

Commercial Mortgage Market Analysis Small-Balance Market under \$5 Million

National

2009 q2

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1 Recent Market Activity

This section presents recent originations activity in the small-balance commercial real estate market.

Table 1: **Total Mortgage Activity.** Total Purchase and Refinance Loans

	State	County	Prop.Type	Mort.Type	No. Loans	Loan (\$M)	Of Total (%)
1	NATIONAL	ALL	ALL	PURCHASE	10,170	5,808	23
2	NATIONAL	ALL	ALL	REFINANCE	26,645	19,948	77
3	NATIONAL	ALL	ALL	ALL	36,815	25,755	100

Table 2: **Purchase Mortgage Activity by Property Type.**

	State	County	Prop.Type	No. Loans	Loan (\$M)	Of Total (%)	Median (\$000)
1	NATIONAL	ALL	ALL	10,170	5,808	100	312
2	NATIONAL	ALL	COM	5,039	2,481	43	286
3	NATIONAL	ALL	IND	1,226	882	15	450
4	NATIONAL	ALL	MF	1,230	874	15	402
5	NATIONAL	ALL	OFF	987	547	9	318
6	NATIONAL	ALL	RET	1,640	993	17	377

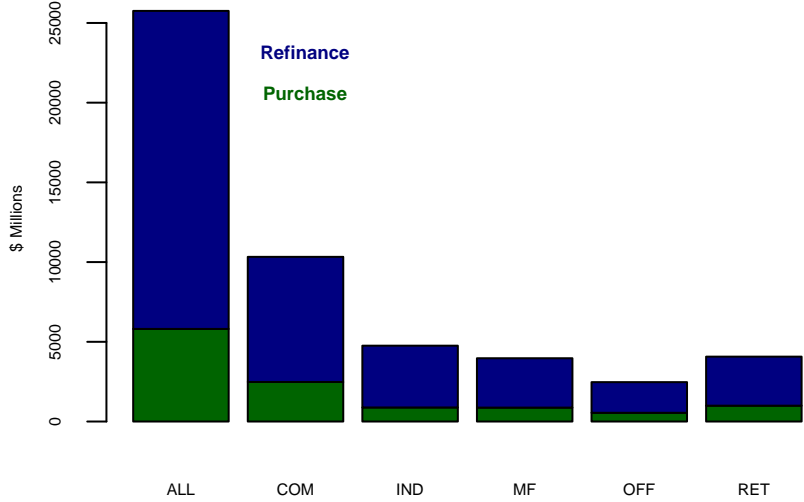
Table 3: **Refinance Activity by Property Type.**

	State	County	Prop.Type	No. Loans	Loan (\$M)	Of Total (%)	Median Loan (\$000)
1	ALL	ALL	ALL	26,645	19,948	100	377
2	ALL	ALL	COM	12,061	7,847	39	338
3	ALL	ALL	IND	4,428	3,876	19	498
4	ALL	ALL	MF	3,211	3,096	16	502
5	ALL	ALL	OFF	2,664	1,924	10	370
6	ALL	ALL	RET	4,145	3,076	15	424

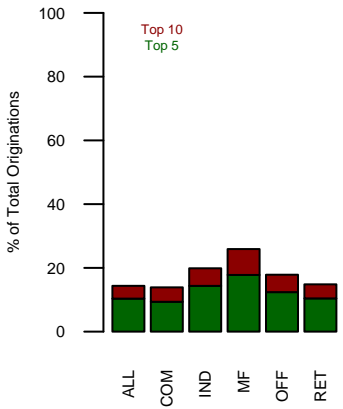
Table 4: **Property Sales by Property Type - With Mortgage.**

