

# Market Update

## CRE Interest Rates & Market Index Trends

December 17, 2024

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Structured Finance Advisory Group

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# Capital Markets *Live*

Colliers Structured Finance Advisory Group is a leading global capital markets platform specializing in debt and equity placement and advisory services for commercial real estate investments nationwide. Leveraging over \$20B in transactional experience, unmatched technical expertise, long-standing industry relationships and proprietary technology, we deliver outlier capital markets solutions to optimize real estate investment opportunities across all asset classes.

December 17, 2024

## MULTIFAMILY

### Fixed Rate

INSURANCE & BANK		
Term	LTV	Interest Rates
5-YR	50%-55%	5.72% - 6.02%
5-YR	60%-65%	6.02% - 6.32%
10-YR	50%-55%	5.86% - 6.16%
10-YR	60%-65%	6.16% - 6.46%

CMBS		
Term	LTV	Interest Rates
5-YR	50%-55%	6.36% - 6.66%
5-YR	60%-65%	6.66% - 6.96%
10-YR	50%-55%	6.16% - 6.46%
10-YR	60%-65%	6.46% - 6.76%

AGENCY		
Term	LTV	Interest Rates
5-YR	50%-55%	5.62% - 6.02%
5-YR	60%-65%	5.82% - 6.22%
5-YR	70%-80%	6.36% - 6.76%
10-YR	50%-55%	5.53% - 5.93%
10-YR	60%-65%	5.73% - 6.13%
10-YR	70%-80%	5.93% - 6.33%

## INDUSTRIAL

### Fixed Rate

INSURANCE & BANK		
Term	LTV	Interest Rates
5-YR	50%-55%	5.72% - 6.02%
5-YR	60%-65%	6.02% - 6.32%
10-YR	50%-55%	5.86% - 6.16%
10-YR	60%-65%	6.16% - 6.46%

CMBS		
Term	LTV	Interest Rates
5-YR	50%-55%	6.36% - 6.66%
5-YR	60%-65%	6.66% - 6.96%
10-YR	50%-55%	6.16% - 6.46%
10-YR	60%-65%	6.46% - 6.76%

## BRIDGE FINANCING

BANK		
Term	LTV	Rate (Floating)
3-5 YR	50%-55%	7.78% - 8.28%
3-5 YR	60%-65%	8.28% - 8.78%

## OFFICE

### Fixed Rate

INSURANCE & BANK		
Term	LTV	Interest Rates
5-YR	50%-55%	6.67% - 6.97%
5-YR	60%-65%	6.97% - 7.27%
10-YR	50%-55%	6.81% - 7.11%
10-YR	60%-65%	7.11% - 7.41%

CMBS		
Term	LTV	Interest Rates
5-YR	50%-55%	7.31% - 7.61%
5-YR	60%-65%	7.61% - 7.91%
10-YR	50%-55%	7.11% - 7.41%
10-YR	60%-65%	7.41% - 7.71%

## DEBT FUND

Term	LTV	Rate (Floating)
3-5 YR	60%-65%	8.03% - 8.53%
3-5 YR	70%-75%	8.53% - 9.03%

## RETAIL

### Fixed Rate

INSURANCE & BANK		
Term	LTV	Interest Rates
5-YR	50%-55%	5.92% - 6.22%
5-YR	60%-65%	6.22% - 6.52%
10-YR	50%-55%	6.06% - 6.36%
10-YR	60%-65%	6.36% - 6.66%

CMBS		
Term	LTV	Interest Rates
5-YR	50%-55%	6.56% - 6.86%
5-YR	60%-65%	6.86% - 7.16%
10-YR	50%-55%	6.36% - 6.66%
10-YR	60%-65%	6.66% - 6.96%

### Note

The interest rates noted herein are based on current market averages and can vary widely based on specific property profiles and geographic markets.

[Learn More](#)

