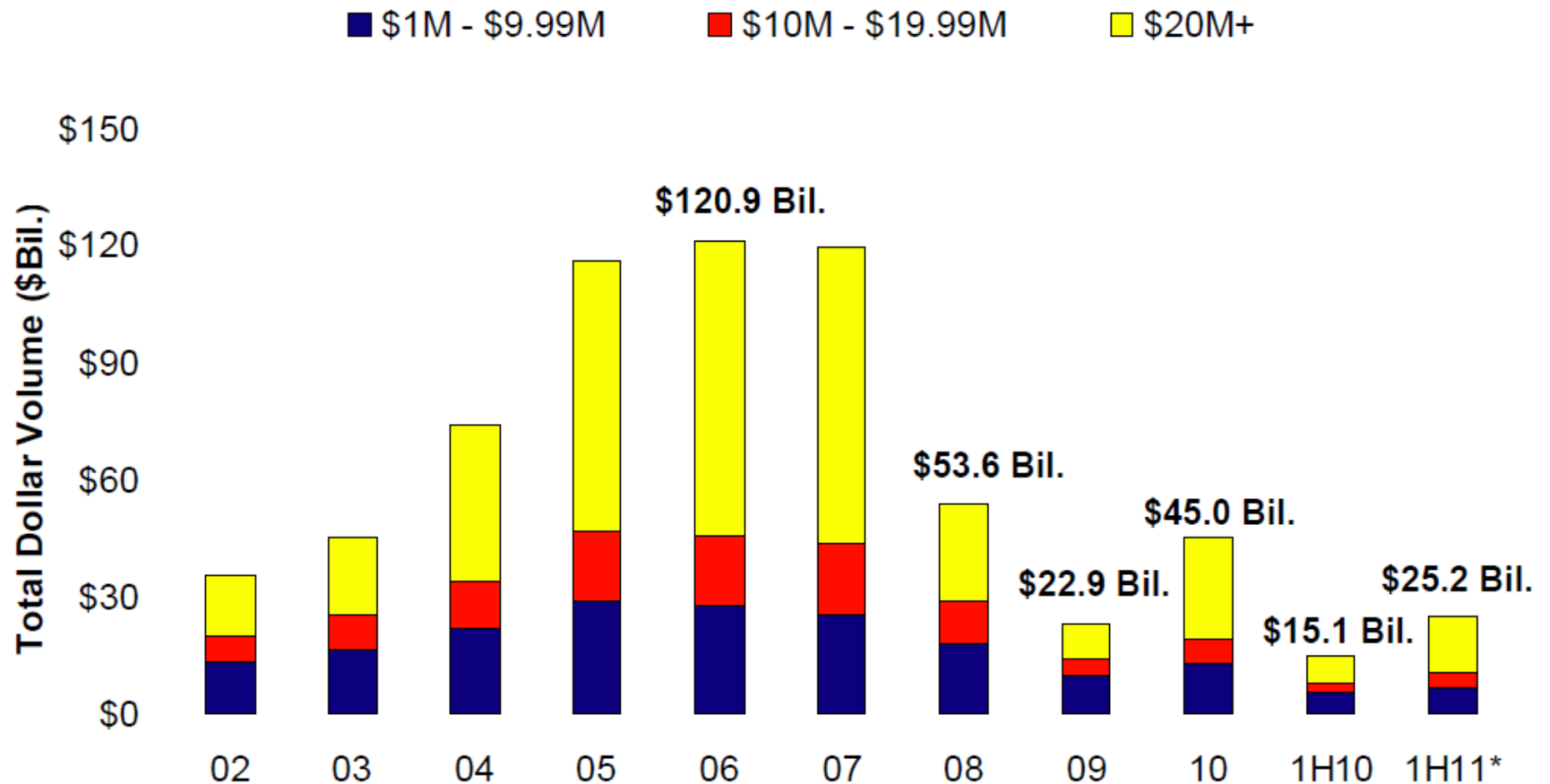
CAP RATES BY METRO PER UNIT \$



As of 8/31/2011

Apartment Investment Trends

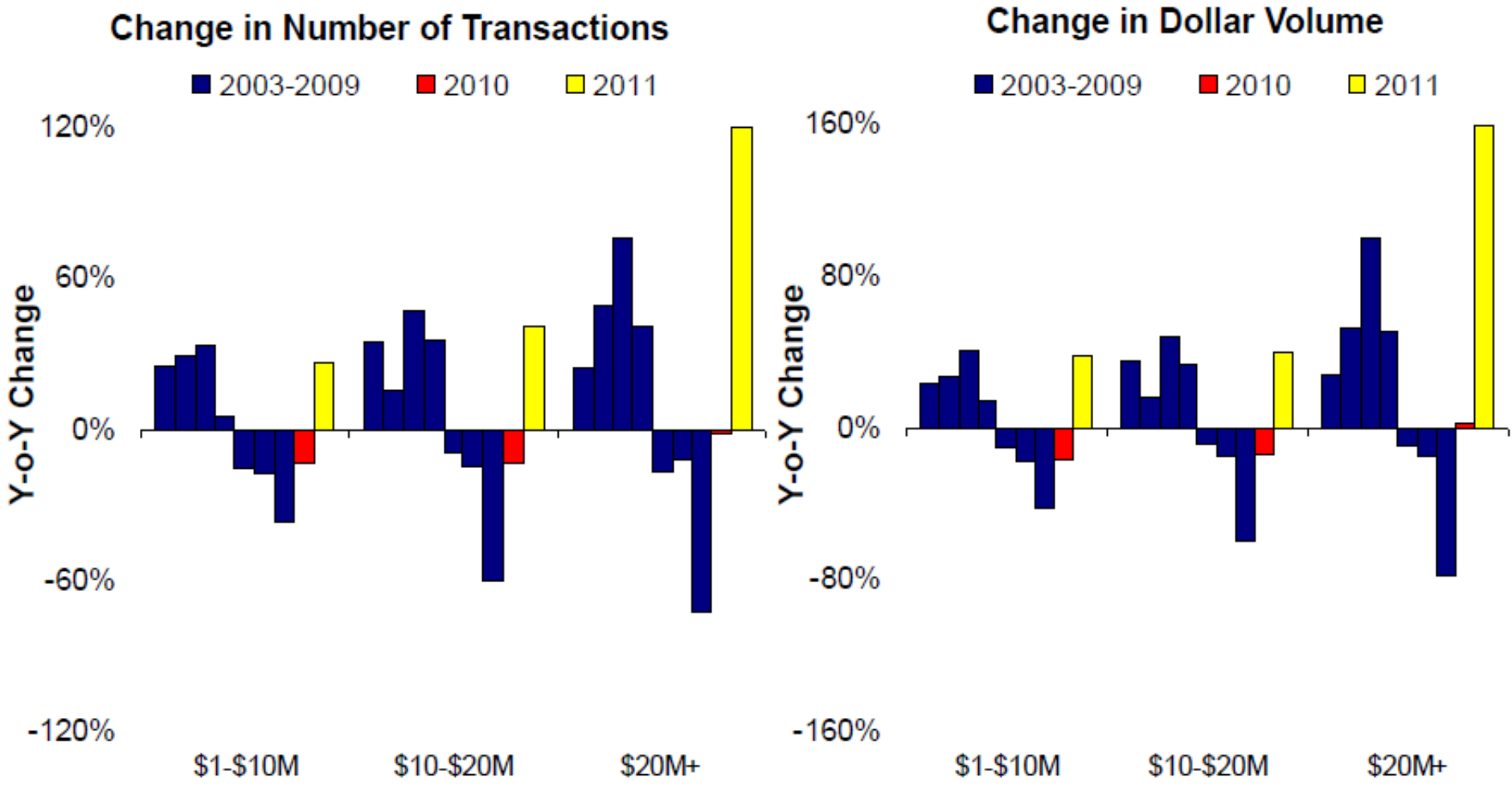
