



TYPE OF CAPITAL	PROVIDED FROM	RELATIVE IMPACT	DESIRE TO INVEST	UNDERWRITING COMMENT	FOCUS / OVERALL COMMENT	TRENDS
COMMERCIAL BANKS	Mostly deposits, capital, debt offerings	Particularly important on development and interim loans.	Steady	Conservative	Focus is on originating stabilized loans. Majority of banks prefer 3-5 year deals.	With the disappearance of conduits and the pullback of the life companies, commercial banks have become a very important source.
CREDIT COMPANIES	Capital, commercial paper, and debt offerings.	Overall is limited.	Limited	Conservative	Most interested in repositioning, value-added situations with limited construction, but being very selective.	Generally seeking to downsize real estate portfolios.
INSURANCE COMPANIES	Capital, life insurance sales, annuity and GIC sales, sep. accts.	Debt important. Equity minimal	Very limited	Very conservative	Insurance companies are being very selective and conservative.	Generally seeking to downsize real estate portfolios.
CONDUITS	Sale of loans through Wall Street	Once the major player in the overall fixed rate debt market.	Unable	N/A	N/A	This once leading sector in loans is essentially shut down.
PENSION FUNDS	Government, union, individual and corporate pension funds	Moderate, mostly felt in equity markets.	Limited	Highly selective.	Most property types will be considered for purchase but the action is really taking place with high quality warehouse, industrial, anchored retail, apartment and urban office properties.	Union pension funds are the most active in this group.
REITs	Pension funds, mutual funds, insurance companies, and individuals.	Significant on equity. Nominal on debt.	Restrained	Highly selective.	Declining stock prices have negatively impacted most REIT appetites.	Overall REIT activity has slowed because of limited access to raising equity.
THRIFT INSTITUTIONS	Capital and Deposits	Important for loans under \$10M and for residential subdivisions.	Steady	Conservative	Construction, interim, and permanent. Some offer 5-10 year fixed rates.	This sector remains active but has limited capacity.
LIMITED PARTNERSHIPS	Individual and corporate investors	Growing impressively as limited partnerships have been reborn.	Restrained	Conservative	Typically in a wide range of property types.	The troubles in the debt market has slowed activity.
MUTUAL FUNDS	Shareholder investors.	Overall is limited.	Restrained	Conservative	Typically offers a variety of investment structures that provide appropriate risk adjusted returns for most property types.	Capacity to invest is declining.
OFF SHORE CAPITAL	Bank deposits, pension capital and wealthy individuals.	Overall is limited.	Limited	Conservative	There is some involvement in large loans.	Global credit crunch has negatively impacted flow of funds.
OPPORTUNITY FUNDS	Specialty opportunity funds, credit companies, Wall Street partner funds, and private investors.	Moderate on high yield debt	Limited	Conservative	Turning focus to buying notes and equities	Funds are available for investment but transactions have been surprisingly few.
FANNIE & FREDDIE	Capital and mortgage backed securities	Significant but only in apartment and assisted living loans.	Steady	Sound	Operating largely through specially designated underwriters (so called DUS or Program Plus lenders).	Despite negative news in the residential sector, the agencies still maintain a competitive edge in multifamily lending with minimal decline in appetite.
HUD / FHA	Provides mortgage insurance.	Significant to apartments, senior living, and nursing homes.	Strong	MAP processing has become the norm.	A source of construction and permanent financing with minimum borrower equity. Practically the only source for nursing homes.	221(d)4 construction/perms can be particularly attractive for multifamily developments.

In recent years, the sources of real estate debt and equity have expanded and changed significantly. As a consequence, it is difficult even for real estate finance professionals to fully understand the focus of the many different capital sources. The intention of the "Sources Matrix" is to list all of the participants in the real estate finance and investment arena. In a sense, it is intended to provide a global view of real estate finance. **ALTHOUGH THIS INFORMATION IS PREPARED CAREFULLY, FANTINI & GORGA CANNOT GUARANTEE ITS ACCURACY.**