	State	County	Prop.Type	Number Sales	Sales (\$M)	Of Total (%)	Median Sale (\$000)
1	NATIONAL	ALL	ALL	10,170	8,584	100	411
2	NATIONAL	ALL	COM	5,039	3,119	36	370
3	NATIONAL	ALL	IND	1,226	1,221	14	635
4	NATIONAL	ALL	MF	1,230	2,180	25	518
5	NATIONAL	ALL	OFF	987	715	8	429
6	NATIONAL	ALL	RET	1,640	1,310	15	498

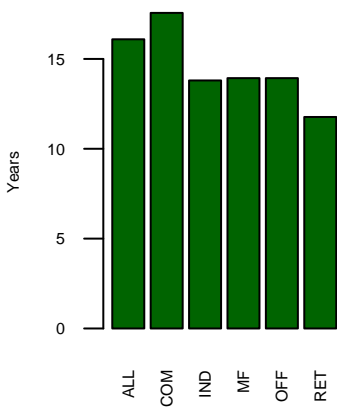
Purchase and Refinance Activity by Property Type



Market Concentration of Top 5 and Top 10 Lenders



Median Mortgage Term All Lenders



Market Activity Property Sales and Originations

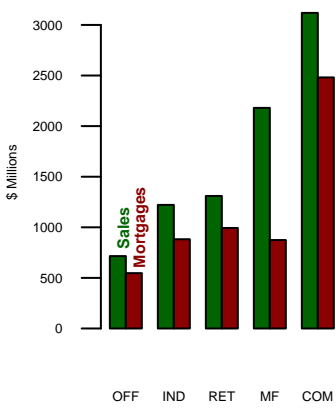


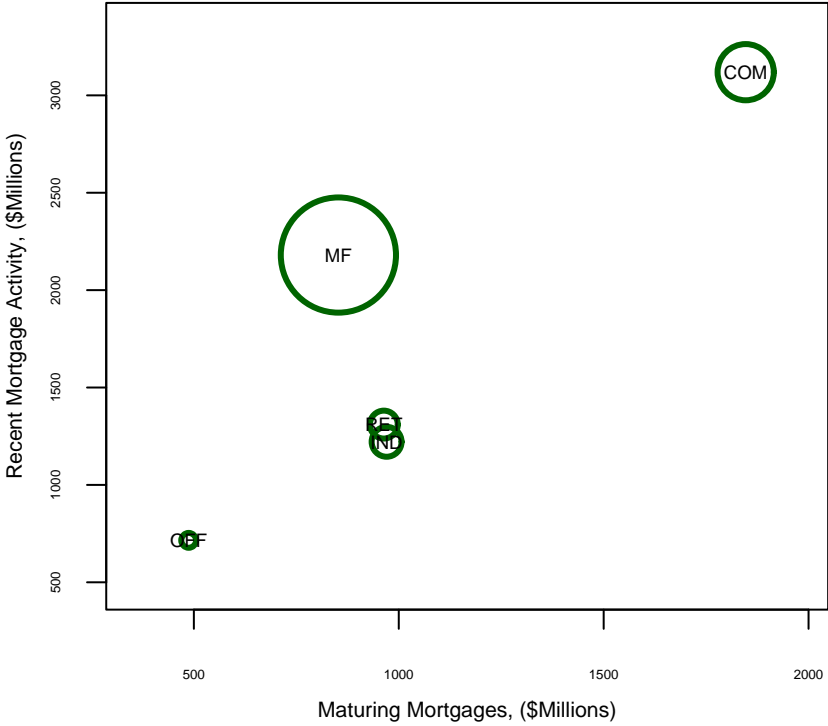
Table 5: **Property Sales by Property Type – Without Mortgage.**

	State	County	Prop.Type	Number Sales	Sales (\$M)	Median Sale (\$000)
1	NATIONAL	ALL	ALL	11,420	7,942	319
2	NATIONAL	ALL	COM	4,537	2,842	348
3	NATIONAL	ALL	IND	1,543	1,364	496
4	NATIONAL	ALL	MF	2,215	1,407	261
5	NATIONAL	ALL	OFF	1,053	745	377
6	NATIONAL	ALL	RET	1,986	1,520	416