Dollar Volume by Price Category



* Preliminary Estimate

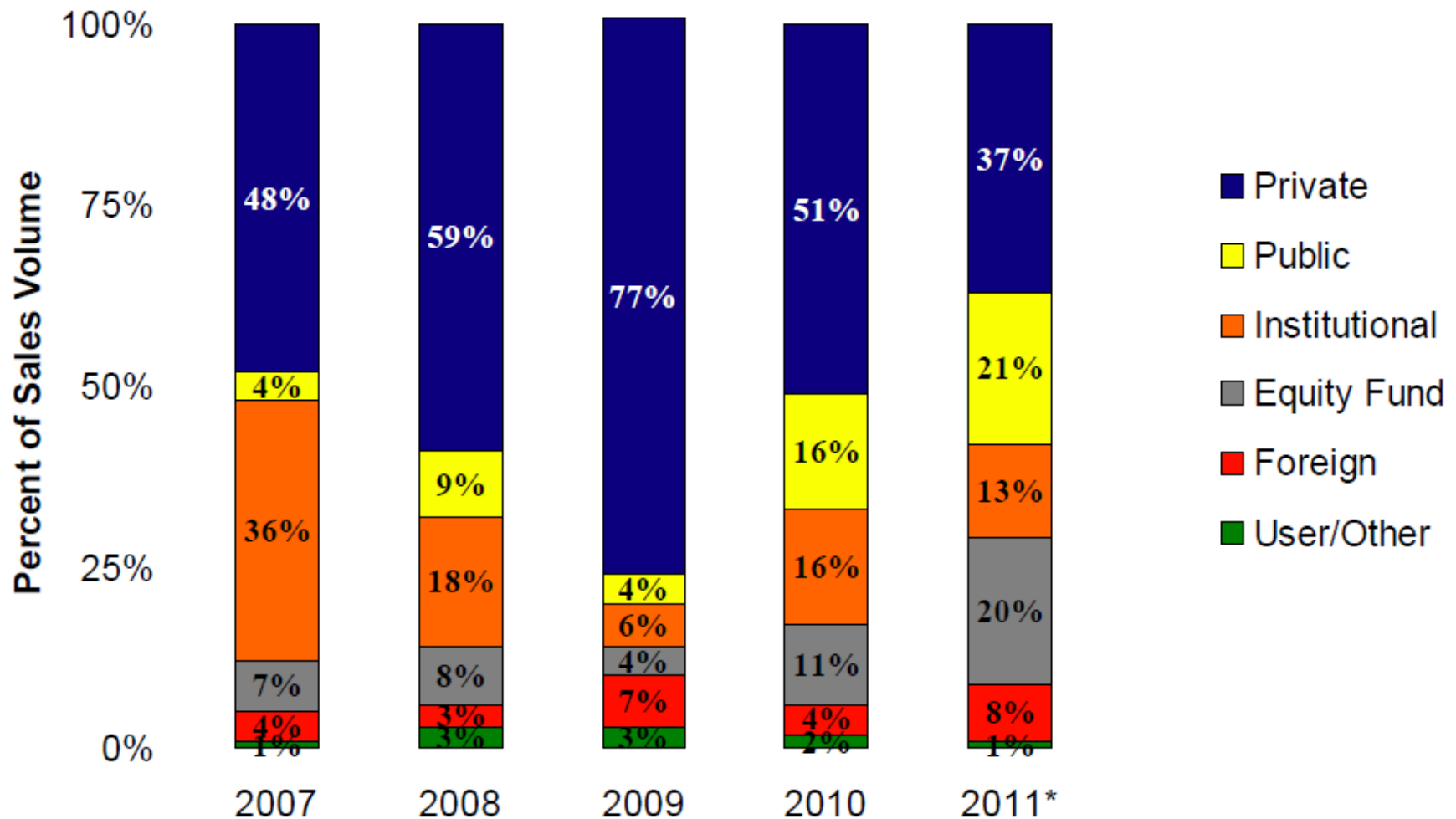
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

U.S. Apartment Sales Activity Trailing 12 months as of Q2



Sources: Marcus & Millichap Research Services, Real Capital Analytics, CoStar Group, Inc.