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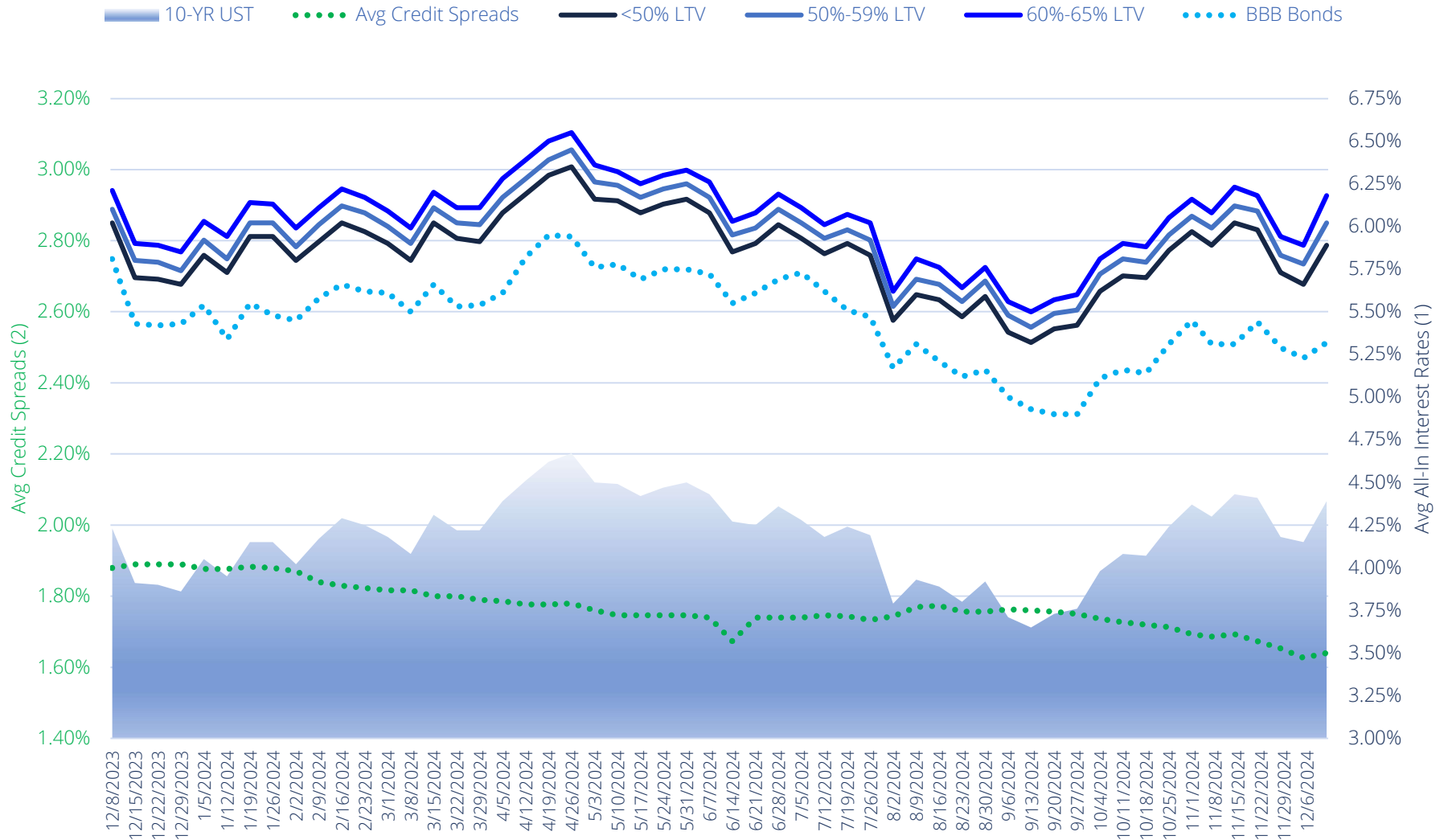
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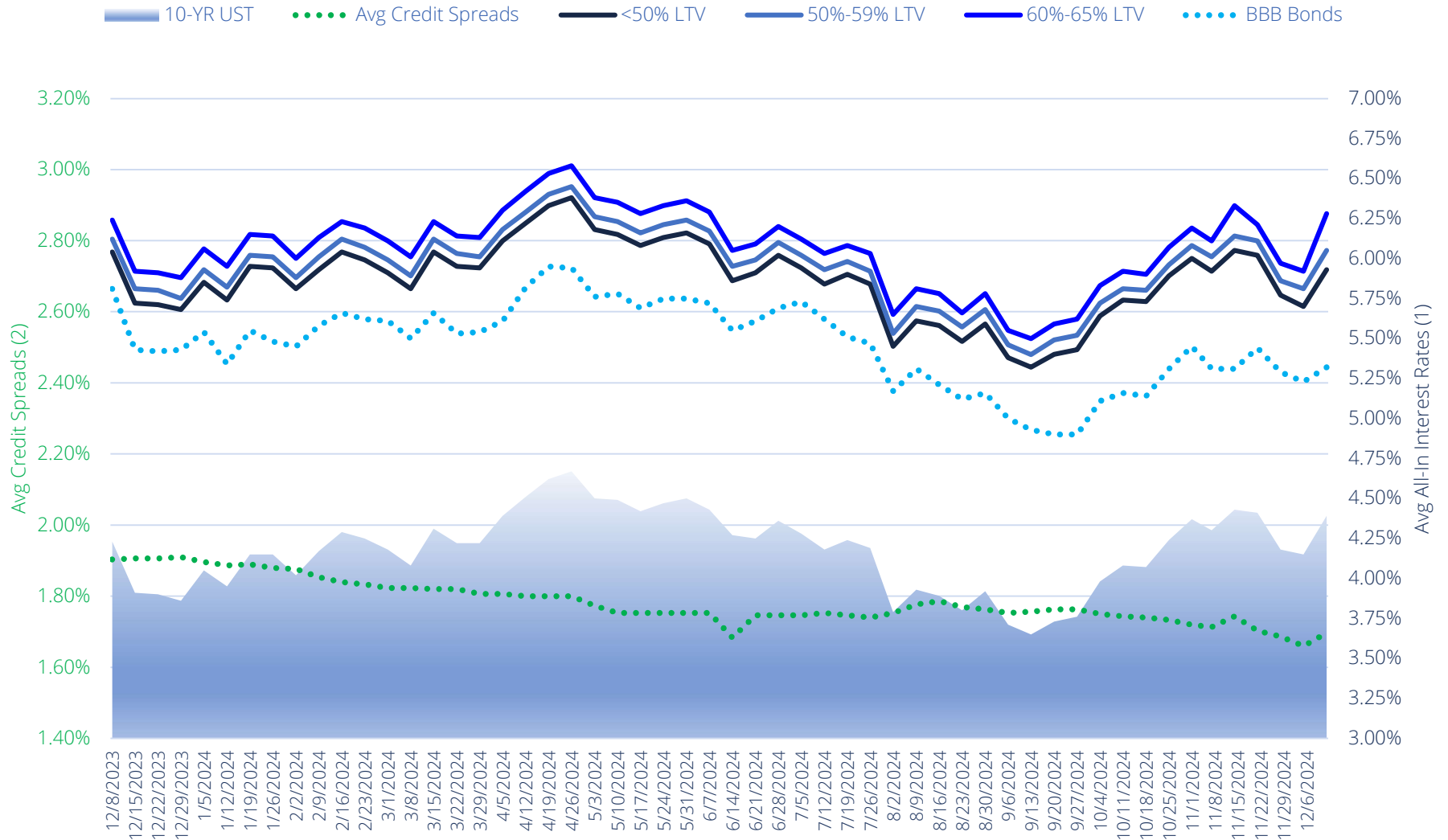
## Multifamily | All-in Interest Rates (Dec 2023 - Dec 2024)