Table 6: **Most Active Markets. Top Counties**

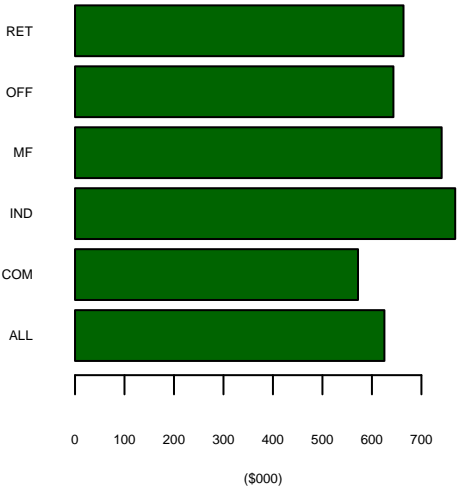
Rank	County	No. Loans	Loan (\$M)	Of State (%)	Median Mort. (\$000)
1	Los Angeles	1,288	1,296	33	665
2	Cook	1,196	974	54	417
3	New York	406	637	29	1,268
4	Harris	657	488	18	429
5	Kings	573	471	21	499
6	Maricopa	434	363	69	500
7	Miami-Dade	397	356	20	518
8	San Diego	379	355	9	600
9	Dallas	453	347	13	450
10	Orange	329	343	9	690

Mortgage Market Attractiveness (Larger circles in the upper right indicate relative attractiveness)



Circle size indicates volume of unleveraged recent sales
Recent Activity (Table 3); Maturing Mortgages (Table 7)

Median Mortgage Size



2 Mortgage Terms

This section tabulates interest terms that were utilized. Loan-to-value ratios for recent purchase mortgages are also presented.

Table 7: **Interest Rate Types.** Fixed and Variable Loans

	State	County	Prop.Type	Loan Type	Loans	Loan Amount (\$M)	Of Total (%)
1	NATIONAL	ALL	ALL	FIXED	423	242	7
2	NATIONAL	ALL	ALL	VARIABLE	4,646	3,381	93
3	NATIONAL	ALL	ALL	ALL	5,069	3,623	100

Table 8: **Interest Rate Types by Property Type**

	Prop.Type	With Data (\$M)	No. Variable	Variable Amt. (\$M)	Of Total (%)	No. Fixed	Fixed Amt. (\$M)	Of Total (%)
1	ALL	14	4,646	3,381	100	423	242	100
2	COM	11	1,679	1,078	32	227	111	46
3	IND	18	942	818	24	54	43	18
4	MF	12	489	368	11	44	34	14
5	OFF	17	559	379	11	45	19	8
6	RET	17	952	712	21	53	36	15

Table 9: **Purchase Mortgages.** Loan-to-Value Ratios

	State	County	Prop.Type	Sales (\$000)	Of Total (%)	Loan Amt. (\$000)	LTV		
							<.75 (%)	.75-.85 (%)	>.85 (%)
1	ALL	ALL	ALL	8,583,616	100	5,807,806	33	45	22
2	ALL	ALL	COM	3,118,960	36	2,481,282	31	45	24
3	ALL	ALL	IND	1,221,373	14	881,962	39	44	17
4	ALL	ALL	MF	2,180,225	25	873,954	42	39	19
5	ALL	ALL	OFF	715,408	8	546,956	31	47	22
6	ALL	ALL	RET	1,309,734	15	993,316	39	41	20