U.S. Apartment Buyer Composition

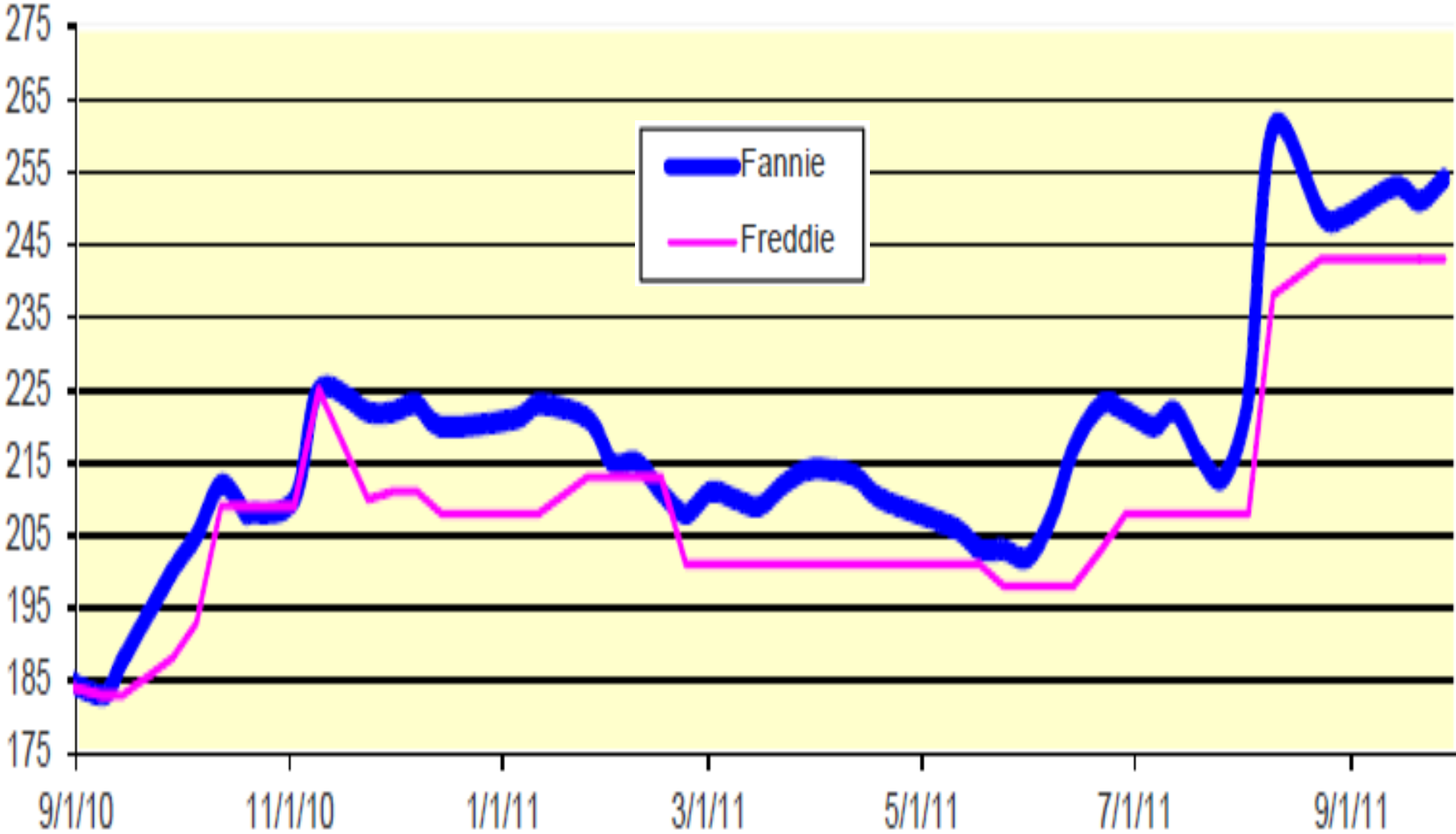


* Through May

Sales \$5 Million and greater