(1) All-in interest rates are based on 10-day trailing averages of reported 10-year fixed rate balance sheet loans aggregated by product type. Adjustments to the reported rates are likely necessary for the purpose of marking debt to market to account for loan and property specifics.

(2) "Avg Credit Spreads" reflect the average of all referenced leverage scenarios.

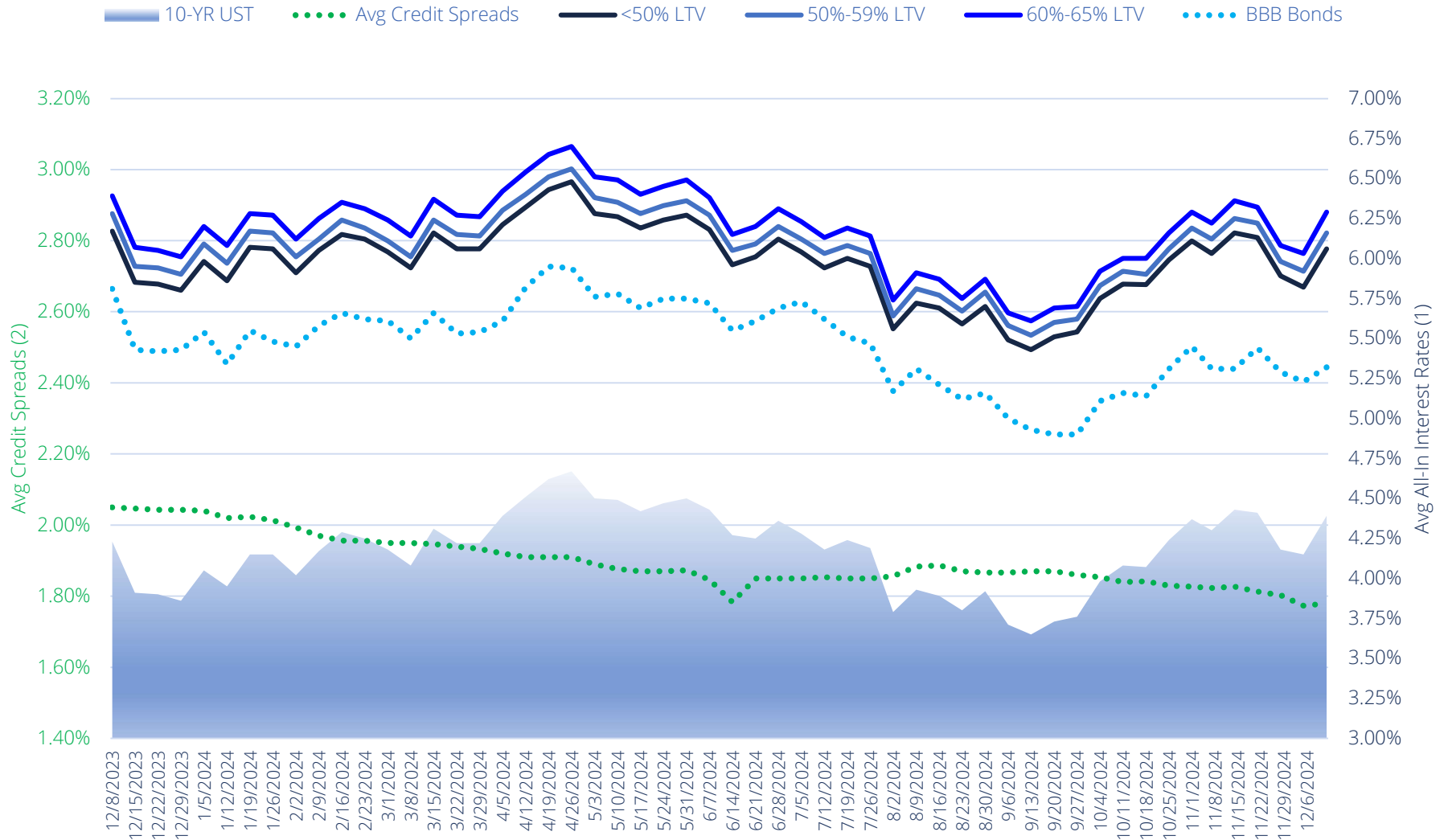
## Industrial | All-in Interest Rates (Dec 2023 - Dec 2024)



