

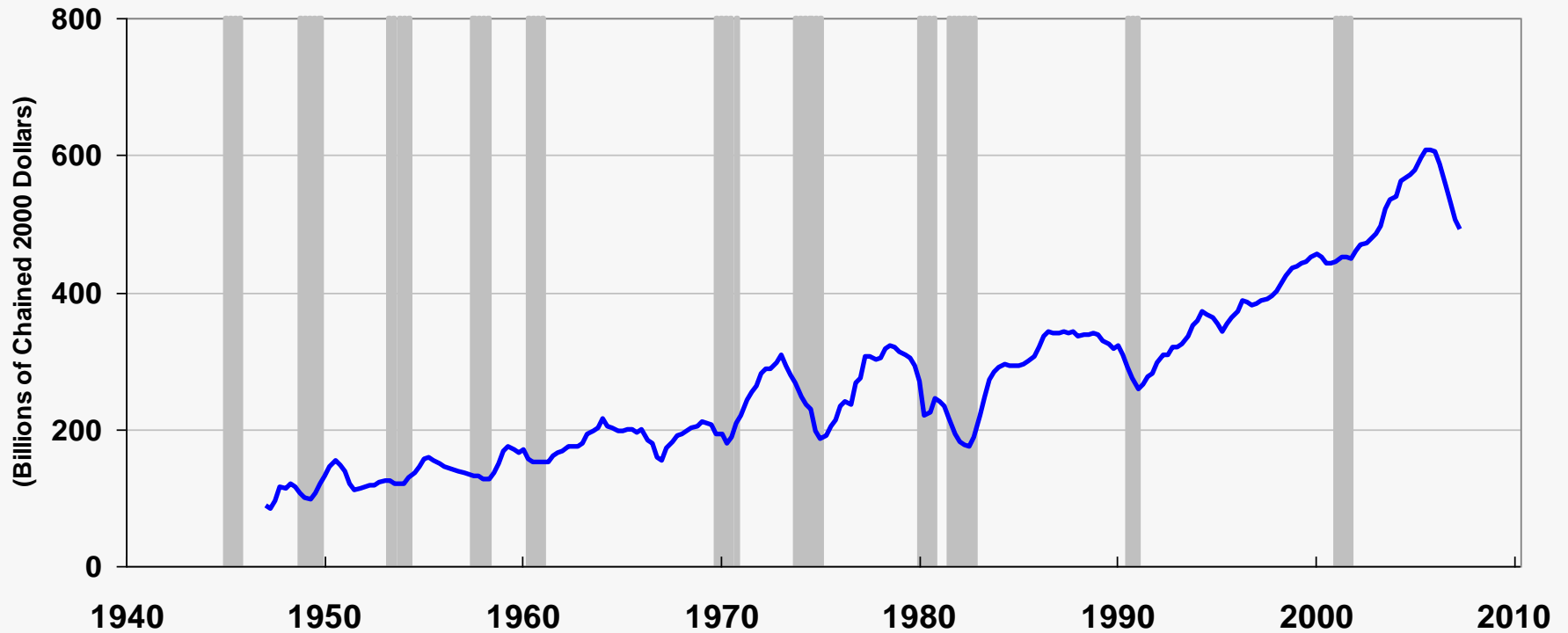
Kenneth Jaggars, MAI, FRICS



September 18, 2008

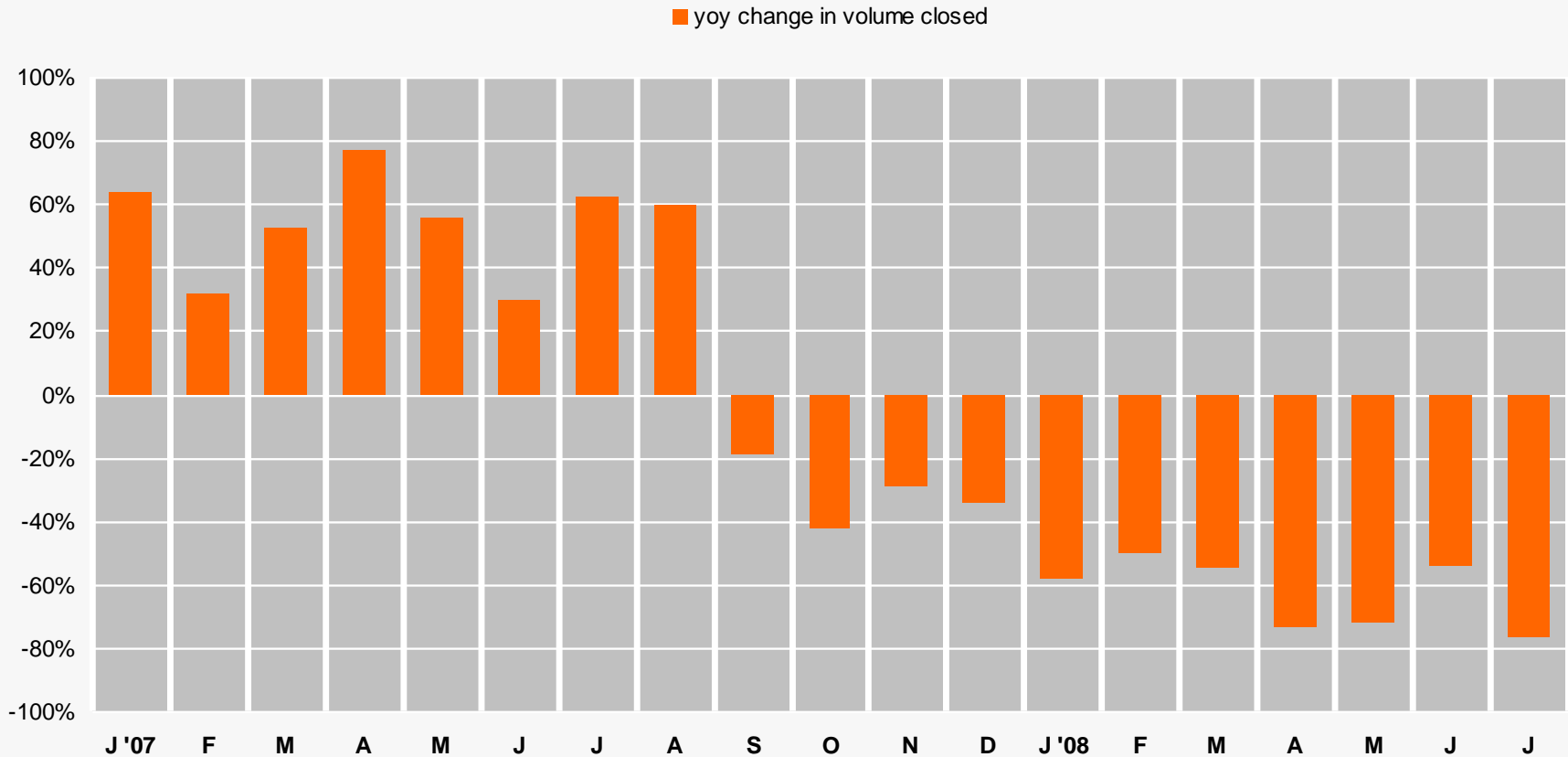
Private Residential Investment over 60 Years and Its Recession Prediction Record

