

**MBA's CREF/MULTIFAMILY HOUSING CONVENTION & EXPO**  
**MANCHESTER GRAND HYATT SAN DIEGO • SAN DIEGO, CALIF.**  
**FEBRUARY 4-7 2007**



# **Everyone Can Play. Anyone Can Win.**

## ***Small-Balance Commercial Mortgage Trends***

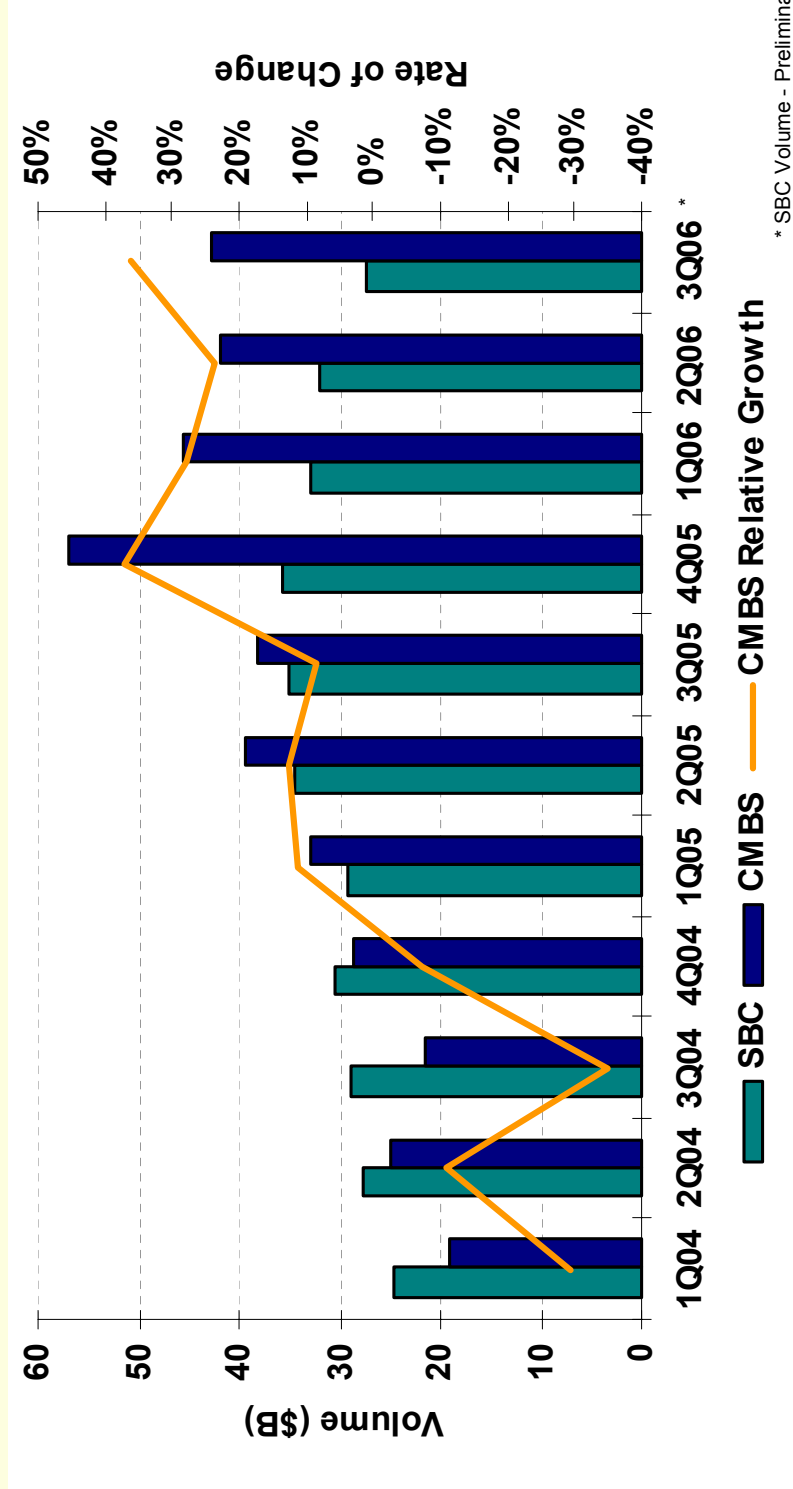
**Randy Fuchs, Principal**  
**Boxwood Means, Inc.**



