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SECURED LENDING TO PUBLIC REAL ESTATE COMPANIES DECLINES AS APARTMENT LENDING PLUMMETS

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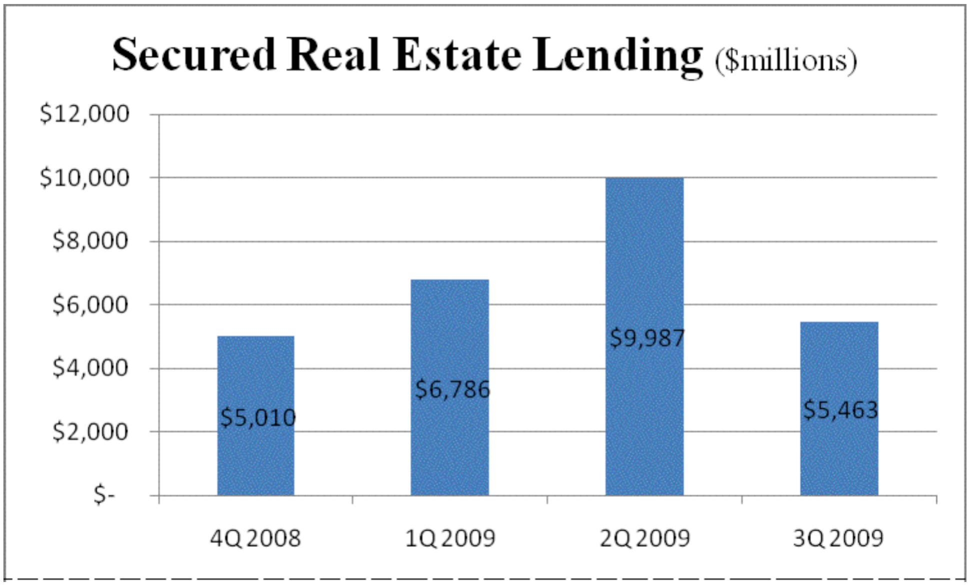
Financing needs of public real estate companies are increasingly being satisfied by the resurgence of capital markets and new equity issues, consequently secured lending was not as prevalent during the third quarter of 2009. Secured lending is inclusive of traditional commercial real estate mortgages, largely the domain of insurers, and secured credit lines provided by banks. Secured loans to public real estate companies peaked at $10 billion during the 2nd quarter of 2009. 2nd quarter lending volume was double the rate of lending that occurred during the 4th quarter of 2008 when the collapse of Lehman Brothers triggered global financial panic. During the 3rd quarter of 2009, the most recent period for complete financial disclosure data, lending levels retrenched to $5.4 billion, nearly equal to the depths of 4th quarter 2008 levels.

The majority of the financing decline can be attributed to fewer apartment loans being provided by government sponsored entities (GSE's) during the 3rd quarter of 2009 when only $892 million of financing took place, compared to $3.8 billion in the 2nd quarter of 2009. Apartment lending by GSE's was stalwart during the financial panic but has dwindled significantly.



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