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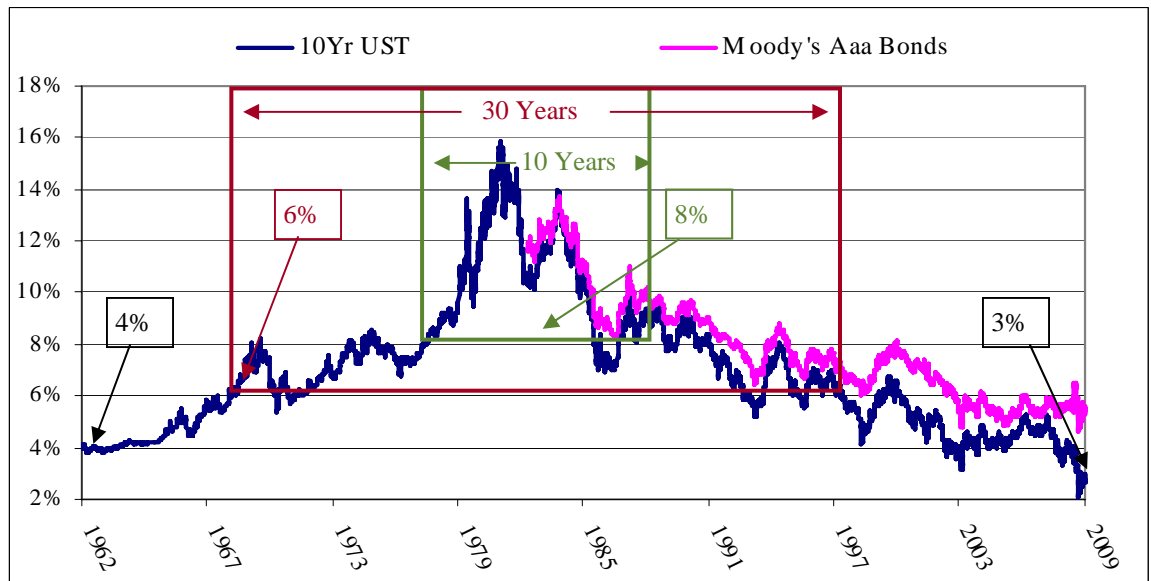
## Long Term Interest Rates From a Historical Perspective

History can help us develop a plan or strategy for commercial real estate. The financial markets, stock market and commercial real estate markets have all experienced change. What can we learn from the past to guide us into the future? Some facts and observations:

- Commercial real estate is a **long term asset**, and Commercial real estate **value** (cap rate) and **net income** is effected by long term rates. Typically long term rates are a spread over the benchmark 10 year United States Treasury (UST) and over the Moody's Aaa bonds. The chart below illustrates where these rates have been.
- The Federal Reserve (H15) has been tracking the 10 Yr. UST (long term mortgage rate benchmark) since 1962 (47 years) and the Moody's Aaa since 1983 (26 years) which is the source data for our graph.
- The 10 yr. UST was in the 4% range in the 60's and is currently less than 3%.
- The last +-30 years, has seen a downward trend in long term interest rates. Factors weighing on this include Fed policy & supply of money both domestically & internationally.
- During the **10-year** period from **1977 to 1987** the 10-year UST was above **8%** (and almost 16% for a while!).
- The **lowest** during this time period was 8%, almost **three times** what the 10-year UST is today.
- During the **30-year** period from **1968 to 1998** the 10-year UST was above **6%**, **over 2 times** higher than today.

With these facts in mind, what does Greemann Capital suggest as a strategy? What does Greemann Capital have to offer? What are some of the alternatives for a commercial real estate owners portfolio or individual project? The answer is very simple, today there are no sweeping, one sizes fits all programs. The financing options vary by property type, quality, location, tenant and borrower to list a few. **We believe that now is an ideal time to lock a long**

**term, fixed rate product for some properties. By doing so an investor locks in cash flow and can sleep well knowing that in the event history repeats itself (which it has been know to do!) their investment will be safe.** Give us a call to discuss how Greemann Capital can help you, or offer your comments or predictions about the future of long term rates and commercial real estate.



Bond Yields	5 Year	10 Year	30 Year	Rates	Interest Rate Range
Current 4/16/09	1.78%	2.84%	3.72%	3-5 years	6.50-7.00%
Wk End 4/10/09	1.88%	2.93%	3.72%	7&10 years	7.00-8.00%
March 2009	1.82%	2.82%	3.72%	15,20,25 years	7.25-8.25%
March 2008	2.48%	3.51%	4.39%	Amortization	15-30 years

Multi family rates tend to be lower with the agencies (FNMA, Freddie Mac, & HUD)