Real Private Residential Fixed Investment



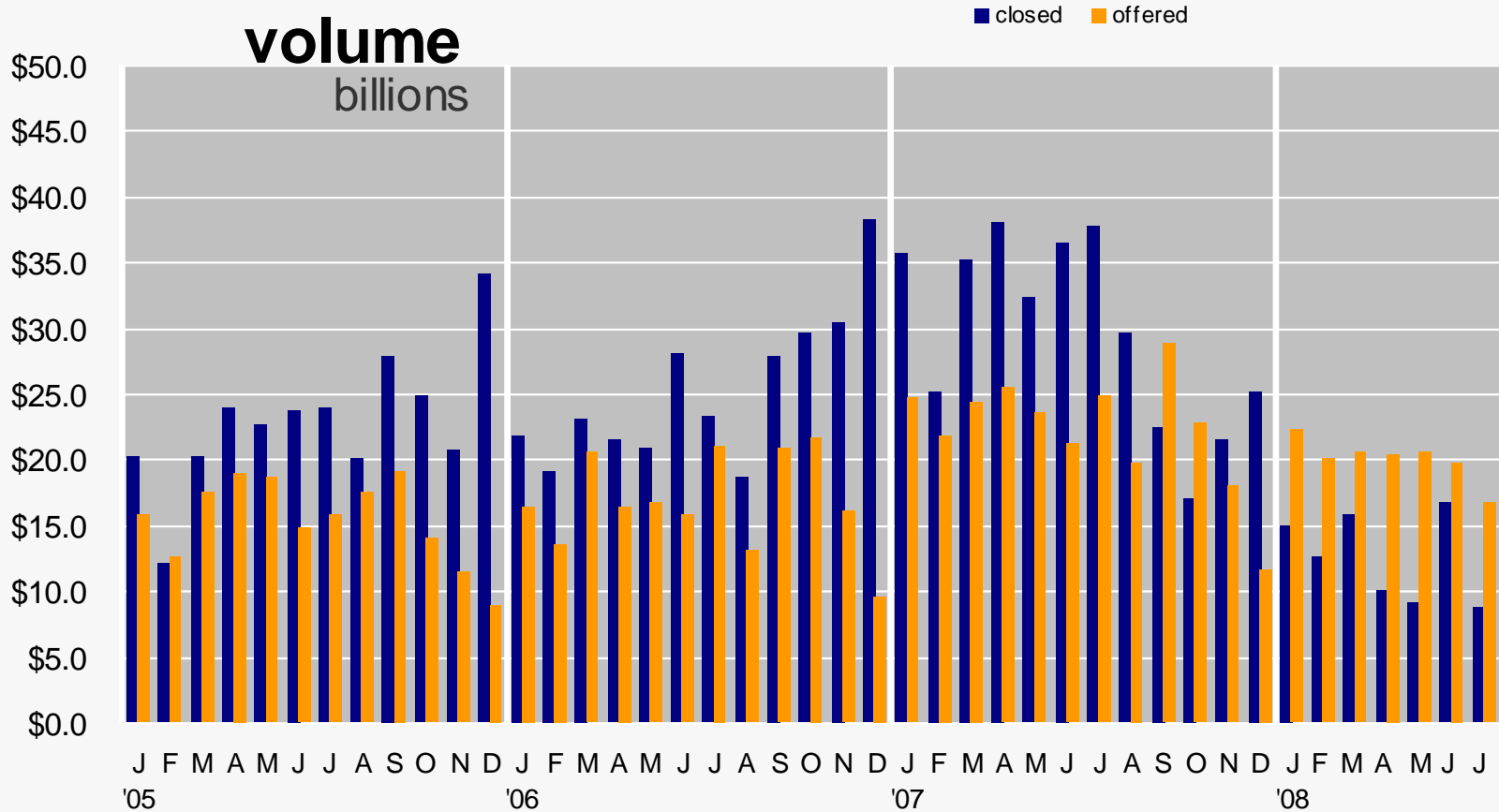
Commercial Real Estate Volume

year over year (yoy) % change



Commercial Real Estate Volume

(Closed and Offered Dollar Volume)

