CRITTENDEN NATIONAL REAL ESTATE CONFERENCE

SMALL BALANCE LENDING TRENDS

Research Presented by: Randy Fuchs, Principal/Co-Founder Boxwood Means, Inc.

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COMPANY BACKGROUND

- Specialists in small-balance loan and property research, and small-cap CRE valuations
- Deliver 500 valuation reports per month to bank and nonbank lender-clients nationwide via SmallBalance.com
- Proprietary analytics include: small commercial price indices (SCPI); small-cap CRE transaction sales figures; and small balance originations research





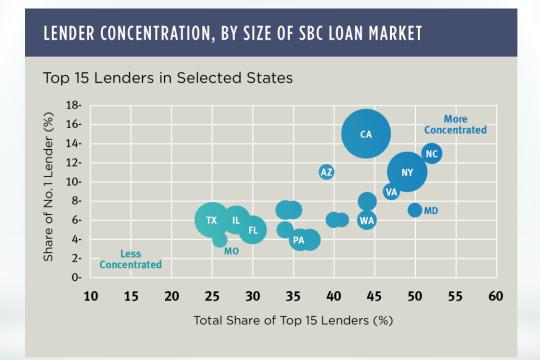


LAST YEAR – ONE FOR THE RECORD BOOKS





FRAGMENTATION VARIES IN THE SBC SPACE

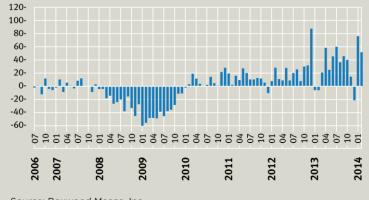




PROPERTY SALES CONTINUE AT AN ACCELERATED PACE



ANNUAL CHANGE IN SALES VOLUME (%)

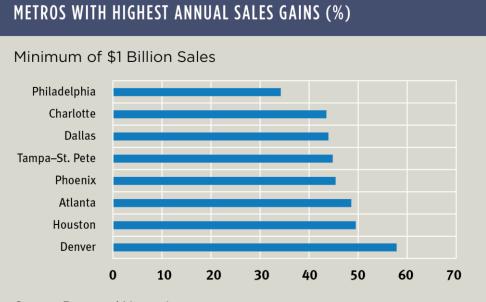


Source: Boxwood Means, Inc.

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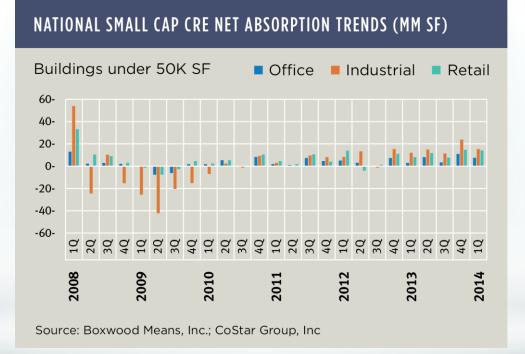
FASTEST SOWERS OF SALES



Source: Boxwood Means, Inc.

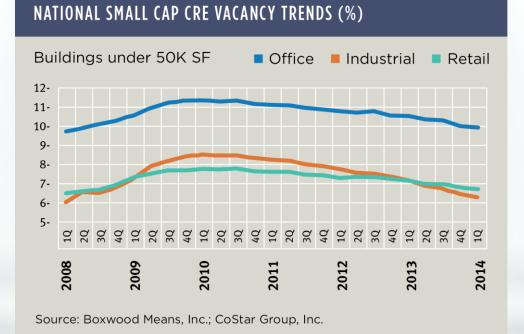


GROWING DEMAND SPARKS COMEBACK





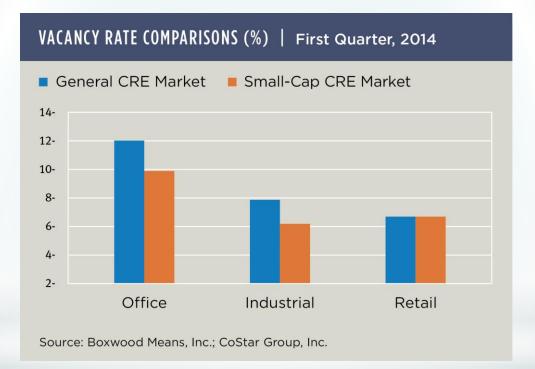
VACANCIES APPROACHING PRE-RECESSION LOWS