(1) All-in interest rates are based on 10-day trailing averages of reported 10-year fixed rate balance sheet loans aggregated by product type. Adjustments to the reported rates are likely necessary for the purpose of marking debt to market to account for loan and property specifics.

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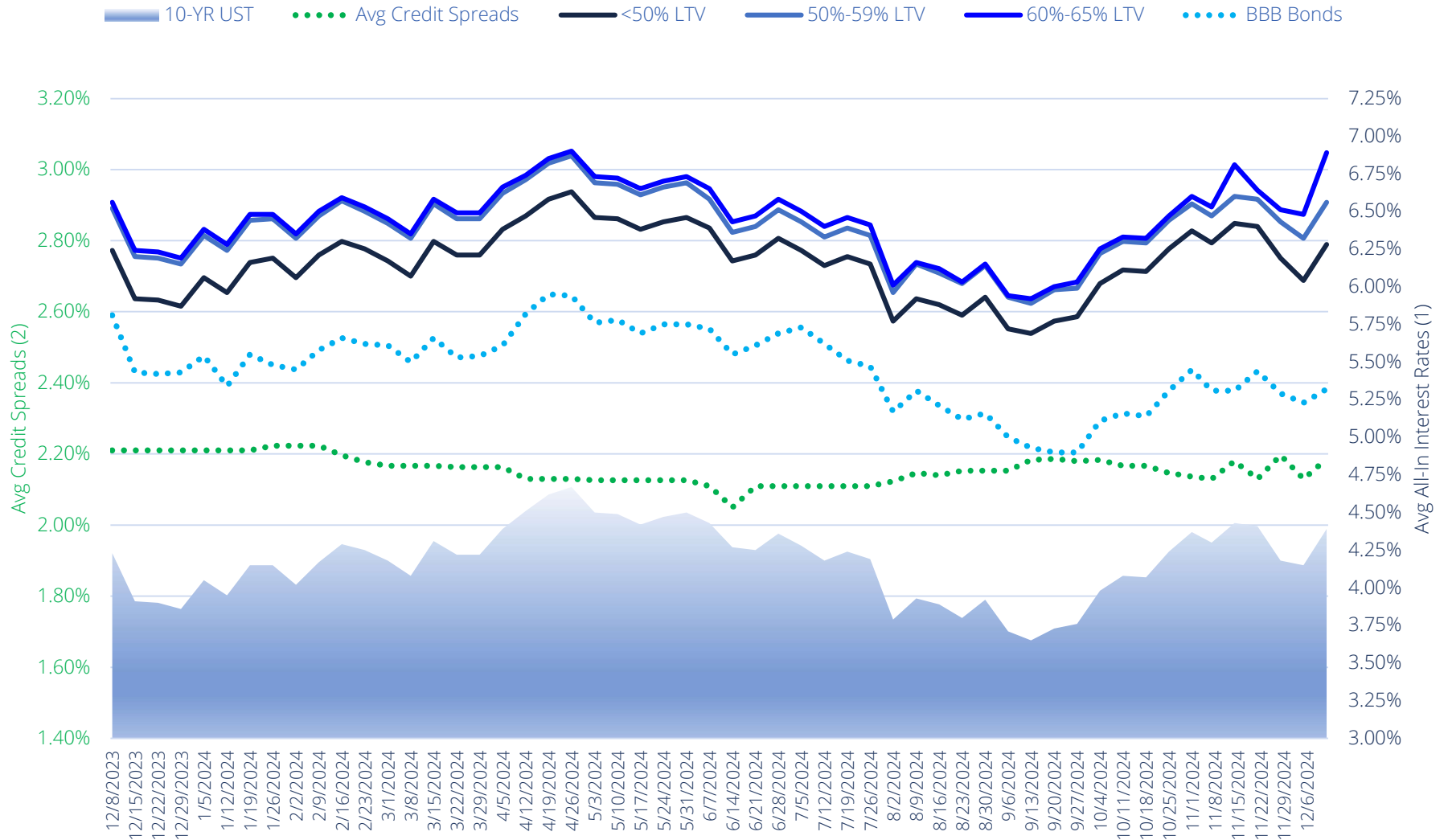
## Retail | All-in Interest Rates (Dec 2023 - Dec 2024)