## 2006 in Review

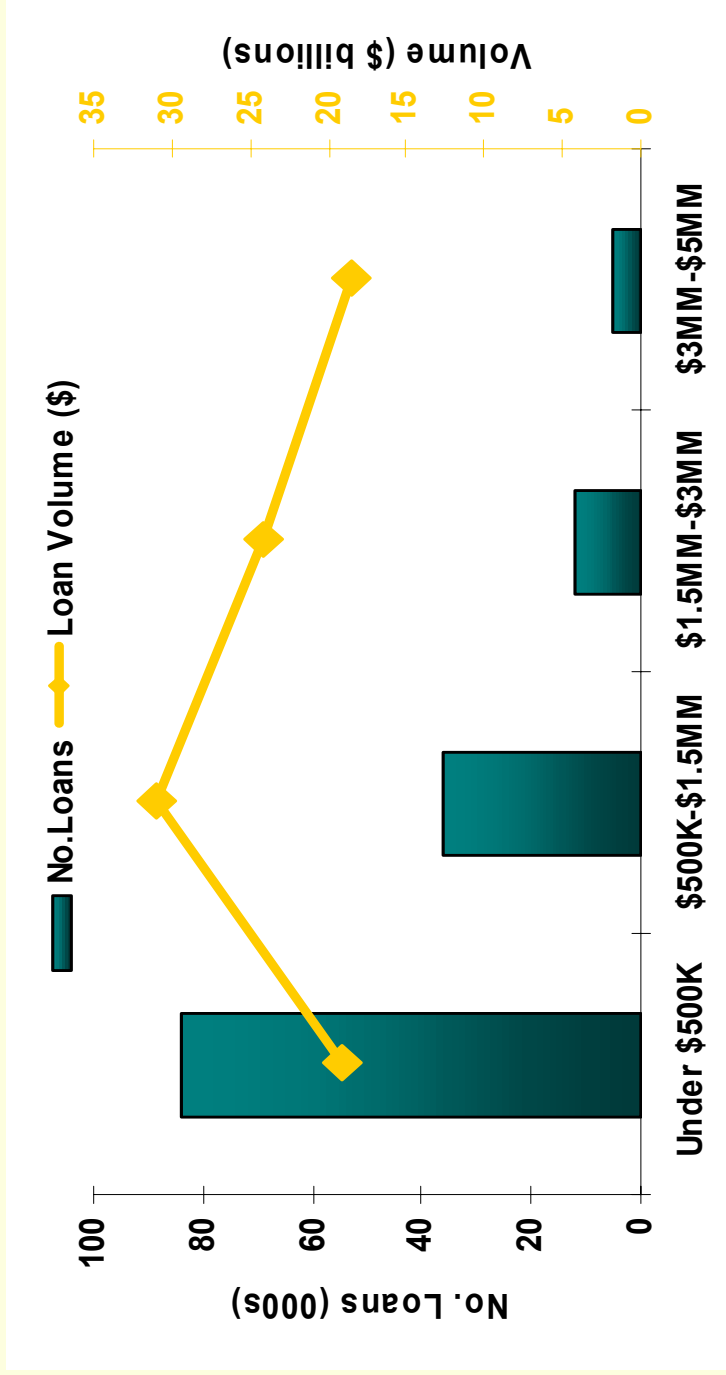
- Another \$100+ Billion Year
- Robust Property Sales Market
- Level-Playing Field with Increasing Competition
- Powerful Wholesale Channel
- Capital Markets Gain Steam