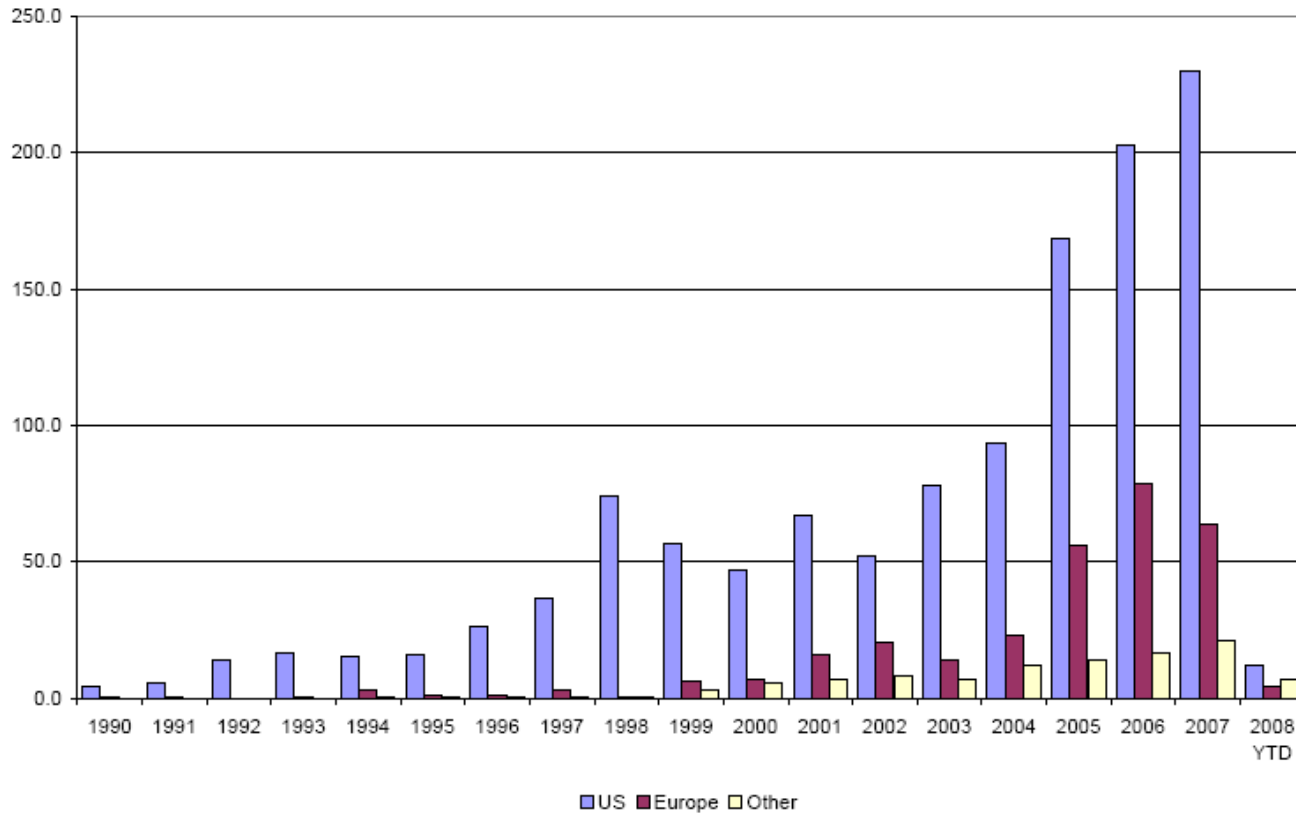


Capital Availability



Exhibit 3
CMBS Issuance
 (\$ billions)

Updated July 25, 2008



Source: Commercial Mortgage