



CTL PRESENTATION



NEWMARK REALTY CAPITAL, INC.

Founded in 1991, Newmark Realty Capital today is a leader in the commercial mortgage finance industry—the largest privately held firm in the western United States with a mortgage portfolio of nearly \$10 billion. We know commercial real estate finance and our borrower clients look to us as a source of sound counsel and capital solutions. As a trusted partner to leading institutions, Newmark clients enjoy the benefits associated with our deep and long standing lending relationships.

Client Commitment

Identify and execute appropriate capital solutions
Serve Client's best interests, always
Our interests are aligned with those of our clients

Our Philosophy

"Own the Loan"
Dedicated service at each step
Integrated all elements of commercial real estate financing

Access to Capital

Strong relationships with extensive network of capital providers
Preferred servicing correspondent for premier lenders
Strong market position attracts lenders' attention

Privately Held

We focus on our clients, not quarterly earnings
Real estate finance is our primary business
Culture promotes collaborative team approach

Respected Industry Leader

Significant commercial real estate finance platform
Exemplary track record spanning over 25 years
Transactions include all sizes and all property types, nationwide



EXPERIENCE

The experience of Newmark principals spans more than four decades in the commercial real estate industry. We have established an excellent reputation for capital markets expertise, enabling us to secure the appropriate financing for our clients with top institutional lenders, including life insurance companies, pension funds, government sponsored entities, CMBS providers and banks.

MARKETS

Newmark does business across the country. We have developed a nationwide mortgage data platform that delivers critical real-time capital intelligence.

PORTFOLIO

We are an S&P rated servicer with a portfolio of nearly \$10 billion, which consists of over 1,100 loans that we manage on behalf of major lending institutions. Our projects range from less than one million to several hundred million dollars.

LENDING RELATIONSHIPS

The core of our business is to provide our borrower clients with access to preferred sources of capital. Newmark has built enduring relationships with premier real estate investors—a significant advantage to clients from initial review of your project through the term of the loan.



REPRESENTATIVE TRANSACTIONS



\$125,300,00
San Diego
FBI Building



\$116,000,000
Boston
FBI Building



\$55,200,000
Montgomery
VA Health Care Center

Transaction Amount	Location	Project
\$83,000,000	Honolulu	FBI Building
\$78,000,000	Tallahassee	VA Health Care Center
\$75,600,000	Monterey	VA Health Care Center
\$61,400,000	Minneapolis	FBI Building
\$47,700,000	Portland	FBI Building
\$43,000,000	Milwaukee	FBI Building
\$41,600,000	Grand Rapids	VA Health Care Center
\$40,800,000	Cincinnati	FBI Building
\$25,000,000	Michigan/Ohio	GSA Portfolio
\$16,000,000	Knoxville	FBI Building
\$13,900,000	Dania Beach	GSA Building
\$11,300,000	Eureka	Courthouse
\$9,300,000	Laredo	VA Clinic
\$5,600,000	Tallahassee	GSA Building

NEWMARK IN THE NEWS

Mark Ritchie, a principal with commercial mortgage banking firm Newmark, shared his insights into CRE lending in the coming year. The San Francisco-based firm commemorated its 25th year of operations, having placed more than \$30 billion of commercial debt since its founding. Transactional volume exceeded \$2 billion each of the past five years, including completion of \$2.4 billion last year. The company expects 2017 to be consistent with that trend, as fence-sitters move to shore up financing needs. Refinancing likely will take center stage for investors with long-term hold assets, given the expectation that current rates will rise throughout the year.

*Interviewed by Dennis Kaiser and posted on January 27, 2017



3 CRE Q&A: NEWMARK'S RITCHIE ON INVESTMENT MARKET

Q: What are the challenges for commercial real estate financing in 2017?

A: Right now, we are dealing with perceptions and expectations. An example of perceptions is that long term interest rates are rising as we begin 2017, and we are already up about 100 basis points in rate from 2016. That may be true, but 2016 opened with the 10-year Treasury at 2.25%, only about 25 basis points below where today's treasury rates (2.50%) are. Though borrowers enjoyed a windfall when treasuries hit long time lows this past year, it's still an excellent environment to lock in long term debt.

Q: What impact has the Fed's actions had on CRE?

A: With the Federal Reserve's decision to raise short term rates at the end of 2016, expectations of additional increases in 2017 should focus owners on locking in their current and near future financing requirements, as markets perceive rates climbing significantly into 2017 and beyond. The new administration's focus on tax cuts and the currently robust nature of the economic cycle point to future inflation; a precursor to continued interest rate increases for real estate financing.

Q: In light of CMBS volatility, what do you see ahead for this component of the capital stack?

A: CMBS transactions were down significantly in 2016 for Newmark, similar to the wider marketplace due to a variety of factors. This is where expectations come into play. For a CMBS borrower, CMBS market volatility made it difficult to execute, particularly on acquisitions where the uncertainty associated with CMBS financing impacted the ability of buyer/seller to come to terms. For borrowers expecting life company execution on a Pacific Coastal market acquisition, current sale cap rates made it all but impossible for any buyer with less than 45% cash equity to fund.

We expect this trend to continue in 2017, as the market remains skittish on CMBS production. Of the transactions that Newmark closed in 2016, nearly all included the company as a servicer, as borrowers increasingly require a more dedicated level of service throughout the life of the loan. Attentive servicing will remain critical to CMBS performance and new issues in 2017.



PROFESSIONALS

For nearly 25 years, Newmark has structured successful financing solutions for clients in all phases of the business cycle. As an active participant in the commercial real estate world, few organizations have the resources and capabilities of Newmark.

EXPERTISE

Newmark professionals are highly proficient in a range of disciplines that includes real estate development, law, banking, brokerage, accounting, architecture, workouts, acquisitions and finance—a diverse skill set that allows Newmark to put together specialized teams that can handle projects of virtually any size and complexity.

CLOSING

We have a team of experienced professionals who are focused on guiding and assisting clients at each step along the way, from commitment to closing.

OWNERSHIP

Newmark Realty Capital is a privately held company. Our principals average over 25 years in the commercial real estate finance industry.

OUR BEGINNINGS

In 1991, our founding partners met to choose a name for our firm. We asked, “What is our goal?” The answer: to make a New Mark in real estate finance. Thus, we became Newmark Realty Capital.

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MARK C. RITCHIE has a near 30 year career in commercial real estate finance. Based in Los Angeles, he is a principal of Newmark Realty Capital, Inc. Newmark is the largest privately held mortgage banking firm in the western US, managing a portfolio of nearly \$10BB in debt instruments for 40 institutional lenders.

Mark is a member of The Urban Land Institute and International Council

of Shopping Centers and has spoken on real estate finance topics for these organizations. He is past President and Co-founder of the UCLA Real Estate Alumni Group, a Ziman Associate at the UCLA Ziman Center For Real Estate and has been a guest lecturer at the UCLA Anderson School of Management. Mark is active with the Commercial Real Estate Finance Council and is a Bard Member of the National Federal Development Association.

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AMIT TYAGI is a Vice President in Newmark’s Los Angeles office. Since joining Newmark in 2011, Amit has been involved in over 70 financing transactions totaling in excess of \$1.75B. Prior to working at Newmark, Amit worked in wealth management for a multifamily developer. Amit is a native of Los Angeles having graduated from UCLA in 2009. He is a CFA Level II candidate. In his spare time, he actively participates in golf and basketball.

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