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## 2015 Mortgage Bankers CREF report "River of Opportunity"

Michigan Governor Rick Snyder's recent State of the State message referred to the River of Opportunity in education and employment. We could sum up the CREF 15 in the same vein: the commercial real estate mortgage opportunities have never been better. The opportunities right now are ideal to maximize a property's return and minimize risk. With rates at or near all-time lows and the ability to fix long term how does one take advantage this opportunity? What is best for the principals? What is best for the property? With the multitude of variables one should compare:

- Returns: cash on cash, return on debt reduction, IRR
- Proceeds, gross and net
- Mortgage covenants at close and ongoing
- Event risk, lease rollover, debt coverage ratio, balance at maturity
- Holding period, transfer, assumption, and prepayment.
- Certainty of delivery, post-closing quality of life and repeat business.

Greemann Capital is the right firm to help navigate through the various options, and we're here to help you do just that.

The 24<sup>th</sup> annual MBA Commercial Real Estate Finance conference was held Feb. 1-4 in San Diego, CA. With over 3,000 registered attendees, the total number of people was up from the low in 2009 of 2,000 but below the 4,860 in 2007. Attendees included 50+ life insurance companies, all the CMBS and Agency firms, Mortgage Bankers, and suppliers such as appraisers, ESA & PCA providers and attorneys.



In meetings with various 40+ lenders, a host of products were discussed including:

- Fixed rate loan terms of 10, 15, 20, 25, 30 and 40 years
- Variable and adjustable rate options
- Interest only options
- Pricing with very low coupons
- Floors in the low to mid 3's for the right Class A, larger, low leverage deals
- Bridge, Mezzanine & Participation
- Construction to Perm
- Build, lease sell programs
- CTL

Please call Greemann Capital to discuss further. We look forward to working with you and offering the best financing options for your property.

### Rates & Contact Information:

US Treasury Yields				Current Interest Rates		
Bond Yields	5 Year	10 Year	30 Year	Term	Rate Range	
Current 2/13/15	1.52%	2.03%	2.65%	3-5 years	3.00% -4.00%	
Wk. End 2/6/15	1.31%	1.81%	2.39%	7 & 10 years	3.50% - 4.25%	
January 2015	1.37%	1.88%	2.46%	15,20,25 years	3.75% - 4.50%	
January 2014	1.65%	2.86%	3.77%	Amortization	15 - 30 years	

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Note: Multi-family rates tend to be lower with the agencies (FNMA, Freddie Mac, or HUD).

