

## October 8, 2012

### Week in Review

- According to research firm Trepp, LLC, the delinquency rate for U.S. CMBS loans fell 14 basis points in September to 9.99%, bringing the rate below 10% for the first time since April. Approximately \$3.3 billion of newly delinquent loans were added, while \$1.77 billion in loans were resolved. Multifamily and hospitality saw the biggest improvement in the delinquency rate in September. Going forward, the delinquency rate should improve as fewer loans are coming due and the CMBS markets continue to rebound.
- Blackstone Group LP invested \$85 million for a majority stake in an office portfolio in Southern California after a debt restructuring by SL Green Realty Corp. The portfolio consists of 31 buildings totaling approximately 4.5 million square feet. SL Green took control of the portfolio in August through its holding of junior debt by acquiring other pieces of junior debt so it could have control in August when the loan matured. New York Life holds the \$678.8 million loan on the property and extended the loan after the recapitalization was completed. The total outstanding debt on the portfolio is approximately \$746.8 million.
- Retail giant Amazon.com Inc. is purchasing its 11-building headquarters in Seattle for \$1.16 billion, of which will be the biggest commercial real estate transaction this year in the U.S. The buildings total 1.8 million square feet. The deal is expected to close in the fourth quarter.
- Yields on the 10-year treasury ended the week at 1.732% as investors moved out of safety on unexpected decline in unemployment to 7.8%, the lowest level since January 2009. Traders cautioned the positive unemployment reading will not be enough to prompt the Federal Reserve to curtail its stimulus measures. According to minutes released from the Fed's policy meeting, the central bank will maintain its policy until the labor shows a sustainable strong recovery. Issues within the Eurozone and fear of a global economic slowdown still weigh on investors. Bond markets are closed Monday.

### Current Commercial Loan Rates

#### Owner Occupied / Investor Starting at

Type	Rate*	Term	Am	LTV
Apartment	4.12%	10 Yr	30 Yr	80%
Apartment	3.55%	5 Yr	30 Yr	80%
Industrial	4.9%	5-10 Yr	25 Yr	85+%
Office	5.35%	5 Yr	25 Yr	90%
Retail	5.09%	5 Yr	25 Yr	85+%

\*Rates based on current market conditions and loan strength, and are subject to change. A lower LTV may result in lower rates.

#### Owner Occupied \$1,000,000 +

Acquisition, Refinance, or Development  
Rates starting at 3.48%

#### Acquisition and Development

Rates starting at 5.25%, LTV dependent on property type / location and borrower strength

#### SBA 504 and 7a

Up to 90% LTV  
504 rates starting at 4.15% construction / 4.54% long term  
20 Year Fixed Rate available for 504  
25 Year Fixed Rate available for 7a

#### Bridge Loans

Available on most property types nationwide  
Rates 9.00% - 14.00%, LOW POINTS

### Economic Events Calendar Week of 9/24/12

Monday 10/8/12

Tuesday 10/9/12

Wednesday 10/10/12  
-Wholesale Inventories

Thursday 10/11/12  
-Initial Claims  
-Continuing Claims  
-Trade Balance

Friday 10/12/12  
-PPI  
-Mich Sentiment

#### Information Presented By

Metro Commercial Finance | 445 East 200 South, Suite 120, Salt Lake City, Utah 84111 | 801-230-2222 | info@usemetro.com

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