

# Global CMBS Newsletter

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## 'Twas the Week Before New Year

'Twas the week before New Year, and everyone sighed  
The year's finally over, all the folks cried!

The first half was stellar, with results quite outstanding.  
But our hubris caught up – quite the misunderstanding.

The news was not pleasant; the word was quite grim,  
The investors lack confidence, it's not just a whim.

Some call it a crunch; some just don't want to see  
That the real estate is sound, it's lack of liquidity.

With sub-prime getting nailed with loans so repugnant  
It's brushing off on CMBS, becoming quite malignant!

Fast money is gone, the hedge funds have flown  
Back to their safe havens of shorts and arbitrage, with leverage overblown.

But deals are still getting done, but at spreads oh so wide,  
Those investors who take the plunge are in for a heck of a ride.

“What you said, it came true, Jack”, investors did tell,  
“Of pro forma and I/O having a hard time to sell.”

“I meant you no harm, I just called em' straight,”  
Said Jack, as he went on to elaborate.

“The property is sound, it's just the loans are so bad  
With unnecessary aggressiveness that gets me so mad!

Capital has been cheap in heady times like these here,  
With lenders focused on deals to make a good year.

You know about lipstick and its look on a pig  
That's the point about the loan, it is just too big!

Now a lot of the investors, they know what they're doing  
They know about assets as they've done all their schooling.

They know that “old, ugly and leased” is sometimes as good as it gets,  
But for those who don't know, it can be like playing Russian Roulette!”

So let's look to the future; let's look to next year  
With deals holding assets that investors won't fear.

Two hundred, one-fifty, do I hear an eighty?  
The market may slim down and be not as weighty.

But the deals getting done will be thoughtful and true.  
To a prosperous 2008 from the DBRS crew!