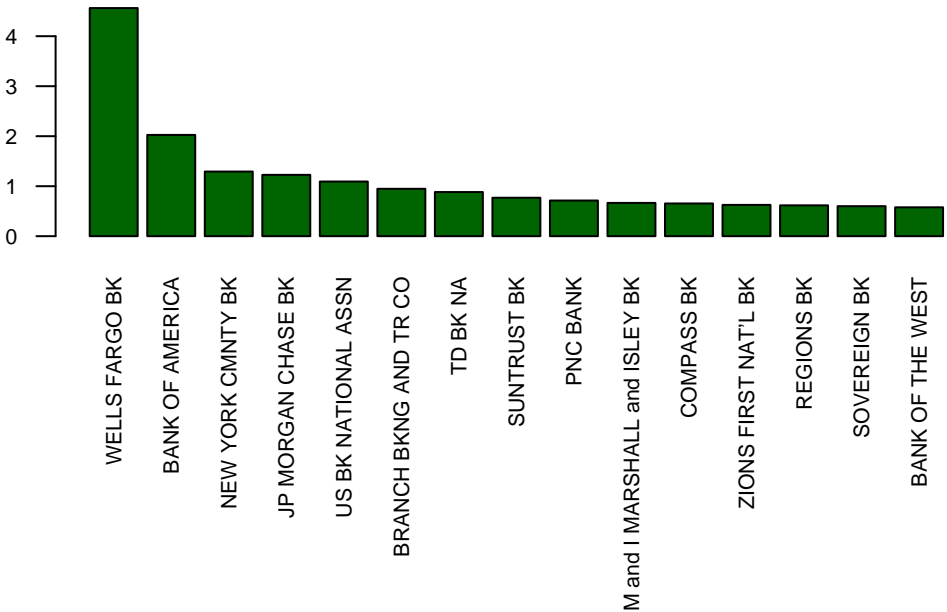
3 Leading Lenders

This section ranks the top lenders based on loan volume.

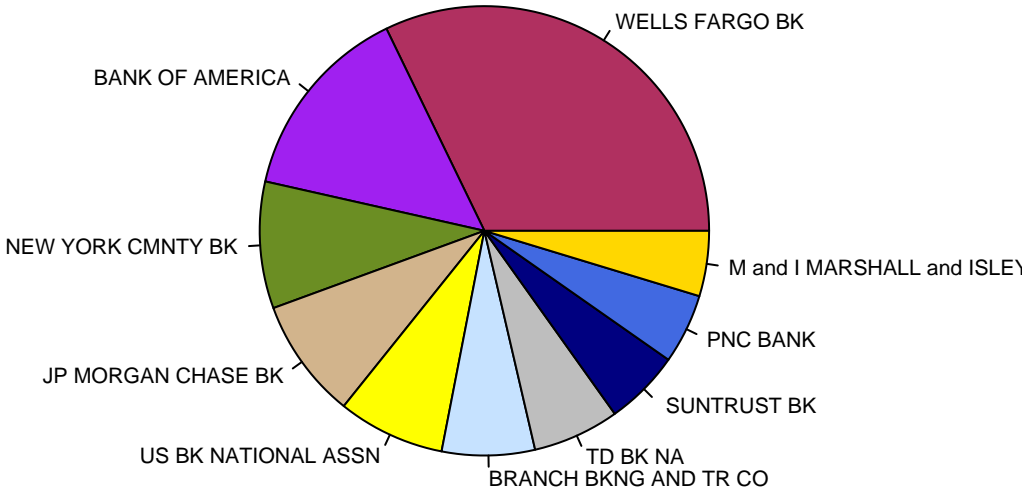
Table 10: **Market Shares.** Top Lenders

Rank	Lender	Market Share (%)	Avg. Loan Amount (\$000)
1	WELLS FARGO BK	5	731
2	BANK OF AMERICA	2	794
3	NEW YORK CMNTY BK	1	1,798
4	JP MORGAN CHASE BK	1	733
5	US BK NATIONAL ASSN	1	552
6	BRANCH BKNG AND TR CO	1	630
7	TD BK NA	1	913
8	SUNTRUST BK	1	644
9	PNC BANK	1	657
10	M and I MARSHALL and ISLEY BK	1	752
11	COMPASS BK	1	854
12	ZIONS FIRST NAT'L BK	1	817
13	REGIONS BK	1	651
14	SOVEREIGN BK	1	1,252
15	BANK OF THE WEST	1	1,016

**Market Share
Top Lenders
Percent of Market**



**Market Share Breakdown
Top Lenders**



4 Maturing Mortgages

This section estimates the volume of loans maturing in the near term.

