



Market Fax

March, 2019



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Long Term Fixed Rate Commercial Mortgage Loans at Historically Low Interest Rates

Takeaway's from the 2019 Mortgage Bankers CREF conference in February:

- Abundant Capital with diversified CRE mortgage options.
- We are at the peak or plateau of the CRE cycle.
- Some lenders are increasing leverage thru A/B or Mezz options.
- Some lenders have exposure to certain markets or property types.
- Attractive spreads and long loan terms.
- Great time to be a Mortgage Banker who can offer offer client multiple CRE long term fixed rate options.

Our sources of CRE Mortgage funds are life insurance companies, agencies, CMBS, Mezz and Bridge.

US Treasury Bond Yields				Current Interest Rates	
Period	5 Year	10 Year	30 Year	Term	Rate Range
Current 3/26/19	2.22%	2.44%	2.89%	3 - 5 Years	3.75% - 4.50%
Last week 3/22/19	2.24%	2.44%	2.88%	7 & 10 Years	3.75% - 4.75%
Feb 28, 2019	2.52%	2.73%	3.09%	15, 20, 25, & 30 Years	4.25% - 5.50%
Feb 28, 2018	2.65%	2.87%	3.13%	Amortization	15- 30 Years

*Rate pricing will depend on a variety of factors such as LTV, DCR, etc. In general, properties that demonstrate on LTV below 65% and a DCR above 1.50x will result in the most optimum pricing.

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