

6140 28th Street SE, Suite 215 | Grand Rapids, MI 49546 | (616) 957-4777



Have you heard the saying: “Predictions are for fools”?

We attended the Mortgage Bankers Association’s Commercial Real Estate Finance conference in San Diego in mid February. Most institutional lenders (life companies, agency (FNMA, Freddie and HUD), and CMBS) and mortgage bankers like Greemann Capital attend from all over the country.

To have some fun, we asked people we met with for their prediction for the benchmark 10 year UST at the end of 2022. To keep it simple, the prediction was over or under 2.5%. As a preface, the MBA’s 3Q2021 Data Book predicted 2.3%, but with the recent run up in UST’s we chose 2.5%. Of the large 35 people data set, the vote was 20 over and 15 under.

Do you think predictions have changed with the invasion of Ukraine and the 10 year UST now at ~1.70%?

The companies these attendees represent did over \$30 billion in production last year and have a combined portfolio size of ~\$200 billion in commercial mortgage loans. These institutional lenders offer a wide variety of long term fixed and adjustable, core, value add, bridge and mezzanine options as well as construction perm for preleased properties.

Please feel free to call Greemann Capital to discuss any of your financing needs.

	<u>US Treasury Bond Yields</u>			<u>Current Interest Rates</u>	
<u>Period</u>	<u>5Y</u>	<u>10Y</u>	<u>30Y</u>	<u>Term</u>	<u>Rate Range</u>
Current 3/1/2022	1.56%	1.70%	2.09%	3-5 Years	3.00%-3.75%
Week Ending 2/25/2022	1.86%	1.97%	2.29%	7&10 Years	3.25%-4.25%
March 2021	0.71%	1.45%	2.23%	15, 20, & 25 Years	3.50%-4.50%
March 2020	0.88%	1.10%	1.66%	Amortization	15-30 & I/O

Note: Multi-family rates tend to be lower with the agencies (FNMA, Freddie Mac, or HUD). Low leverage and fully amortizing loans are at the lower end, while small loans and fuller leverage are at the higher end of the range.

Knowledge Experience Results

Harvey Greemann (616) 974-0250 harvey@greemanncapital.com
 Ben Greemann (616) 974-0245 ben@greemanncapital.com
 Bob Genzink (616) 974-0248 bob@greemanncapital.com