

CAPITAL MARKETS UPDATE



APARTMENT MARKET REPORT

Week Ending: March 5, 2010

DEBT MARKETS

- For 2009, US banks posted their sharpest decline (7.5%) in lending since 1942.
- Many lenders are ramping up balance sheet bridge programs for assets that do not yet qualify for agency financing due to higher vacancy and concessions. As transaction volume increases in 2010, we expect the bridge-to-agency executions to grow in popularity.
- It is expected that Freddie Mac will announce details of mezzanine partnerships in the near future. The program is expected to provide higher leverage (up to 85% to help with owners looking to refinance higher leverage senior loans that are unwilling to sell in today's market.

Capital	Max LTV	Spreads	Index	DSCR
Credit Company	Up To 75%	6.3%-9.8%	LIBOR	1.10 -1.25x
Life Company	Up To 65%	3%-3.5%	T-Bills	1.30 -1.45x
Bank	Up To 75%	3%-4.5%	LIBOR	<1.00 -1.20x
Agency	See Indicative Pricing Below			1.20 -1.35x

EQUITY MARKETS

- The number of real estate sales rose sharply in December, triggering fresh debate about whether the sector has reached bottom. The Moody's/REAL All Commercial Property Price Indices, or CPPI, which track values, measured a 4.1% increase in December. This followed an increase of 1% in November, which was the first time since 2007 that there were two consecutive months of rising values.
- While off from the peak of the market, non-public REITs continue to raise capital at a successful pace. Traditional equity funds and large advisors are actively pursuing non-public REITs as a viable investment platform.

Investment Profile	Leveraged IRRs
Core	12%-15%
Core-Plus	15%-19%
Value-Add	19%-25%
Opportunistic	+26%

Cushman & Wakefield Sonnenblick Goldman, through strategic agreements, can provide Fannie, Freddie & FHA executions.

INDICATIVE AGENCY PRICING

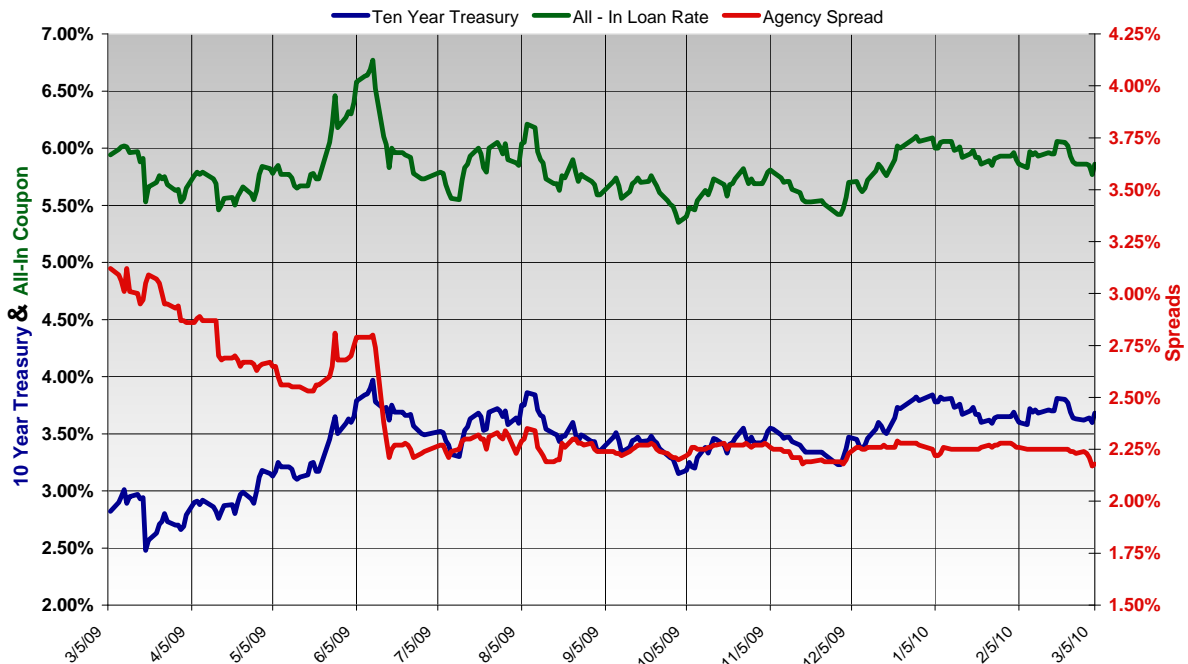
Fannie Fixed	DSCR/LTV	Index	Spread	Coupon
5 YR	1.25x / 80%	2.35	2.51	4.86
7 YR	1.25x / 80%	2.88	2.34	5.22
10 YR	1.25x / 80%	3.68	2.18	5.86

Fannie ARM	Index	Spread	Coupon	Capped Rate
5 YR	0.23	4.27	4.50	7.50
7 YR	0.23	4.41	4.64	7.64
10 YR	0.23	4.45	4.68	7.68

Freddie CME	DSCR/LTV	Index	Spread	Coupon
5 YR	1.30x / 70%	2.35	N/A	N/A
7 YR	1.25x / 75%	2.88	2.11	4.99
10 YR	1.25x / 80%	3.68	1.95	5.63

Other Programs	Index	Spread	Coupon	Comments
7-YR Capped ARM	0.23	3.38	3.61	7.25% cap
Freddie 10 YR	3.68	2.40	6.08	Portfolio loan
HUD 223(f)			5.10	Includes MIP

10-Year Agency and Rate Trends



New York - HQ

1290 Ave of Americas
8th Floor
New York, NY 10019
T 212 841 7500
F 212 841 5002

Atlanta

55 Ivan Allen Jr. Blvd.
Suite 700
Atlanta, GA 30308
T 404 875 1000
F 404 875 4637

Boston

125 Summer St.
Suite 1500
Boston, MA 02110
T 617 330 6966
F 617 330 9499

Los Angeles

601 S. Figueroa St.
Suite 4700
Los Angeles, CA 90017
T 213 955 5100

San Diego

4435 Eastgate Mall
Suite 200
San Diego, CA 92121
T 858 452 6500
F 858 452 3206

San Francisco

One Maritime Plaza
Suite 900
San Francisco, CA 94111
T 415 397 1700
F 415 397 0933

Washington, D.C.

1717 Pennsylvania Ave., NW
Suite 500
Washington, DC 20006
T 202 467 0600
F 202 293 9049