



### Market News: Rates Increase Post Election

The 10 year treasury increased by more than 40 basis points since the election. The 10 year treasury rate closed at 1.83% on Nov. 7th and was 2.23% a week later. The 5 yr and 7 yr Treasury rates increased by 29 and 43 basis points respectively over the same period. The commercial mortgage market is still settling. Rates that are tied to the treasury and swaps have increased accordingly while most other programs have announced rate increases this week or did so last week.

As for what to expect in the coming year, inflation, increased federal spending, and reduced revenue (tax cuts) and deficit borrowing and the strong possibility of a weaker demand for treasuries could have long term yields on the rise in 2017. However, a decline in Treasury Yields in the near term is possible as higher bond yields attract more demand. There is also expectation of a December hike by the Fed. ...In short, the capital markets should be more interesting than usual over the next month or so.

### Key Indexes

Index	Current	Year Ago	Index	Current	Year Ago
Prime Rate	3.50%	3.25%	5 Year Treas.	1.67%	1.66%
6 Mo. LIBOR	1.27%	0.60%	10 Year Treas.	2.22%	2.26%
COFI-11th	0.60%	0.64%	5 Year Swaps	1.70%	1.64%
12 Mo. Treas.	0.58%	0.26%	10 Year Swaps	2.08%	2.17%

### Current Rates & Programs

Multifamily - Portfolio			Prepay	Term	Amortization
Adjustable	2.90% - 3.50%	↑	Step Down	30 Years	30 Years
3-Year Fixed	3.15% - 3.40%	↑	Step Down	30 Years	30 Years
5-Year Fixed	3.25% - 3.50%	↑	Step Down	30 Years	30 Years
7-Year Fixed	3.50% - 3.90%	↑	Step Down	30 Years	30 Years
10-Year Fixed	3.95% - 4.40%	↑	Step Down	30 Years	30 Years
Commercial - Portfolio			Prepay	Term	Amortization
5-Year Fixed	3.50% - 4.50%	↑	Various	10 Years	25-30 Years
10-Year Fixed	3.95% - 5.00%	↑	Various	10 Years	25-30 Years
Commercial - CMBS			Prepay	Term	Amortization
10-Year Fixed	4.40% - 5.25%	↑	Yield Maintenance	10 Years	30 Years

Matt Hollander | BluePoint Commercial Mortgage  
655 Redwood Hwy, Suite #311, Mill Valley, California  
Direct: 415.690.8850 | Mobile: 415.250.9333 | Fax: 415.634.2879  
[matt@bluepointcm.com](mailto:matt@bluepointcm.com) | [www.bluepointcm.com](http://www.bluepointcm.com)

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