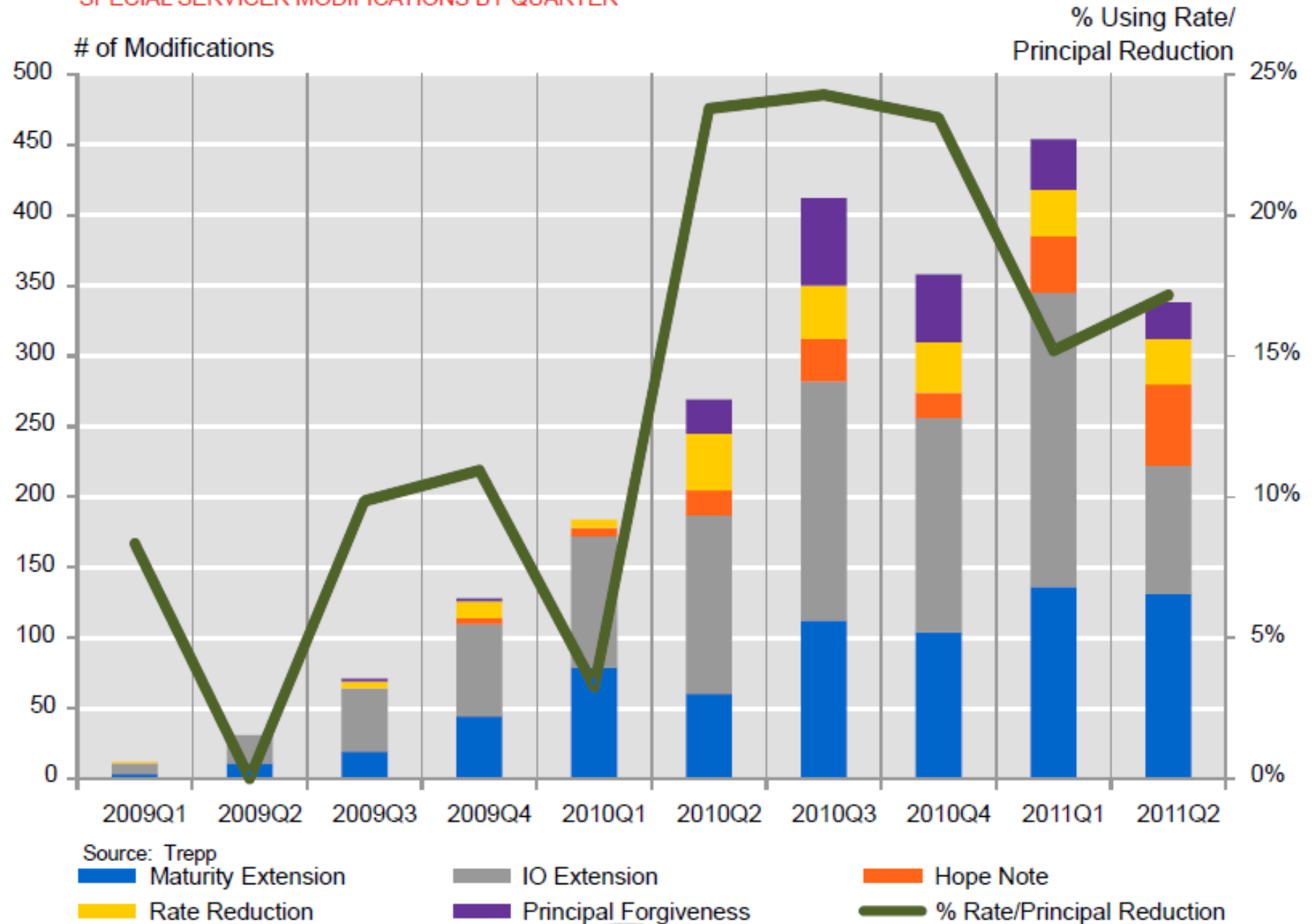
Sources: Marcus & Millichap Research Services, Real Capital Analytics