Alert. See Exhibit 1 for underlying data.

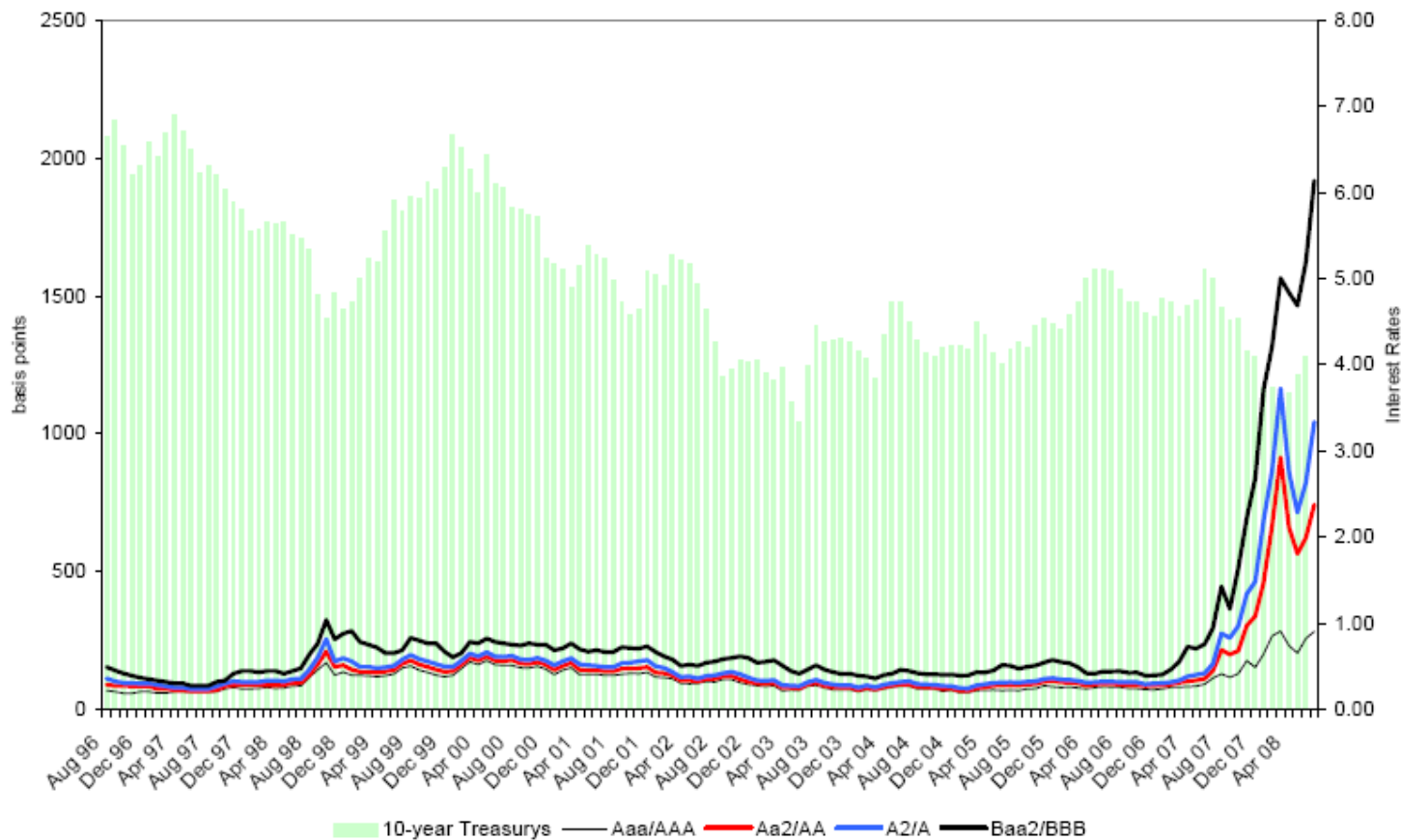
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CMBS Spreads Soaring