# Origination Trends

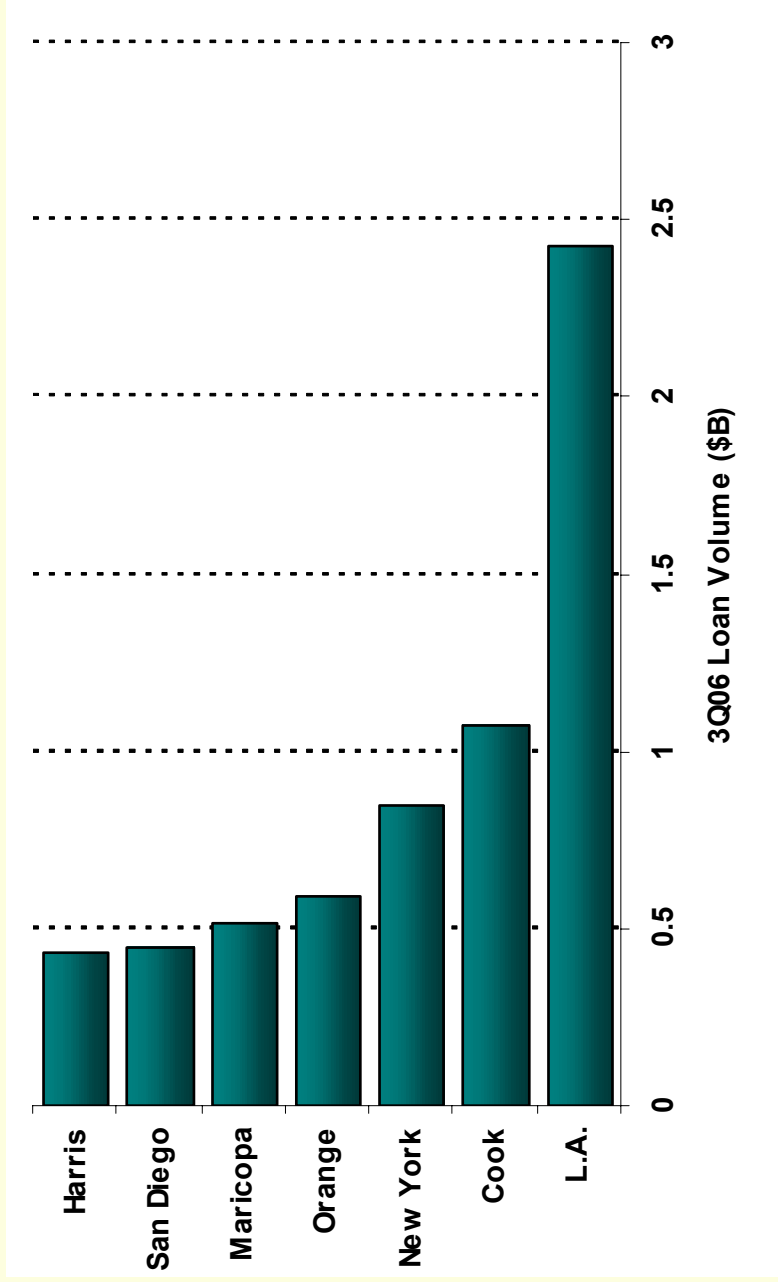


# Small is Beautiful

## Loan Stratifications, thru 3Q06

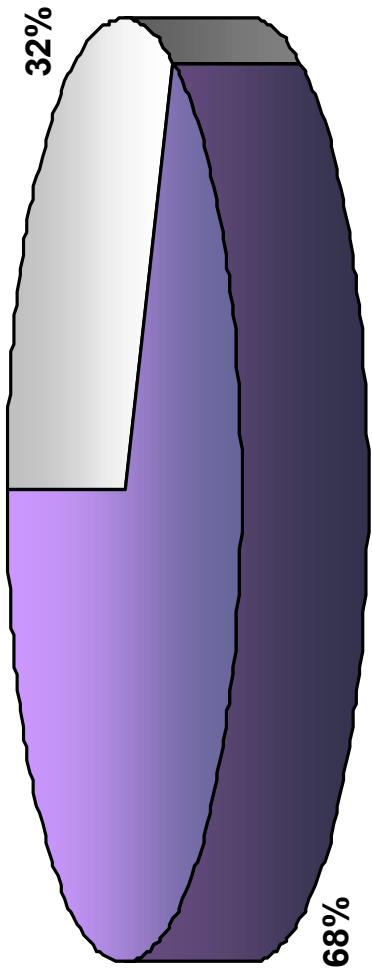


# Lending Hot Spots



# Brokers