Loan Spreads – 10yr / 9.5YM / 80% / 1.25x deal



“TRUE” MODIFICATIONS AT A HIGH LEVEL – AND STAYING THERE

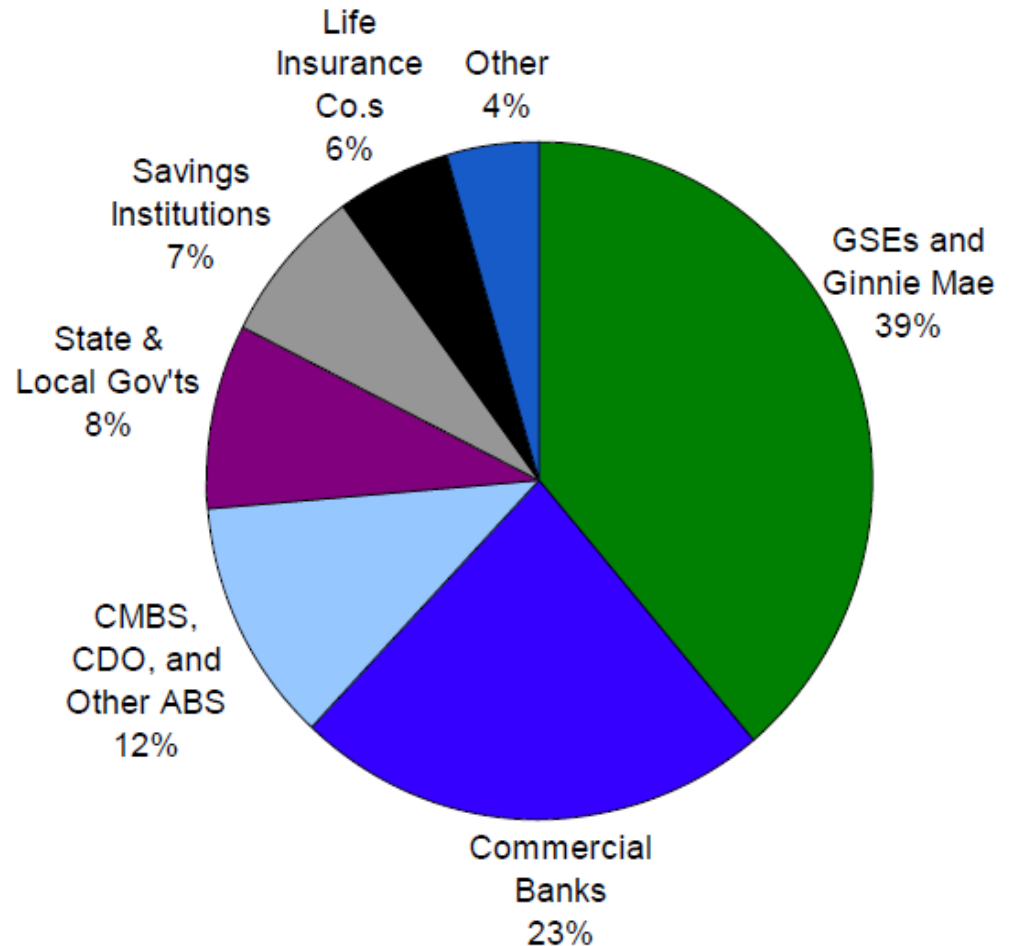
SPECIAL SERVICER MODIFICATIONS BY QUARTER



Total Multifamily Mortgage Debt Outstanding: \$840.1 billion*

By Lender Types (\$Bil):

