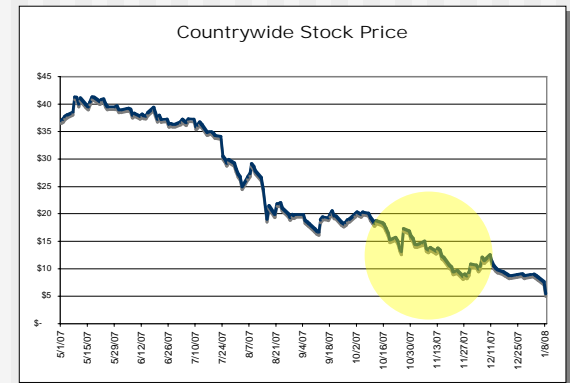
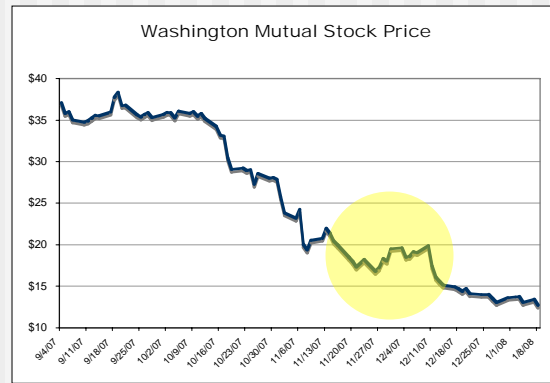
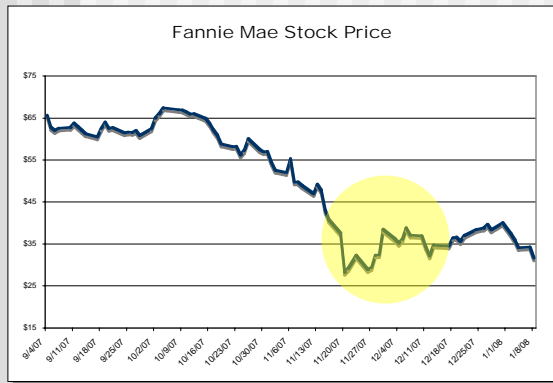


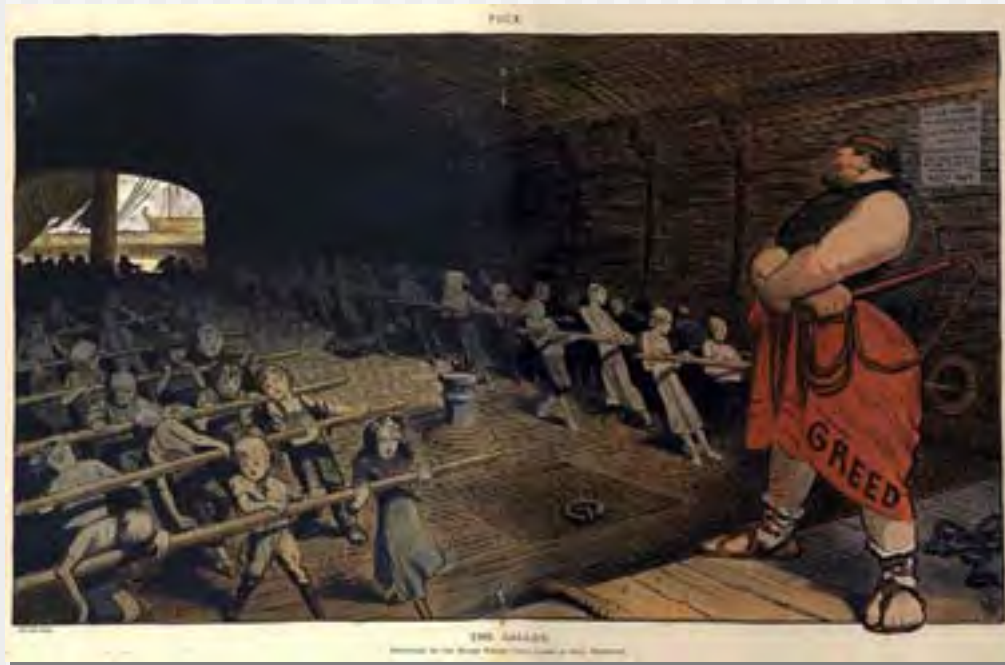
Current Environment



Top Signs The Party is SO Over



Deal flow down so much that Wall Street analysts are now allowed to use the mens room instead of a specimen cup in cubicle



CBRE action figures barely
outselling Ninja Turtles



Net Jet willing to accept busted Ferrari leases or repossessed sub zeros instead of \$



Louis Rukeyser returns from the dead to say 'I told you so'



I so warned them
about buying office
at a 4% cap

Standard and Poor's decides to stop rating CDOs altogether and rate movies instead