(1) All-in interest rates are based on 10-day trailing averages of reported 10-year fixed rate balance sheet loans aggregated by product type. Adjustments to the reported rates are likely necessary for the purpose of marking debt to market to account for loan and property specifics.

(2) "Avg Credit Spreads" reflect the average of all referenced leverage scenarios.

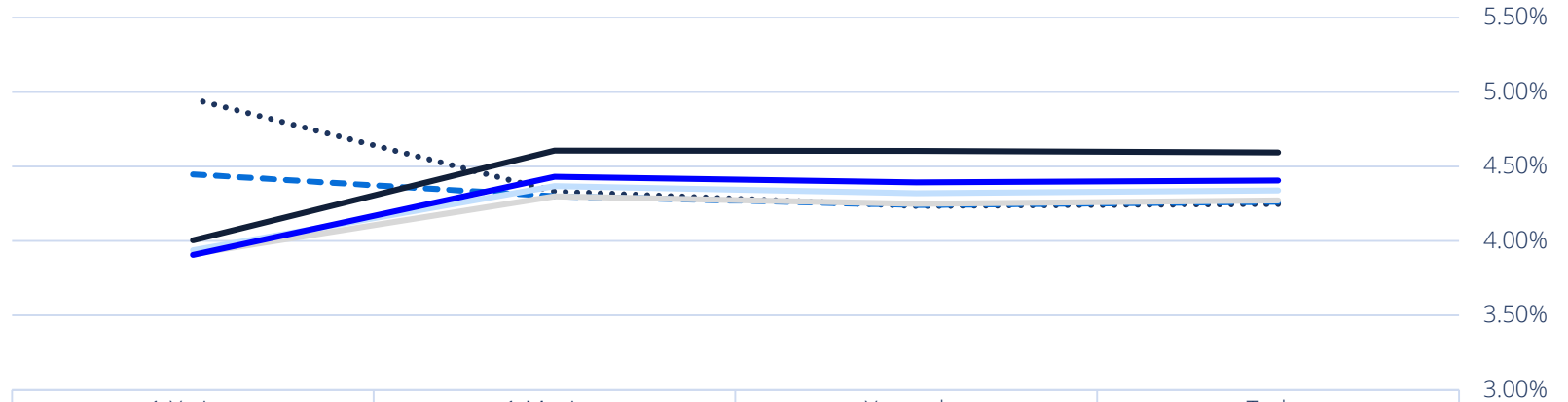
## Office | All-in Interest Rates (Dec 2023 - Dec 2024)



(1) All-in interest rates are based on 10-day trailing averages of reported 10-year fixed rate balance sheet loans aggregated by product type. Adjustments to the reported rates are likely necessary for the purpose of marking debt to market to account for loan and property specifics.

(2) "Avg Credit Spreads" reflect the average of all referenced leverage scenarios.