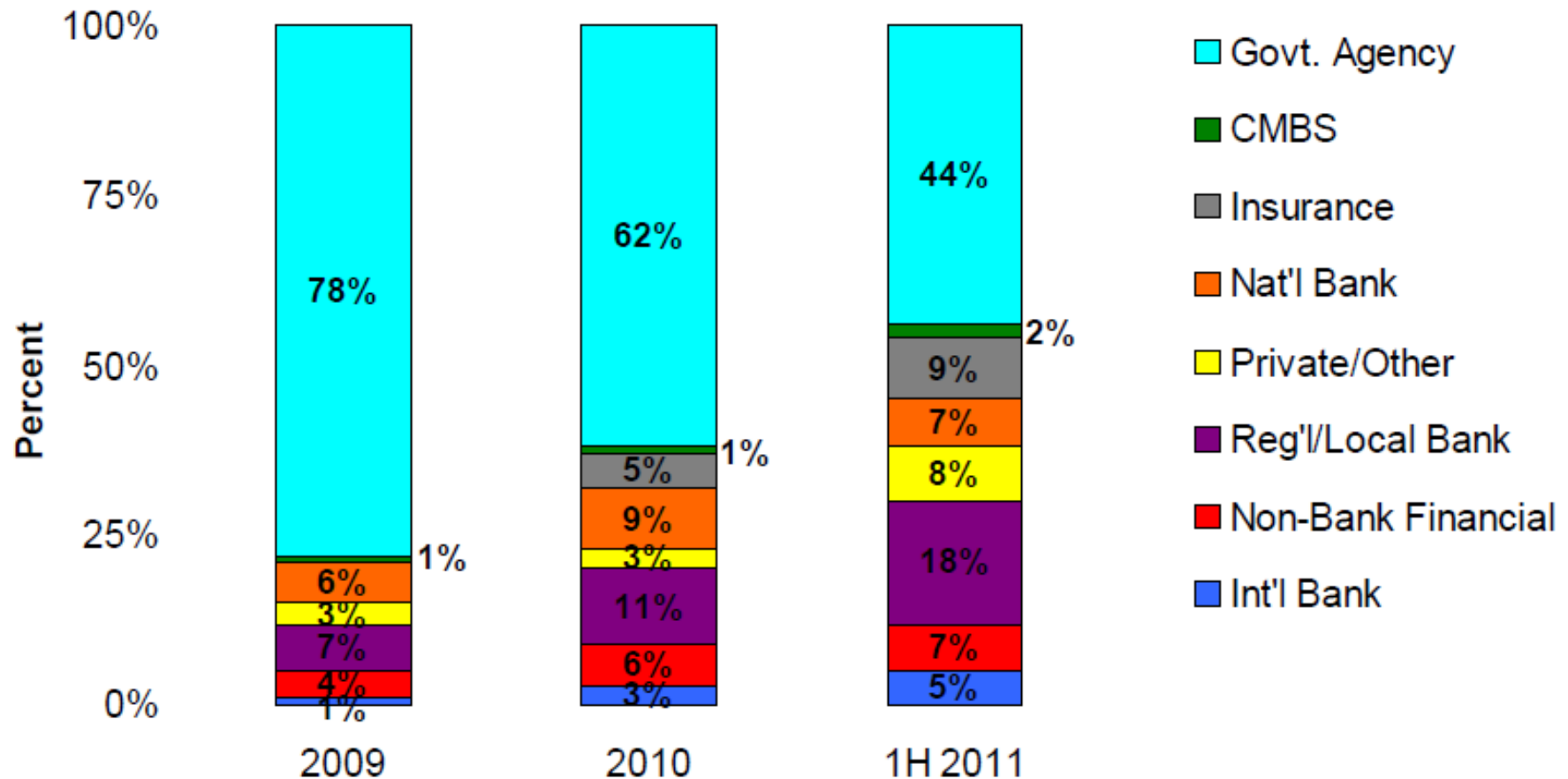
GSEs and Ginnie Mae	\$327.3
Commercial Banks	\$193.8
CMBS, CDO, and Other ABS	\$98.0
State & Local Governments	\$74.9
Savings Institutions	\$61.2
Life Insurance Companies	\$47.4
Other	\$37.5



