



Market Briefs

- U.S. Treasuries drifted up on Monday, pushing yields down, as a rise in Spanish bond yields over 7% rekindled fears over debt problems in Europe. The Wall Street Journal Marketwatch reports that since the beginning of the second quarter, U.S. debt yields have been moving down as investors consider safer assets, including U.S. government debt, because of the concerns about Greece and Spain.
- After a slow first quarter, U.S. CMBS issuance reached its highest level in more than four years in the second quarter of 2012. From April-June, issuers floated over \$12 billion of transactions – more than double the first quarter total. According to Commercial Mortgage Alert, the sector is on pace to reach the \$38 billion annual forecast. The recent increase in CMBS spreads, however, has introduced a wild card that could cause lending to slow and depress issuance later in the year.
- After a quiet couple of years, development pipelines for U.S. REITs have been on the rise the last four quarters, according to Fitch Ratings in a new report. Multifamily REITs are developing most actively as demand in the sector is much higher than other property types.

Interest Rate Projections

	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013
10 Year (Avg.)	1.95%	2.16%	2.35%	2.52%	2.68%
Fed Funds (Avg.)	0.25%	0.25%	0.25%	0.27%	0.31%
1 Month LIBOR (Avg.)*	0.25%	0.28%	0.32%	0.36%	0.38%

Source: Bloomberg Monthly News 5/21/12, * Chatham Financial 7/6/12

Recently Closed Deals

Asset Type	Loan Amount	Financing Type	Lender Type	Index/ Spread	Rate	Loan-to-Value	Term	Amortization
Retail	\$8,000,000	Fixed	Life Company	T + 300 bps	5.50%	60%	10 Years	25 Years
Retail	\$34,000,000	Fixed	Life Company	T + 185 bps	3.82%	56%	10 Years	30 Years
Industrial	\$29,410,000	Fixed	Bank	L + 1 bps	4.50%	70%	4 Years	0 Years
Hotel	\$7,500,000	Fixed	Wall St/Conduit	S + 306 bps	4.86%	64%	10 Years	25 Years
Office	\$15,050,000	Floating	Bank	L + 250 bps	2.74%	61%	3 Years	25 Years
Multifamily	\$26,400,000	Floating	Wall St/Conduit	L + 475 bps	6.00%	80%	1 Year	0 Years
Office	\$24,000,000	Fixed	Life Company	T + 225 bps	4.25%	62%	10 Years	25 Years
Multifamily	\$55,000,000	Fixed	Agency	T + 151 bps	3.40%	50%	10 Years	0 Years

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CBRE Capital Markets combines the top investment sales, finance and investment banking businesses into a single, complementary global service offering. In 2011, we led the industry with more than \$56.8 billion of investment sales and loan activity nationally*. Last year, CBRE Capital Markets ranked as #1 Top Brokerage Firm Overall by Real Capital Analytics, and in 2010 as #1 Commercial Mortgage Bank by Commercial Property Executive. Proving again that when it comes to commercial real estate capital markets, CBRE Capital Markets is the market-maker.

*US Investment Sales data as reported by RCA. Data does not include CBRE's individual property sales less than \$2.5M, sales where CBRE represented the buyer or sales for a partial interest less than 50%.

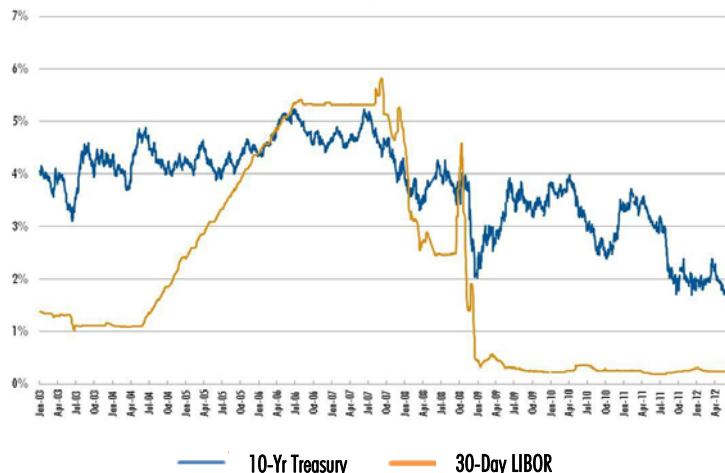
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Key Rates

	Prime	5-Yr T	10-Yr T	1-M LIBOR	DJ Avg.	10-Yr Swap Spread
7/10/12	3.25%	0.62%	1.52%	0.25%	12,735	13.5 bps
6/6/12	3.25%	0.71%	1.63%	0.24%	12,328	18 bps
Year Ago	3.25%	1.47%	2.91%	0.19%	12,657	17 bps

Source: Bloomberg, Federal Reserve

Average 10-Year Treasury vs. 30-day LIBOR



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