Exhibit 15
CMBS Spreads Over 10-Year Treasuries: Investment Grade
 Monthly

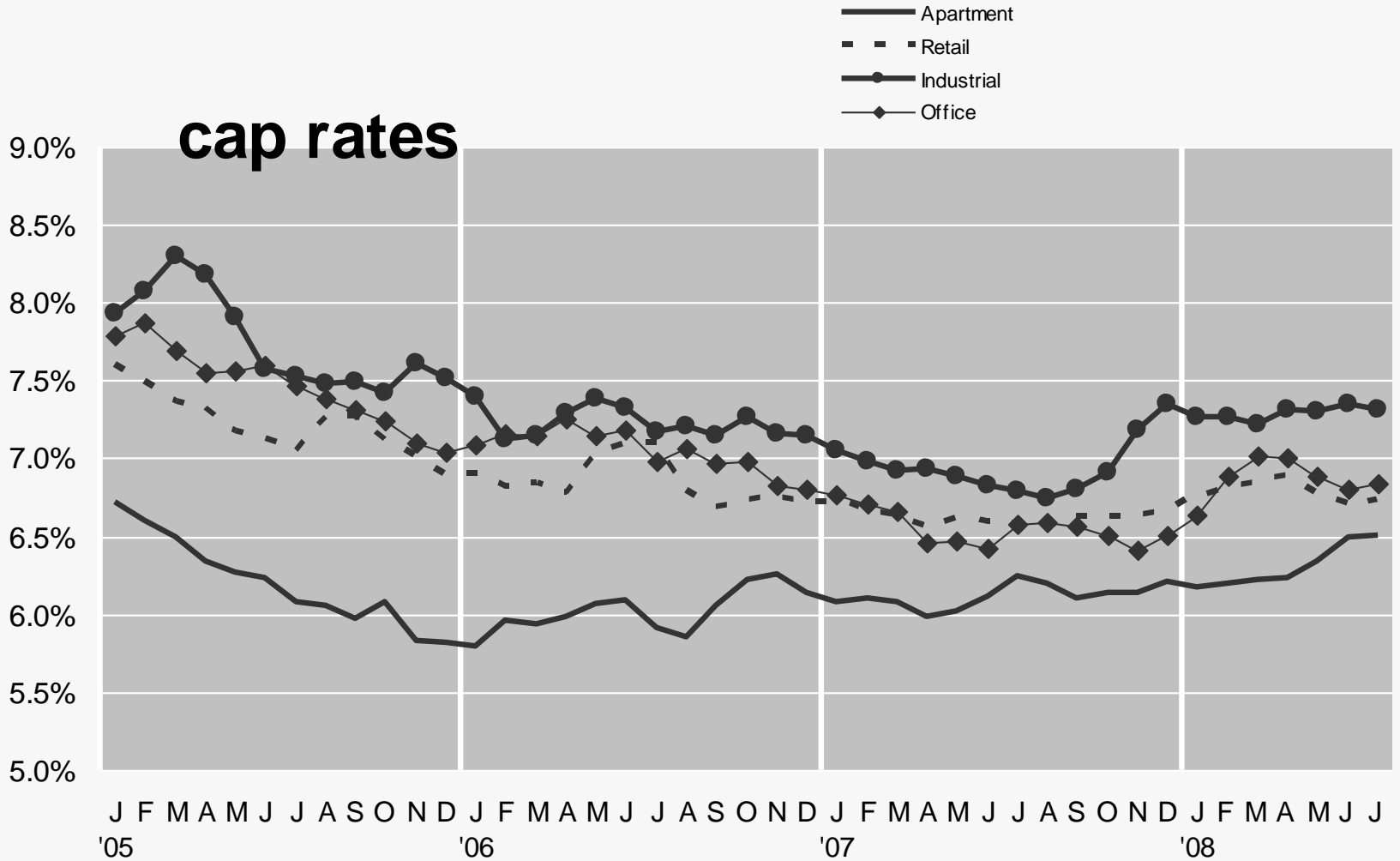
Updated July 31, 2008