* As of 1Q11

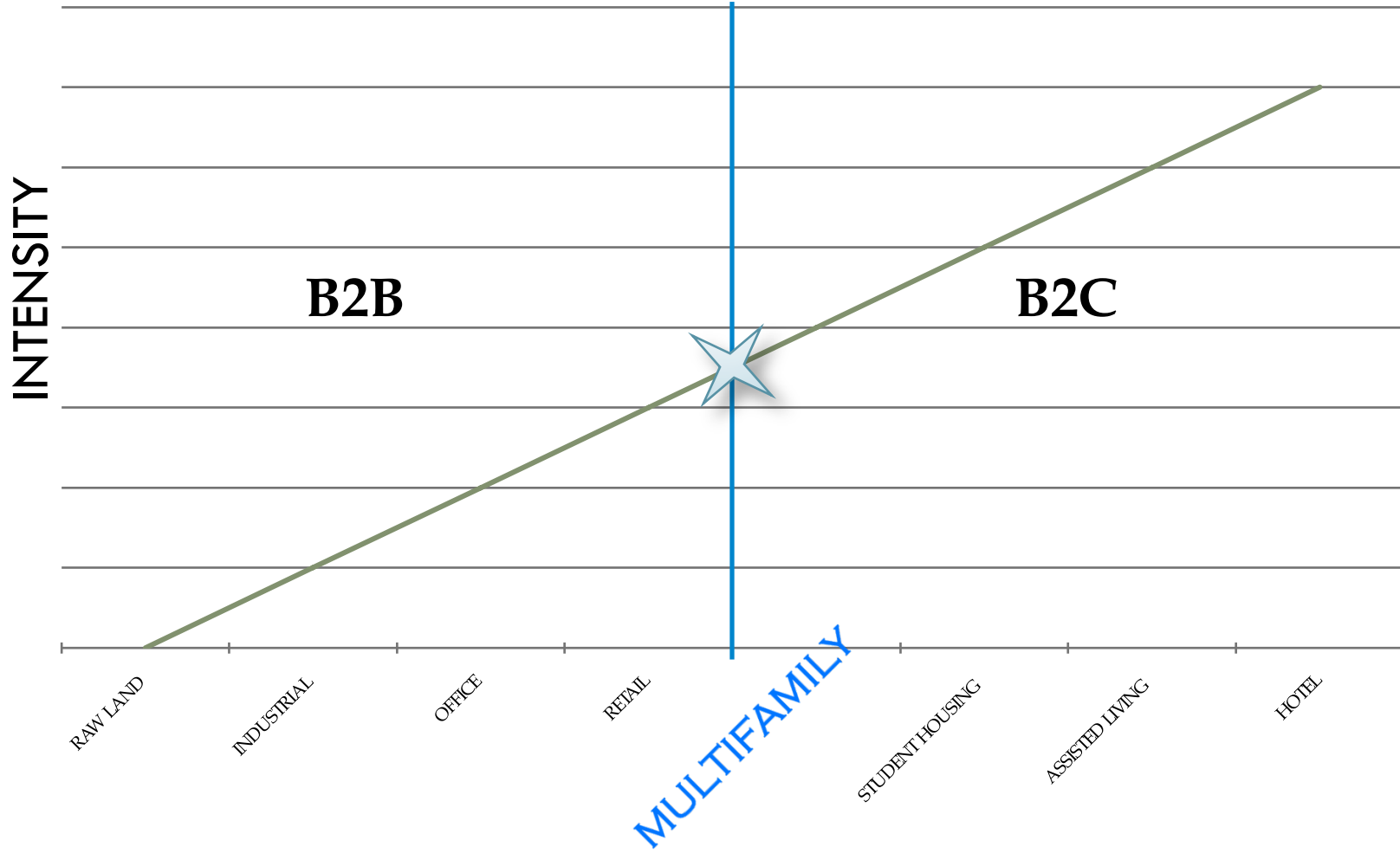
Sources: Marcus & Millichap Research Services, Federal Reserve

Apartment Mortgage Originations by Dollar Volume



REAL ESTATE ASSET TYPES

MANAGEMENT/OPERATIONS INTENSITY



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Thank you for
attending this session!

Please give us
a great evaluation. 😊

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