



TYPE OF CAPITAL	PROVIDED FROM	RELATIVE IMPACT	DESIRE TO INVEST	UNDERWRITING COMMENT	FOCUS / OVERALL COMMENT	TRENDS
<b>COMMERCIAL BANKS</b>	Mostly deposits, capital, debt offerings	Overall is important.	Steady	Sound	Current focus is on originating loans on stabilized properties. Majority of banks prefer 3-5 year deals, some go longer with Swap based pricing.	Loans to REIT's and pension funds are an important focus of big banks.
<b>CREDIT COMPANIES</b>	Capital, commercial paper, and debt offerings.	Overall is limited.	Steady	Flexible for the right deal.	Seeking to differentiate enough to warrant higher pricing.	Seeking to regain the market footing they once enjoyed.
<b>INSURANCE COMPANIES</b>	Capital, life insurance sales, annuity and GIC sales, sep. accts.	Debt important. Equity minimal.	Steady	Sound	Big appetite to lend but remains relatively selective.	Ever so gradually widening the underwriting box.
<b>CONDUITS</b>	Sale of mortgage backed securities through Wall Street	Once the major player in the overall fixed rate debt market.	Unclear	Flexible for the right deal.	Business model has been to target life company type deals but offering more leverage in an expanded geographic market.	Confronting headwinds in selling their bonds, many have stopped lending.
<b>PENSION FUNDS</b>	Government, union, individual and corporate pension funds	Moderate, mostly felt in equity markets.	Steady	Sound	Most property types will be considered for purchase but most activity is really taking place with high quality warehouse, industrial, anchored retail, apartment and urban office properties.	Although most activity is with equities, union pension funds are eager to make sound developmental loans.
<b>REITs</b>	Pension funds, mutual funds, insurance companies, and individuals.	Significant on equity. Nominal on debt.	Steady	Sound	Most balance sheets have been strengthened with new equity and many are actively acquiring new properties.	Overall performance of this sector has improved nicely.
<b>THRIFT INSTITUTIONS</b>	Capital and Deposits	Important for loans under \$10M and for residential subdivisions.	Steady	Sound	Smaller construction, interim, and permanent. Focus is mainly on 5 year, fixed rate deals to cash flowing properties.	This sector remains moderately active.
<b>LIMITED PARTNERSHIPS</b>	Individual and corporate investors	Growing as limited partnerships have been fully reborn.	Steady	Sound	Typically in a wide range of property types.	These investments have renewed appeal to investors given less appealing alternatives.
<b>MUTUAL FUNDS</b>	Shareholder investors.	Overall is limited.	Steady	Flexible for the right deal.	Typically offers a variety of investment structures that provide appropriate risk adjusted returns for most property types.	Have capital but finding it difficult to invest.
<b>OFF SHORE CAPITAL</b>	Bank deposits, pension capital and wealthy individuals.	Overall is limited.	Limited	Sound	There is some involvement in large loans, usually through participations.	Weak global economy has negatively impacted flow of funds.
<b>OPPORTUNITY FUNDS</b>	Credit companies, Wall Street partner funds, and private investors.	Moderate on high yield debt	Steady	Flexible for the right deal.	Focus is on buying notes and distressed equities	Funds are available for investment but transactions have been surprisingly few.
<b>FANNIE &amp; FREDDIE</b>	Capital and mortgage backed securities	Significant but only in apartment and assisted living loans.	Steady	Underwriting is becoming somewhat more conservative.	Operating through specially designated underwriters (so called DUS or Program Plus lenders).	The agencies still maintain a competitive edge in multifamily lending but other lenders are closing the gaps.
<b>HUD / FHA</b>	Provides mortgage insurance.	Significant to apartments, senior living, and nursing homes.	Strong	Sound	A source of construction and permanent financing often with less borrower equity than conventional lenders typically require.	221(d)4 construction/perms can be particularly attractive for new 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.**