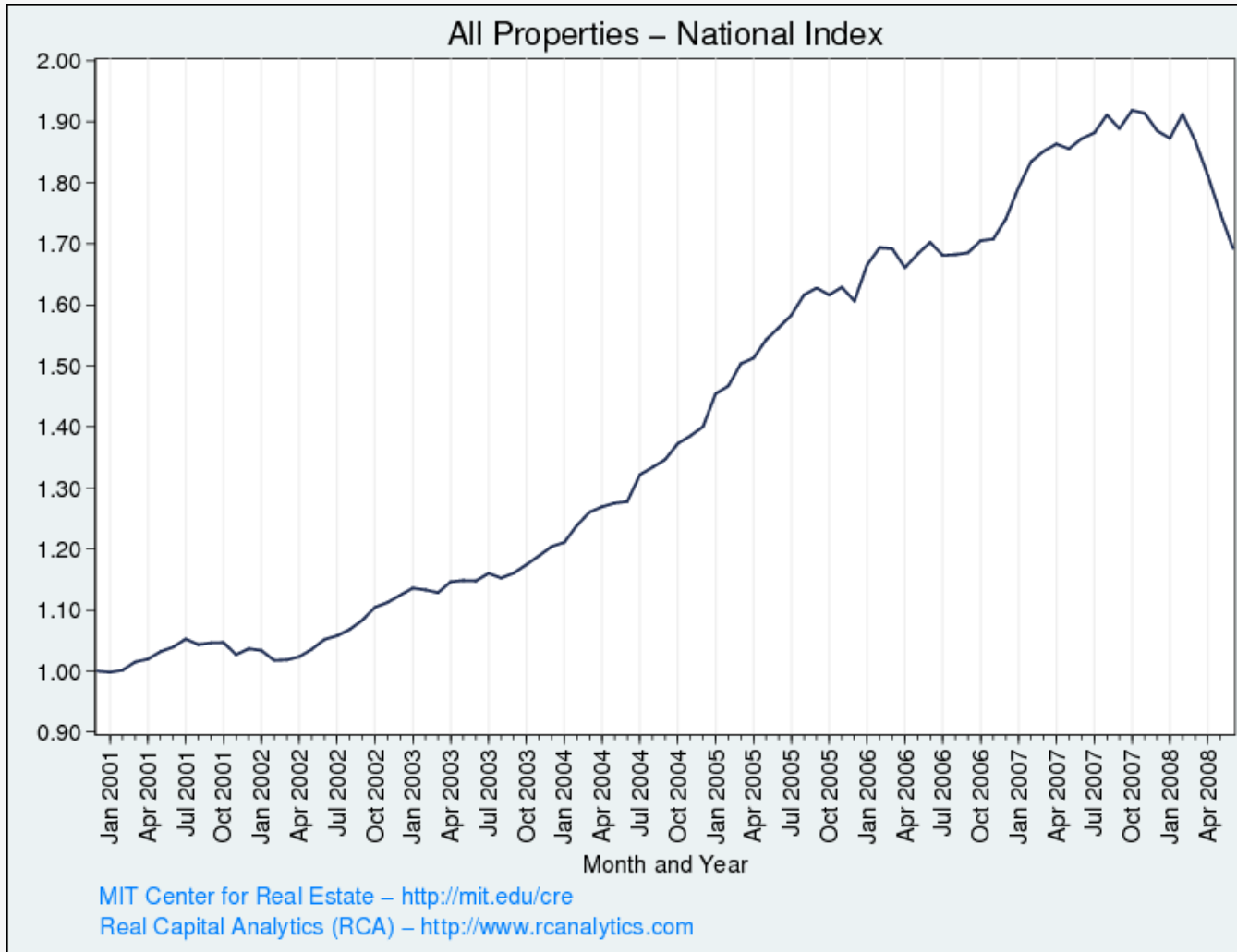
Source: Morgan Stanley. Generic AAA spreads from August 1996 to December 2004; Super Senior AAA from January 2005 to present.