Rule

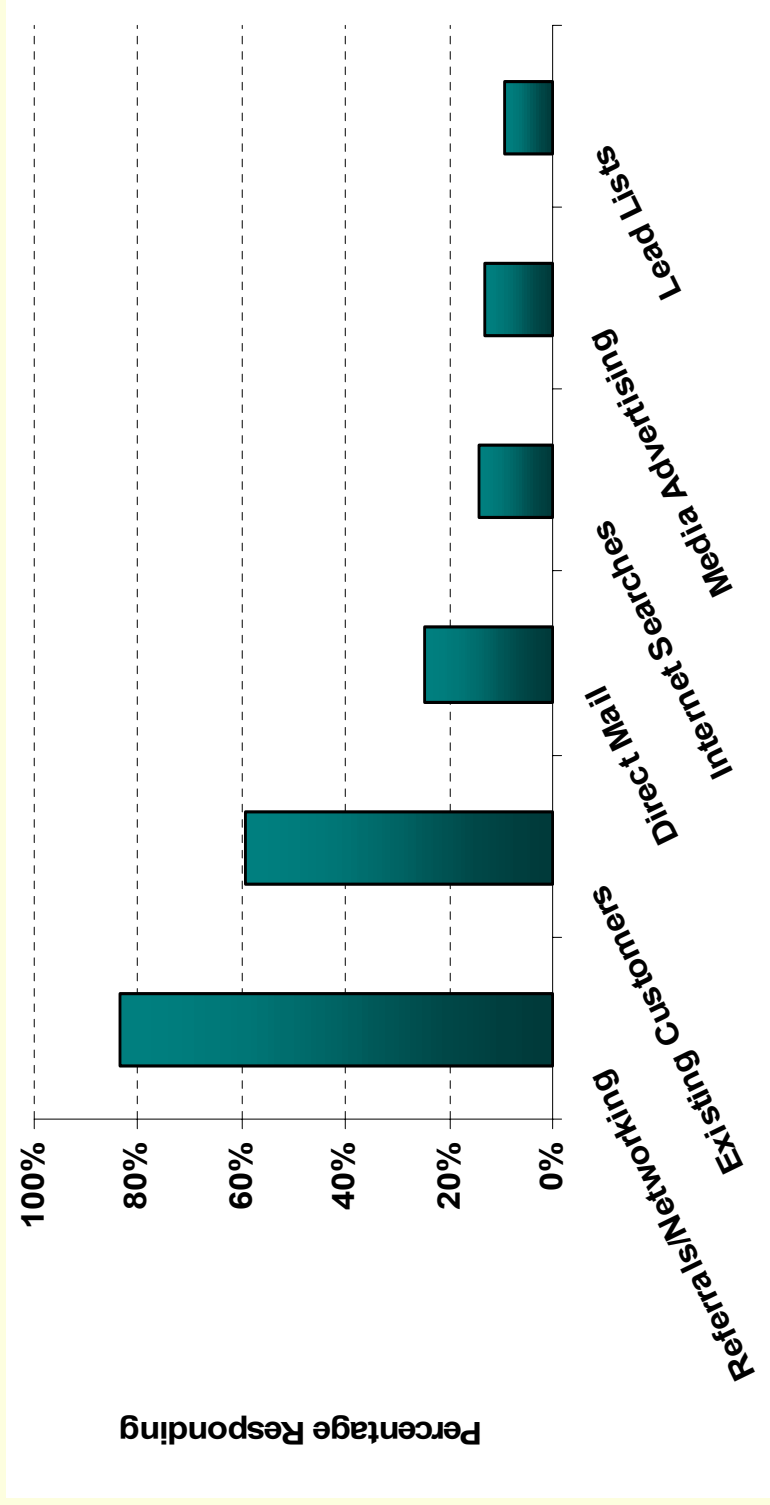
## Heavy Reliance on Wholesale Channel



□ Retail □ Wholesale

# Sourcing Loans

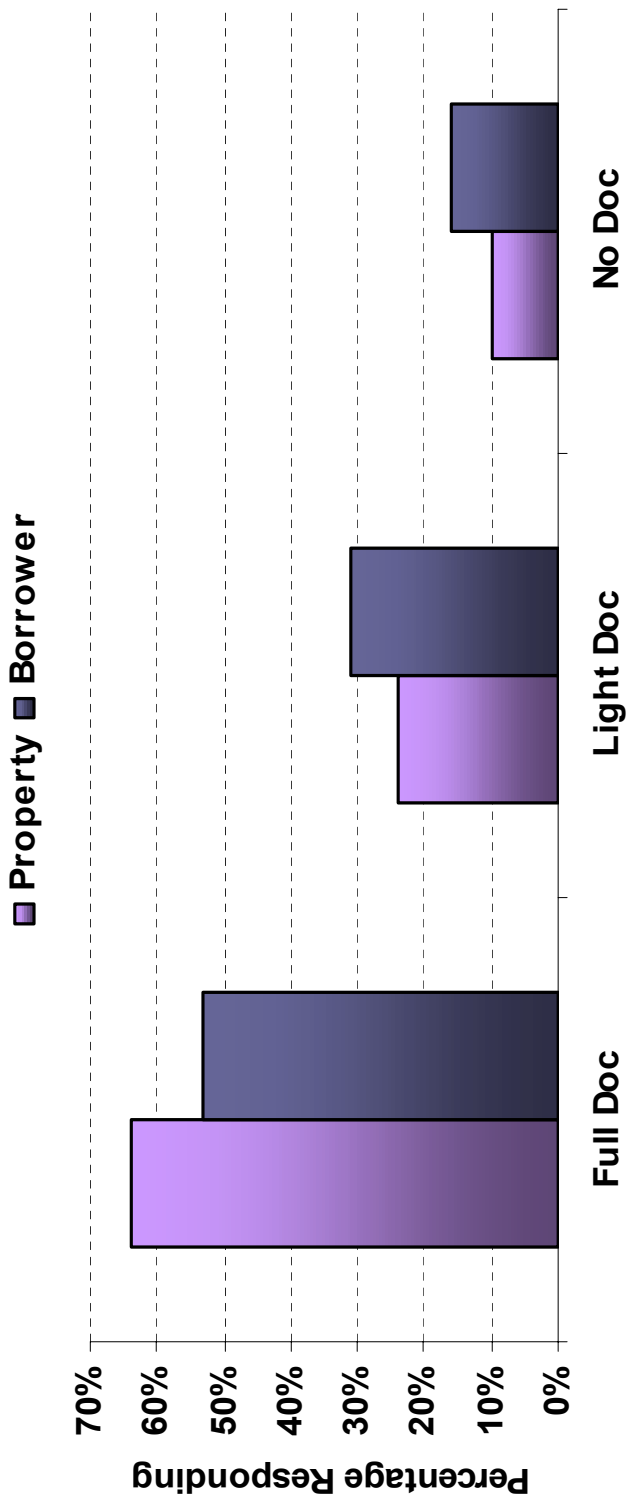