## UST Yield Trend (Dec 2023 - Dec 2024)

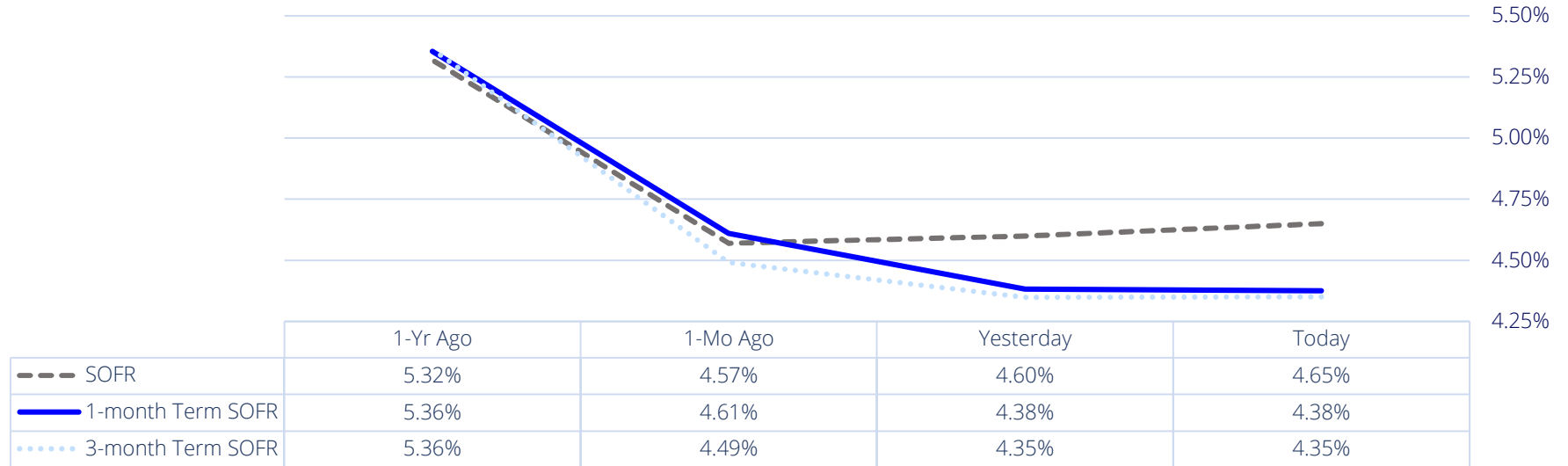


	1-Yr Ago	1-Mo Ago	Yesterday	Today
..... 1 Year	4.95%	4.33%	4.24%	4.25%
- - - - 2 Year	4.45%	4.30%	4.24%	4.26%
———— 5 Year	3.91%	4.30%	4.25%	4.27%
———— 7 Year	3.94%	4.37%	4.32%	4.34%
———— 10 Year	3.91%	4.43%	4.39%	4.41%
———— 30 Year	4.01%	4.61%	4.61%	4.60%

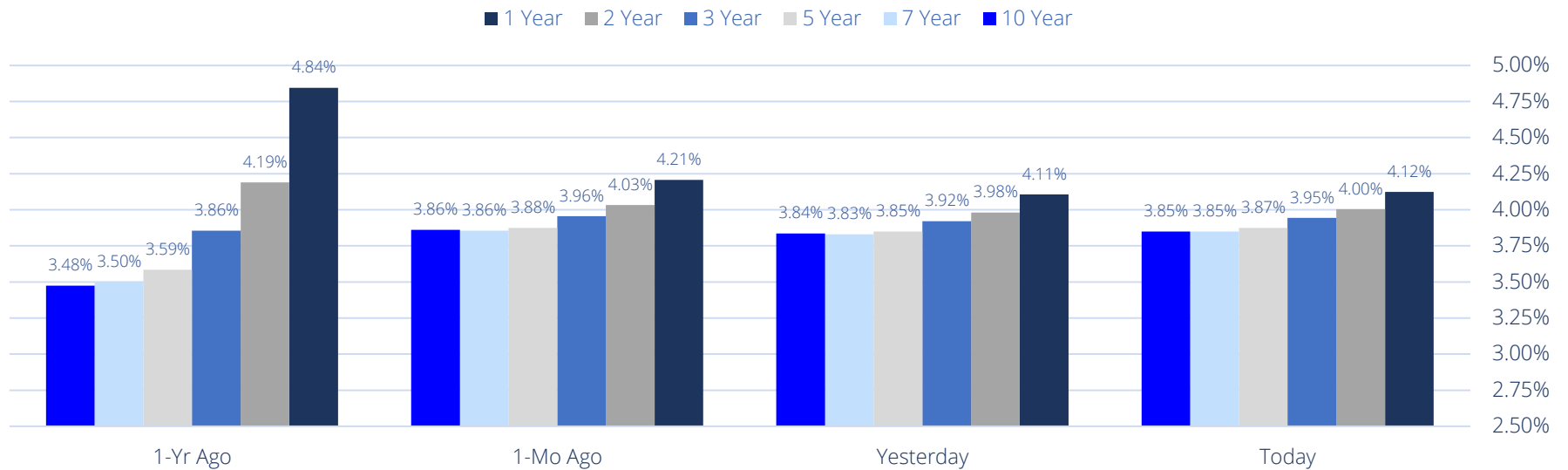
## UST Yield Curve (as of 12/17/2024)