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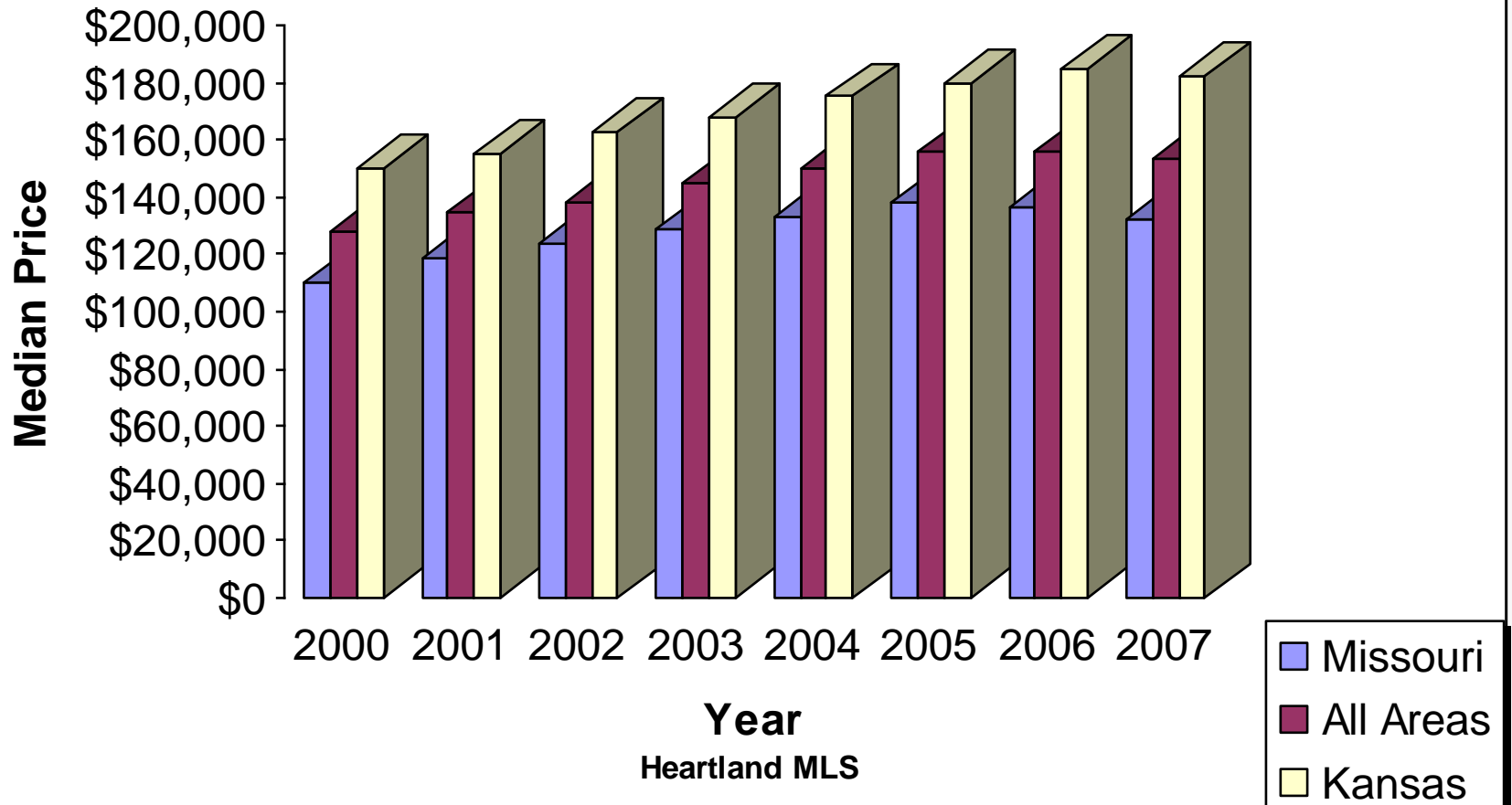
Effect on Cap Rates