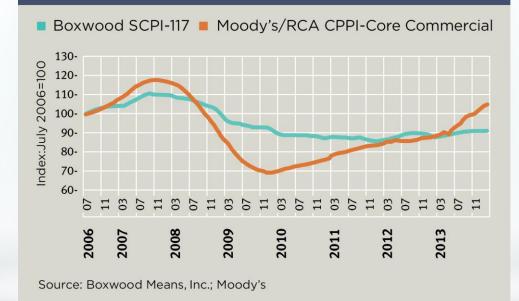
SMALL BUILDING VACANCIES OUTPERFORM





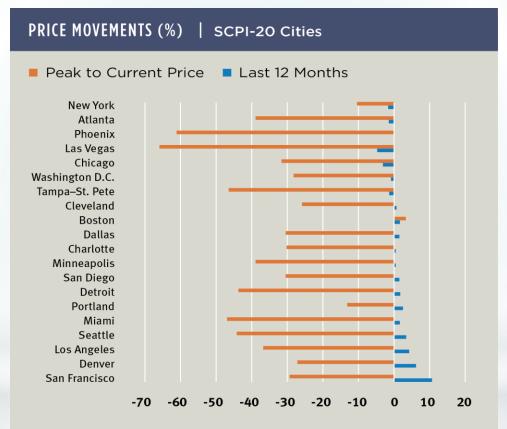
SMALL-CAP PRICES LAG THE GENERAL MARKET

NATIONAL CRE SALES PRICE TREND COMPARISON





THE ROAD TO PRICE RECOVERY IS LONG



Source: Boxwood Means, Inc.





Small Balance Advocate REALING THE PARTY OF SMALL CAP CHE INVESTIG Fundamentals Spor Veracious Appetitis for Small Asset Purchases 11's bren to Level that prices of small CRE properties have been slow to recover even though a terrent of asset skies continues. Wasked by the dynamics of the ERE market at large, what may be less obvious is that small cap space market fundamentals have stiffened considerably That's a game changer, and it's only a matter of time before expected property yields normalizes and prices appreciate as an expanded base of small eventury writer the market Space Market Fundamentals First seafter small cap LPC fundamentals proteit op along the paint at all the second part of the second part of strighting have produced associ frome traditional fragming-to-almost domained and two arms teres second fightiges along the end of the · Dertand and regimes the all three second pages. Approprie for all providences of the industrial and Adaption and a particular to it. Reprint for available as its chosen particular and the first times months of page a the common provided type to descript the second s a group the free projecty types out the pair Res (New York) quarter fast reas 12 (FE-15) quarter with Smill quarter of fast plan harepidemanial decired array all asserts in the length that we specify goin share the compared by pertition of the first property of post-When any service is a service to a service of the set of the As about in the number point, such property on the attraction represented a 12 ph revenue year over year permet at hear an annual constant of perimet and addresses while the shall of the second birther before contracted to beautients and antennal the state and cash anipprious with the formidate particles protect when you and pair with recent theory with the tithe sectory graphy in the industrial advice comprising straf equivalence and fire buildings, the subscript same and an and an in the set of the set this patter two concepts in the last back access through the consump embanel and the last second page. Office red absorption interim () million on N, down in default of the product of the second state of the second state



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Thank you.

For the latest SBC loan and property research, sign up for Boxwood's monthly Small Balance Advocate report on SmallBalance.com

Email: randy.fuchs@BoxwoodMeans.com