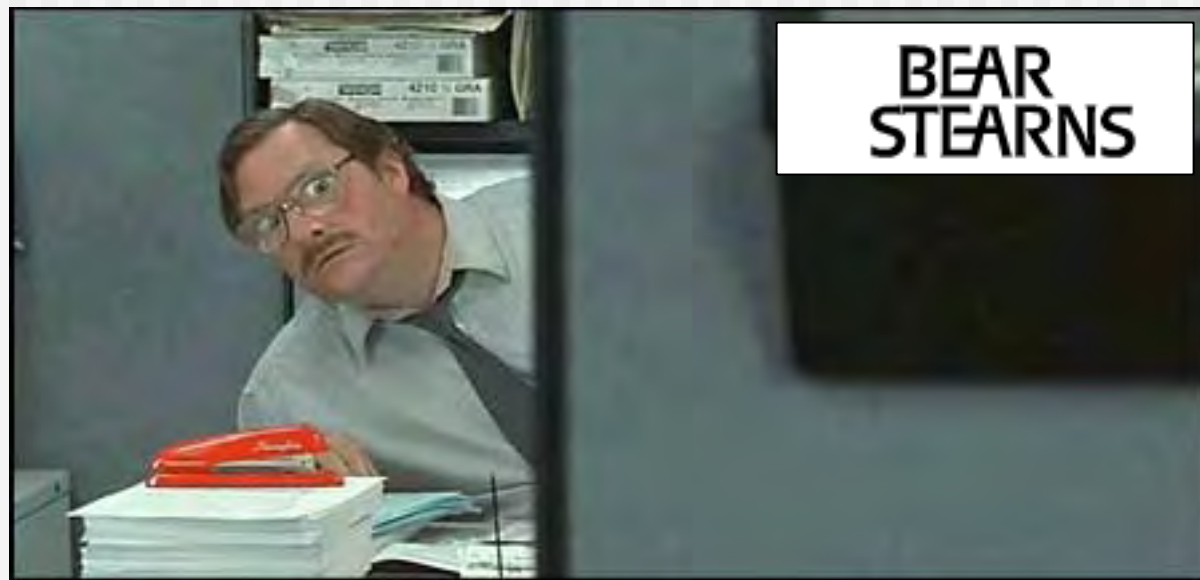
Mr. Bubble fired as the official spokesperson
for the National Association of Realtors



John Edwards no longer cares about taxing your carry, cause there won't be any



Bear Stearns now re-using staples
as well as paper clips



State of the Capital Markets



- 75% of Homebuilders go Chapter 11
- A dozen lenders follow
- Fannie and Freddie temporarily crippled
- CMBS business in tatters until '09
- Commercial values down 10-20%

State of the Capital Markets



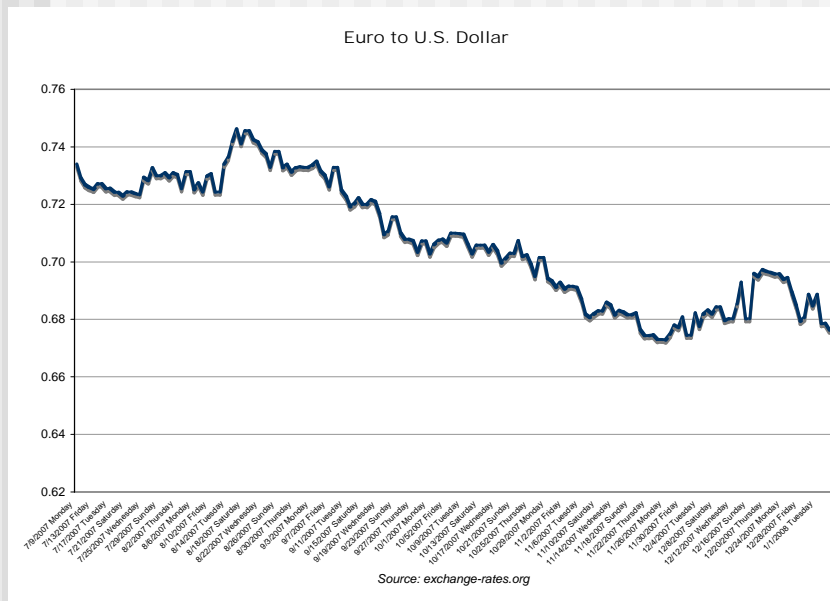
- Lenders back to 2003 standards
- LTV down 15%
- Guarantees and recourse
- Pain and suffering

How to Navigate



- 2009 Stabilization
- Sectors to like
 - Multifamily
 - Industrial
 - Deep value-add
 - Land at steep discounts
 - Anything somewhere else

Institutional Investors



- Still allocating 10% to real estate
- Real estate much more linked to the global capital markets
- Large investors allocating more capital to Asia
- Domestic assets being purchased with cheap dollars