## SOFR Trend (Dec 2023 - Dec 2024)

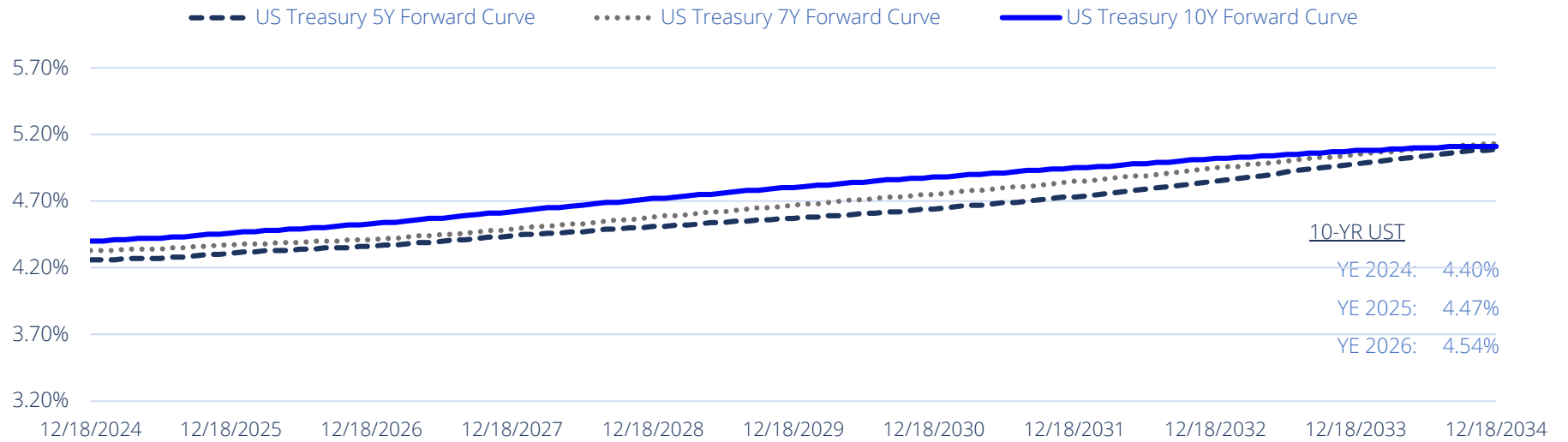


## 1-Month Term SOFR Swaps Trend (Dec 2023 - Dec 2024)

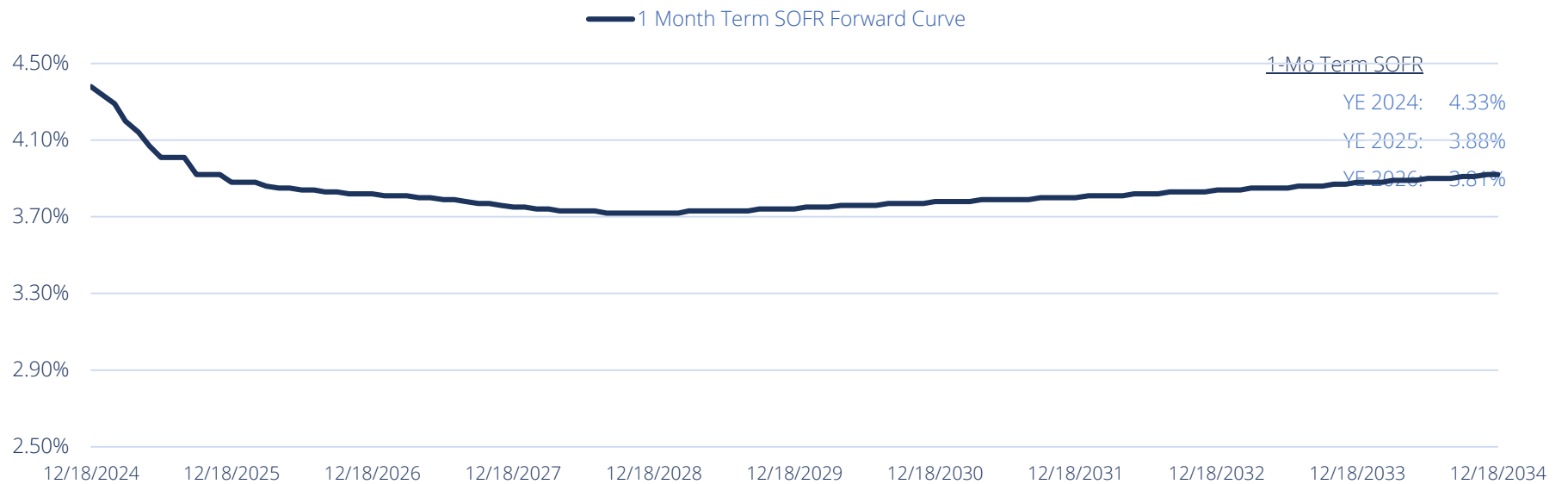