Table 11: **Maturing Mortgages.** Mortgages with Maturity Dates within 36 Months.

	State	County	Prop.Type	No. Loans	Loan (\$M)	Of Total (%)
1	NATIONAL	ALL	ALL	7,224	5,121	100
2	NATIONAL	ALL	COM	2,969	1,847	36
3	NATIONAL	ALL	IND	1,098	970	19
4	NATIONAL	ALL	MF	1,109	853	17
5	NATIONAL	ALL	OFF	726	487	10
6	NATIONAL	ALL	RET	1,322	964	19

5 Report Glossary

1. **Total Mortgage Activity** (Table 1) presents total mortgage originations for the period including subtotals for purchase loans and refinancings. Origination totals include both mortgages on individual properties as well as mortgages covering transactions involving multiple properties or portfolios.
2. **Purchase Mortgage Activity by Property Type** (Table 2) breaks out purchase loan originations for each of the property types. Origination totals include both mortgages on individual properties as well as mortgages covering transactions involving multiple properties or portfolios.
3. **Refinance Activity by Property Type** (Table 3) shows refinance activity for each of the property types. Origination totals include both mortgages on individual properties as well as mortgages covering transactions involving multiple properties or portfolios.
4. **Property Sales by Property Type - With Mortgage.** (Table 4) displays property sales by each of the property types for the period.
5. **Property Sales by Property Type - Without Mortgage.** (Table 5) breaks out property purchases that do not list any type of financing.
6. **Most Active Markets** (Table 6) lists the top counties in the jurisdiction with the greatest volume of recent mortgage activity.
7. **Interest Rate Types** (Table 7) shows the mix of fixed and variable loans originated during the period. The majority of mortgage deeds do not record the type of loan, so the figures in this table represent a sample of the total loans originated during the period.
8. **Interest Rate Types by Property Type** (Table 8) breaks out fixed and variable loans by individual property types.
9. **Purchase Mortgages** (Table 9) identifies prevailing loan-to-value ratios for purchase mortgages by property type for the period. Three ranges of LTVs are presented.
10. **Market Shares** (Table 10) ranks lenders with the largest percentage of market share based on recent mortgage volume in the jurisdiction. Lender shares and volume are based on lender names appearing as the lender of record in the mortgage document. Other recording considerations may affect the market shares or totals.
11. **Maturing Mortgages** (Table 11) reflects loan amounts by property type that have maturities within the specified time period. This sum, representing loans for which a mortgage due date is recorded, is an indicator of near-term refinancing opportunities.

General Notes

1. Information is compiled from raw public tax roll and deed transfer records collected at county recording offices nationwide.
2. Boxwood has limited ability to track property sales and mortgage activity in the following non-disclosure or low-reporting states: Iowa; Idaho; Indiana; Kansas; Louisiana; Mississippi; Nebraska; New Hampshire; New Mexico; North Dakota; South Dakota; Vermont; and Wyoming. Of the approximately 1,500 U.S. counties covered, a number of county tax jurisdictions may not report sales and financing activity in full or in part.
3. The property type classifications differ by jurisdiction, as they are coded by individual county tax authorities throughout the country. Some jurisdictions may satisfactorily segregate the different commercial and multi-family uses, while others may clump them into one or more generic categories. These differing classification schemes may limit Boxwood's ability to distinguish transaction activity by property type.
4. Data presented in this report have been compiled from sources deemed to be reliable. Boxwood Means makes no representation or warranty regarding the data. The data is furnished as is, without warranties of any kind express or implied. The data may be subject to material revisions.

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