## How Brokers Find Customers



Source: Boxwood Means –Scotsman  
Guide Broker Survey

# Traditional Underwriting under Assault

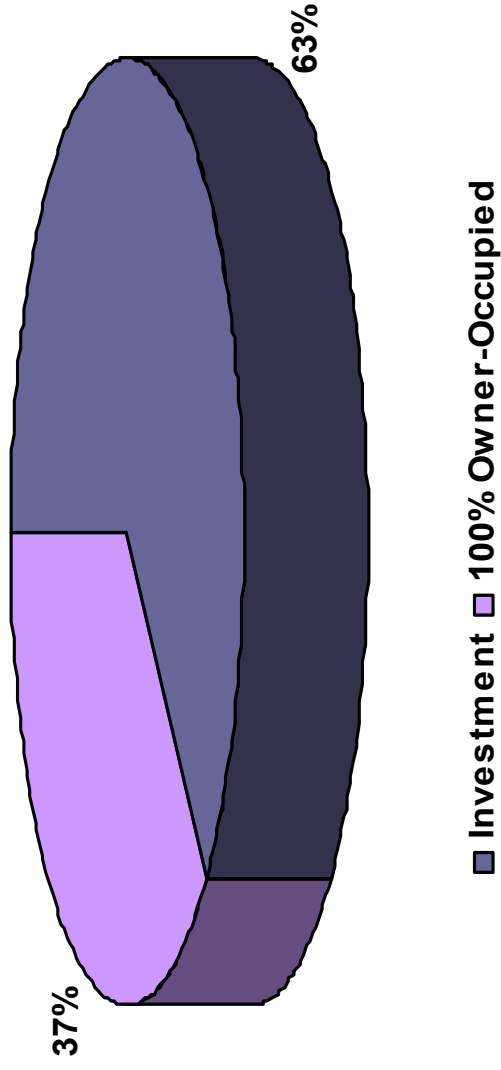
## Rise of *Alternative Documentation Standards*