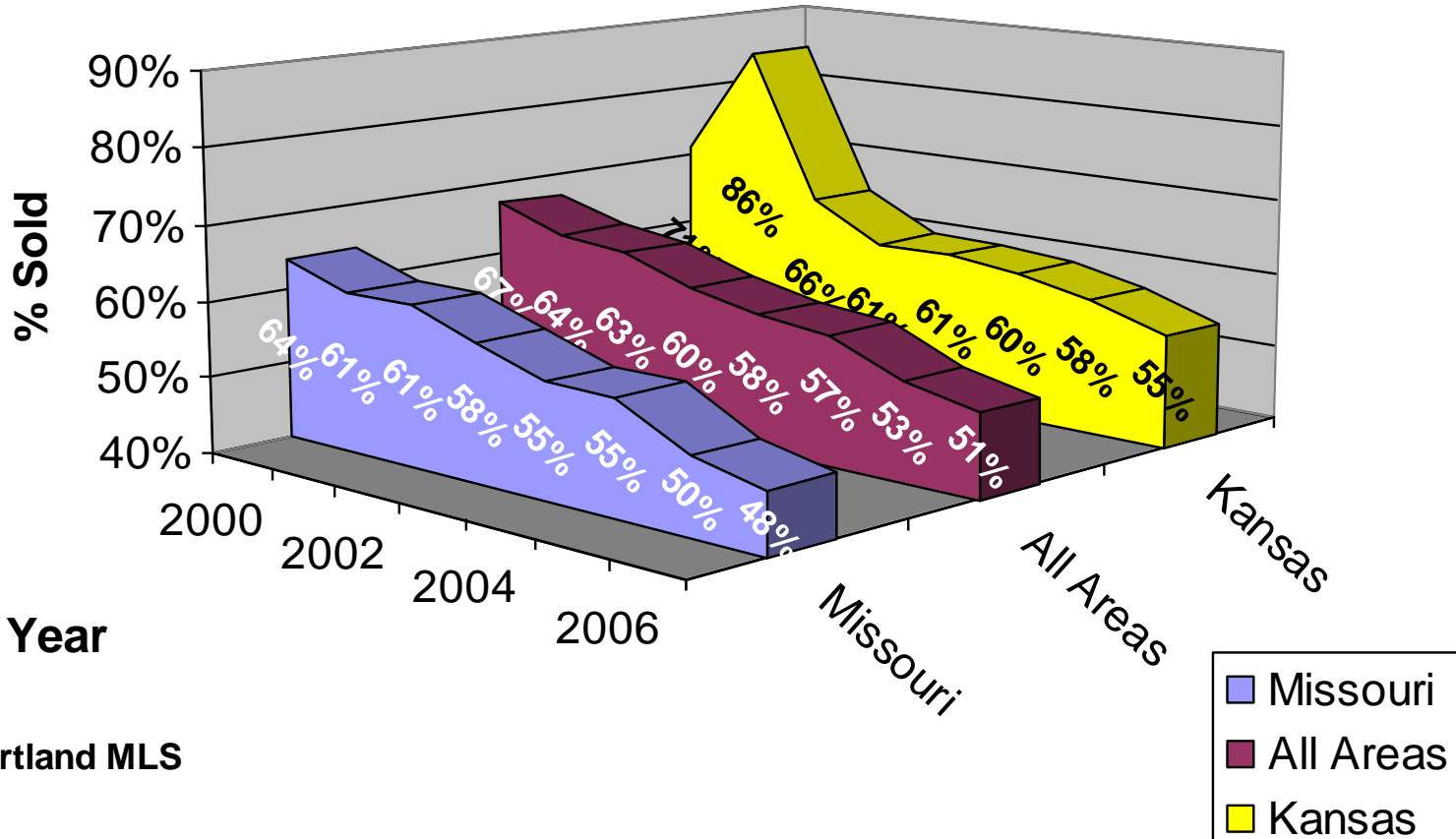
Commercial Real Estate Prices



Median Single Family Home Price



% Sold within 60 Days



Heartland MLS

Cap Rates Then and Now

Overall Capitalization Rate Comparison

January - July 2007		August 2007 - September 2008		Sep-08	
Loan To Value	80.00%	Loan To Value	70.00%	Loan To Value	65.00%
Mortgage Constant @ 6.0%	7.265%	Mortgage Constant @ 6.5%	7.658%	Mortgage Constant @ 6.5%	7.658%
Equity	20.00%	Equity	30.00%	Equity	35.00%
Equity Yield	10.00%	Equity Yield	10.00%	Equity Yield	12.00%
Overall Rate	<u>7.81%</u>	Overall Rate	<u>8.36%</u>	Overall Rate	<u>9.18%</u>