



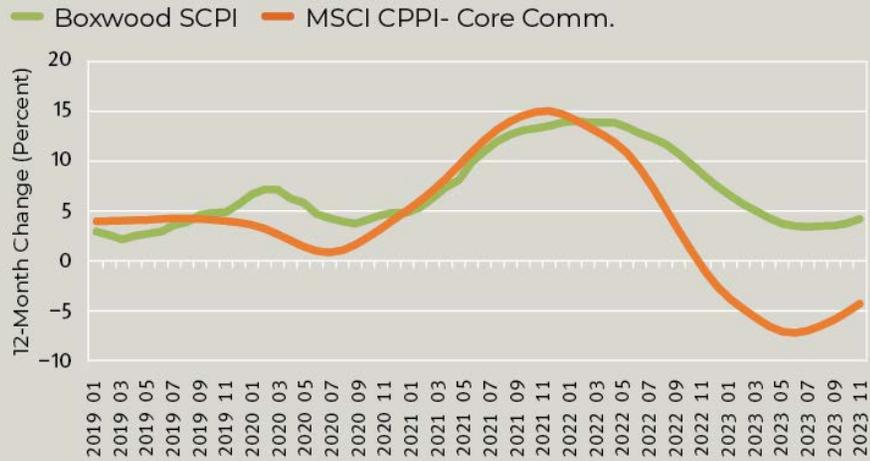
Small-Cap CRE and the Fit with Evaluations

FIVA Roundtable

April 2024

Prices for Smaller Assets Have Outperformed Larger Ones

LARGE- VS. SMALL-CAP CRE PRICE TRENDS



Source: Boxwood Means, LLC, MSCI/RCA

Q1 2024 CAP RATE COMPARISONS



Source: Boxwood Means, LLC, CoStar

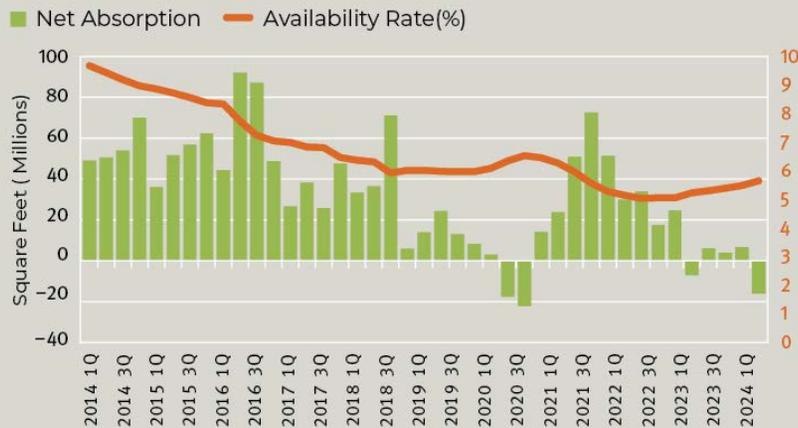
Small-Cap CRE Leasing Conditions Are Relatively Strong

Q1 2024 AVAILABILITY RATE COMPARISON



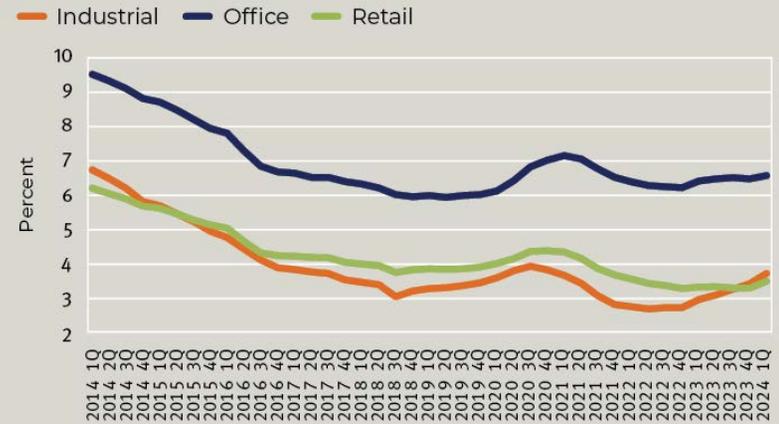
Source: Boxwood Means, LLC; CoStar

AGGREGATE SMALL-CAP CRE TRENDS



Source: Boxwood Means, LLC; CoStar

SMALL-CAP CRE VACANCY TRENDS



Source: Boxwood Means, LLC; CoStar



Sample Market & Evaluation Use Questions

- > Are your small-cap CRE collateral generally holding up their value?
- > Are evaluations a suitable fit for smaller assets? What about Restricted Appraisals as an option?
- > Do you use evals on small, "complex" properties? How do you define "complex?" Employed for leased or multi-tenant properties?
- > Besides the dollar threshold, what other restrictions, house rules, or concerns weigh in on your use of evals?
- > Other comments & questions?