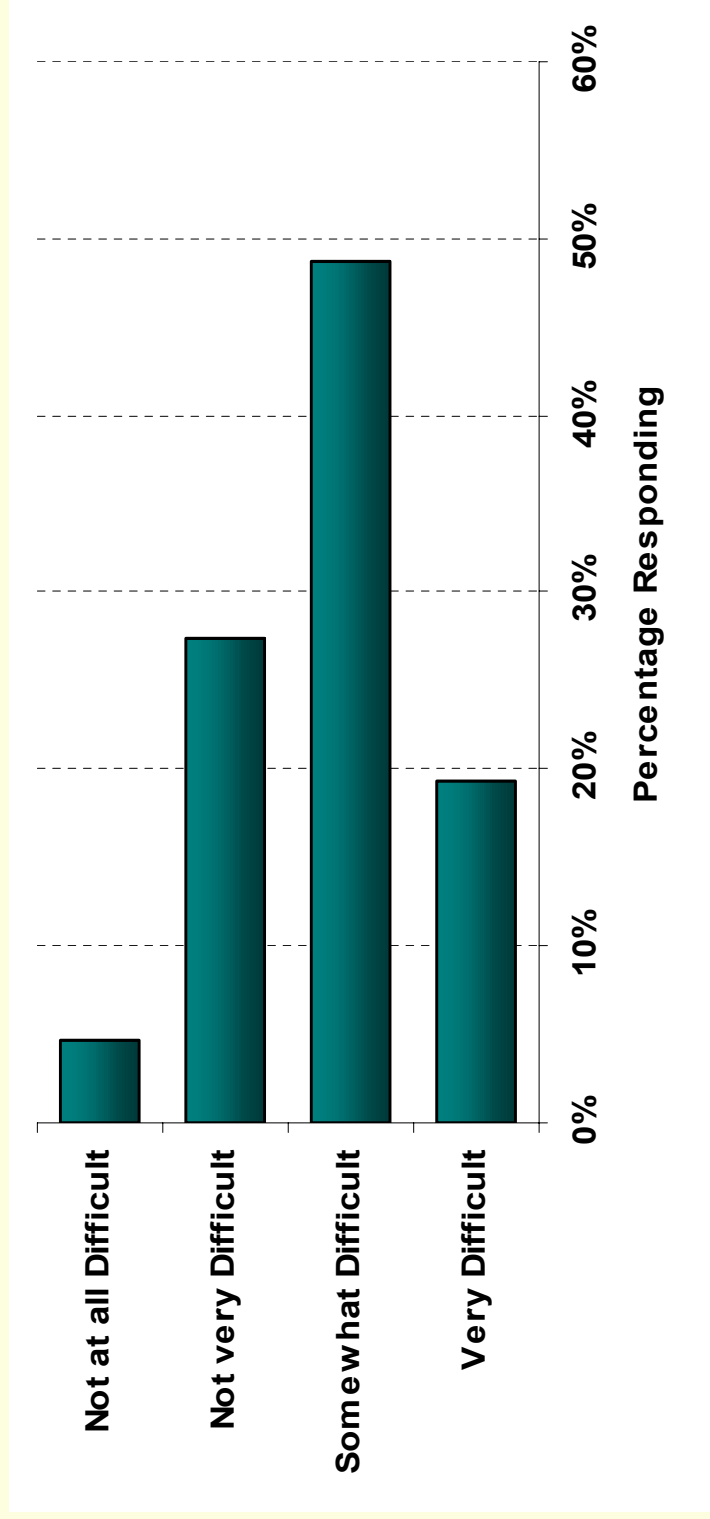
# Mixed Bag

## Lender Originations by Property Type

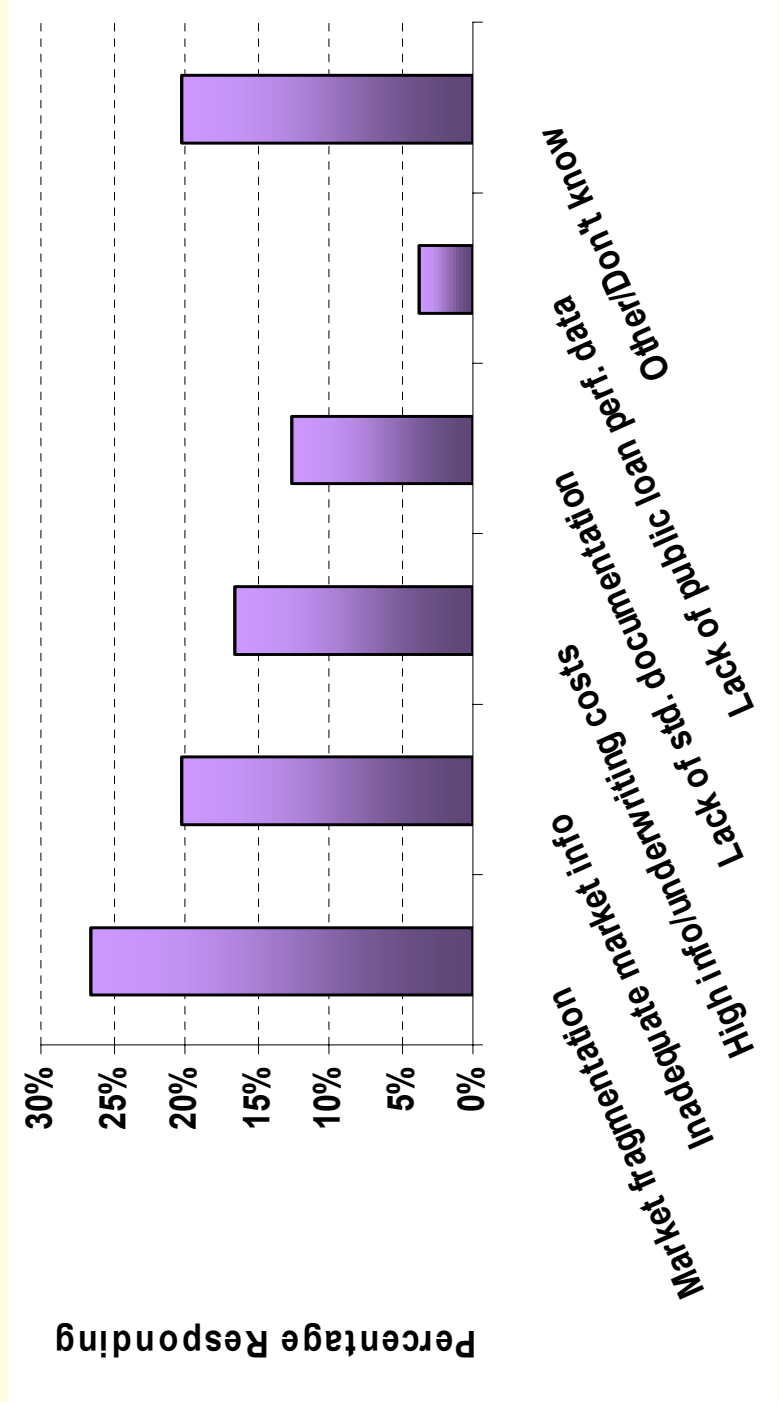


# Six Degrees of Separation

## *Broker Difficulty in Meeting Borrower Needs*

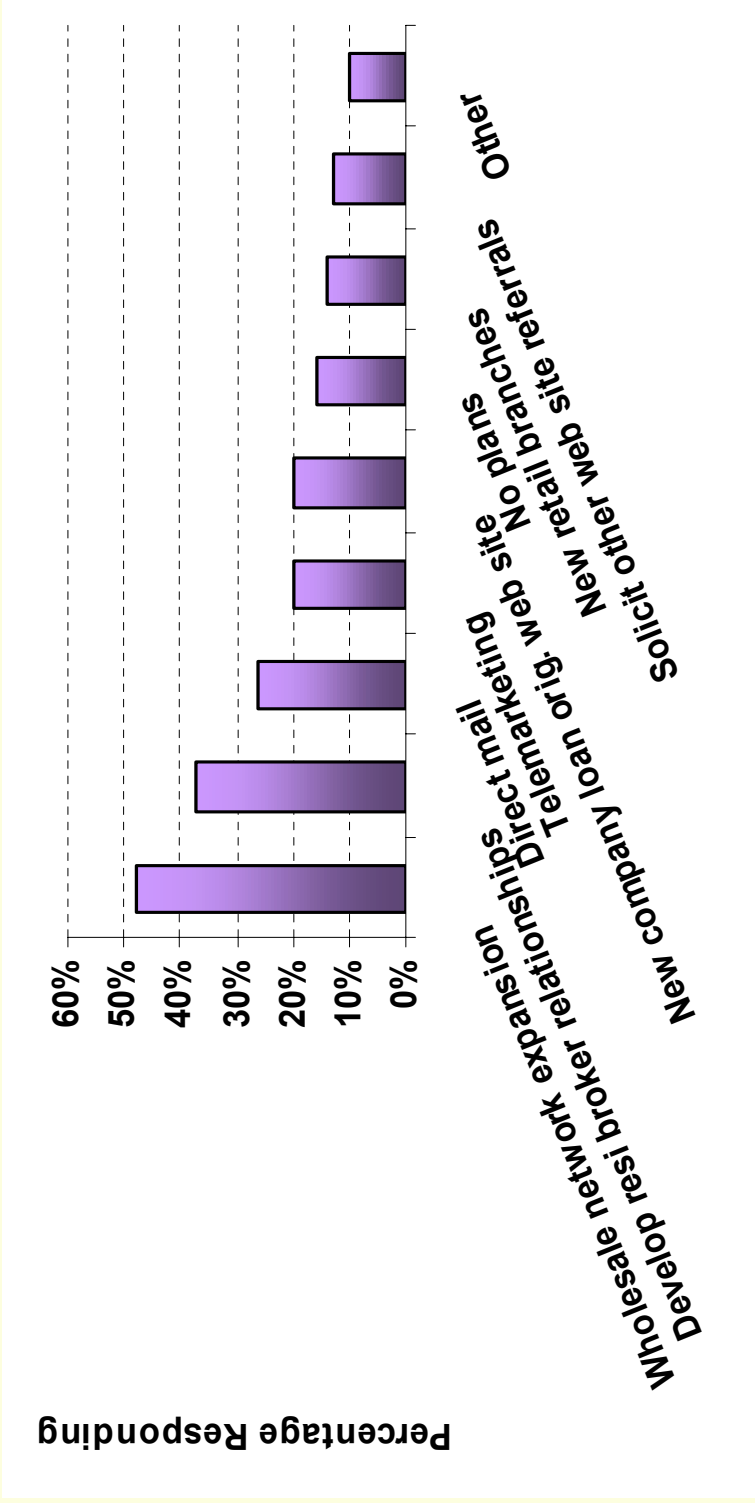


# Market Challenges



# Planned Lender Initiatives

Next 6-12 Mos.



## 2007 Outlook

- Near-Term Production Volatility...Are We Tracking the Residential Market?
- Convergence & Divergence: the Impact of Residential Lending
- Intensified Channel Competition
- M&A Activity Perks Up
- Rise of the Capital Markets Model

# Boxwood Means, Inc.

*Small-Balance Research Experts*

- Strategic Mortgage Market Research
- Survey Research
- Custom Leads Generation
- Portfolio Analytics
- Appraisal Validation

[www.boxwoodmeans.com](http://www.boxwoodmeans.com)