

U.S. apartment sector on path to rebound-report

The U.S. apartment vacancy rate in the second quarter fell for the first time in nearly three years, a research report released on Thursday found. But the report by the research firm Reis Inc also warned that new apartment buildings expected to be coming to market shortly could push the vacancy rate higher.

Nationally, the apartment vacancy rate fell to 7.8 percent in the second quarter

from 8 percent in the first quarter, the report said.

"Unless there's significant softness in the economic recovery, we may be safe to say that the apartment sector is well on its way," said Victor Calanog, Reis director of research.

Apartments, which suffered record-setting declines in 2009, are recovering from the U.S. recession and com-

mercial real estate bust faster than other sectors of the industry.

Reis reported the U.S. office and shopping center sectors continued to deteriorate in the second quarter earlier this week.

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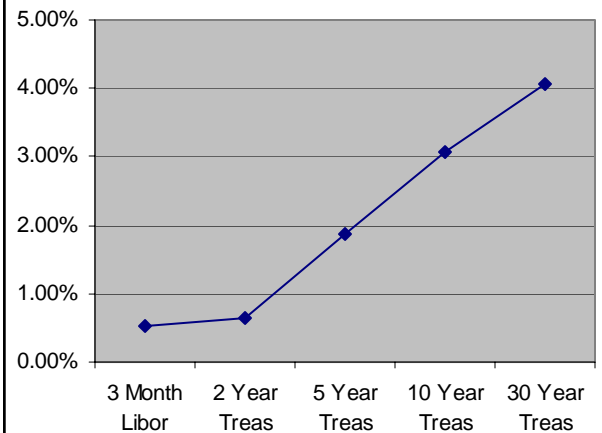
Market Indices

	July 13, 2010
Prime	3.25%
3 Month Libor	0.53%
5 Year Treasury	1.86%
10 Year Treasury	3.08%

Representative Spreads *

Project	Spread
Multi Family	Call
Office	Call
Industrial	Call
Retail	Call

July 13, 2010



Paragon Arranges \$21,719,700 Construction to Permanent Loan

Paragon Prime Funding recently arranged \$21,719,700 in construction-to-permanent financing for the development of a 144 unit age restricted independent living rental complex in North Greenbush, NY.

The facility, known as Eastwyck Village, will provide its residents with one and two bedroom units, upscale finishes, recreation & social pro-

grams, and spectacular views of downtown Albany.

Paragon Prime Funding financed the project through HUD's 221(d)(4) program. The construction loan includes 20 months of interest-only payments and a loan-to-cost ratio of 92%.



The permanent mortgage includes a low fixed interest rate and 40 year amortization.

* Representative spreads are indicative of class A properties with 75% loan to value on a 20 to 30 year amortization. Lower leveraged loans will result in a spread reduction.