**Fannie/Freddie**

- They are both still extremely active and bullish on the overall market according to the conversations we had at the MBA conference last month
- 75-80% leverage remains readily available but the majority of deals we are looking at are running into DSCR constraints
- We're starting to see more and more deals get done with 5+ years of interest only available
- Rates vary by deal metrics & location but most opportunities are pricing out in the 4.50% - 5.25% range
- On the small balance side, Sabal has recently rolled out a new bridge-to-Freddie SBL program that is pretty unique and attractive for almost stable deals that need 12-24 months to maximize potential cash flow

**CMBS**

- The CMBS market seems to be pretty stable as the risk retention rules have been absorbed and B-buyers have come back to the table
- Max LTVs are now more in the 65%-70% range vs the 75-80% range from a few years ago
- Full-term I.O. deals are becoming commonplace
- Pricing is slightly higher than the Agencies currently – coming in around 4.75% - 5.50%

**Banks**

- Regional and Community are still extremely active and hungry for deals
- There are a select group of banks out there that are still pricing deals in the high 3's to low 4's but for the most part, we are seeing almost all deals priced between 4.25% - 5.00% depending on the deal and sponsors
- Most banks reset their construction buckets at the beginning of the year so we are seeing far more interest in development projects so far this year than we did the second half of last year. If you have a client that is sitting on a development deal we would advise that they start moving now or their options are going to be more limited as we proceed throughout the year.
- There have been talks that there will be a reduction in regulatory pressure on banks soon but I don't have enough detail on that at this point to really know how that will affect the CRE market

**LifeCos**

- Still active on select A & B class assets and construction projects
- We heard some murmurs at the MBA conference of LifeCos starting to explore the bridge space but this is likely for high-value deals ($10-25MM+)
- While LifeCos are still likely going to be the low-price provider, they are not immune to interest rate movement and are not likely to contract spreads substantially moving forward.
- Spreads on LifeCo deals are probably still the best out there: 150 – 160 bps for 50% and lower, 175 – 200 bps for higher leverage deals.
- 65% - 70% is max LTV/LTC for the vast majority of lenders

**Debt Funds / Alternative Financing**

- This felt like by far the most over-saturated space at the MBA conference last month
- I think we are starting to see more separation between bridge lenders in terms of pricing/structure: You have a small group backed by a lot of capital and pricing deals in the L+350-500 range. There are a ton of players in what we call the "standard bridge" programs that are pricing deals in the L+550-800 range with very little differentiation in loan structure. And

finally we still are seeing a lot of activity from what we call the “hard-money” bridge lenders who are pricing deals at L+850-10 but can close quickly or do very unique, storied deals.

- Fixed Rate & Hybrid (a mini-perm loan w/ fixed rate + a smaller loan for renovations/rehab with a floating rate) products are starting to be introduced into the market as lenders in this space look for ways to discern themselves in a very crowded space.
- Foreign Money is starting to shift from acquisitions to lending as yield is becoming more difficult to find on the buy-side.

**Construction**

- Construction financing remains available but is becoming more difficult to find.
- For most core CRE projects 70-75% LTC is max
- For hotels and other more specialty use/operating business assets, 60-65% is max
- A very strong emphasis is being put on sponsors experience and capitalization. Projects need to be backed by experience developers who are well-funded and have the ability to sell a lender on their ability to deliver the project on time and within budget.

- Lenders have started establishing alternative platforms and programs to increase yields and stay active in the market.
    - Bridge Programs by life companies and cmbs shops, banks etc.
- There are probably more options available today to foreign nationals then there ever have been before
- Green Programs Agency