## UST Forward Curve (Dec 2024 - Dec 2034)



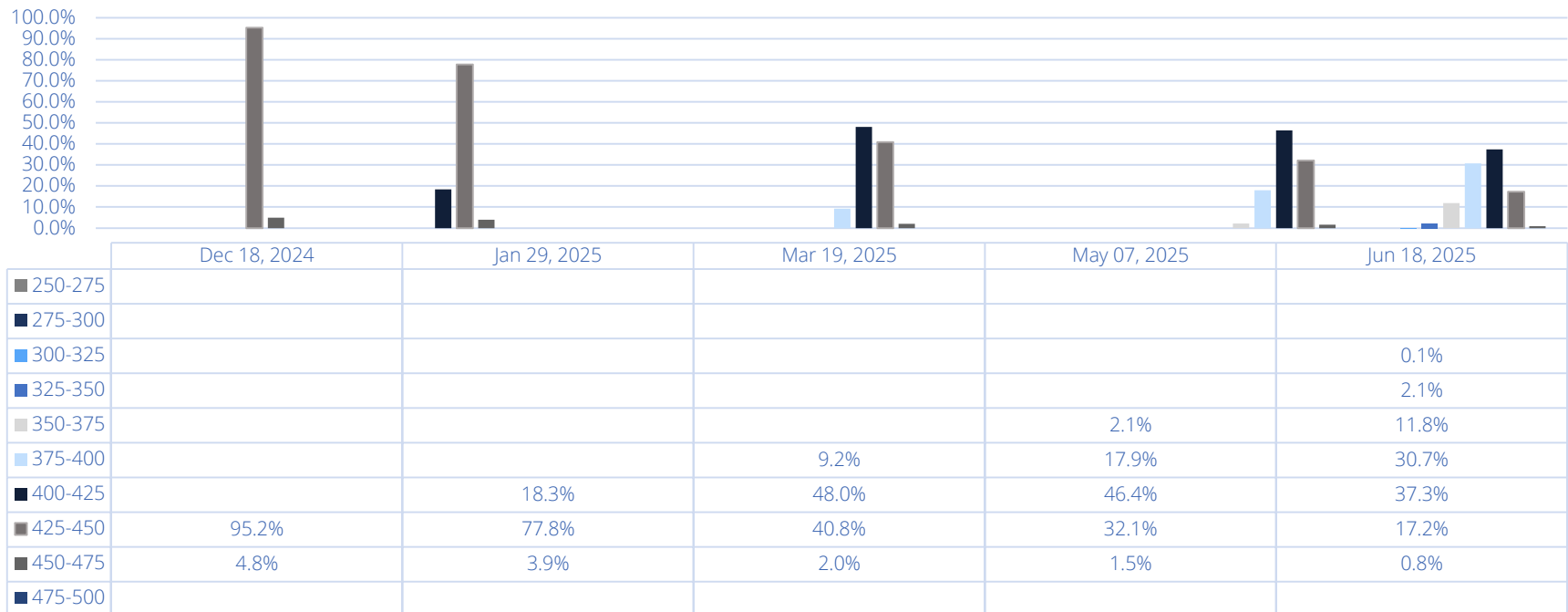
## 1-Month Term SOFR Forward Curve (Dec 2024 - Dec 2034)



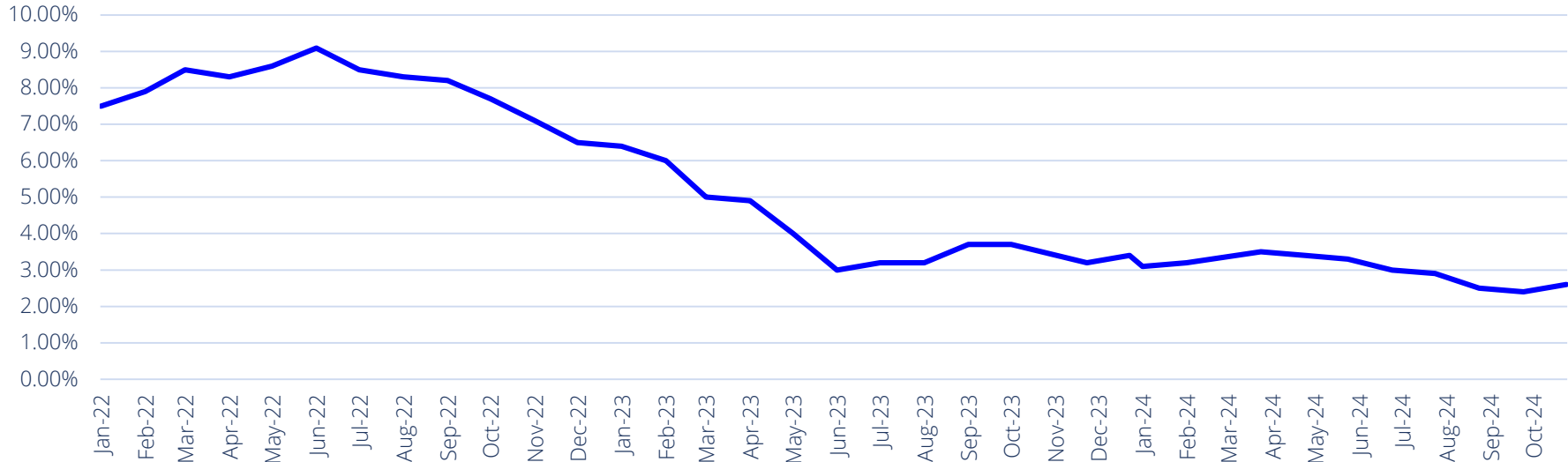
## Fed Funds Rate Trend (Dec 2023 - Dec 2024)



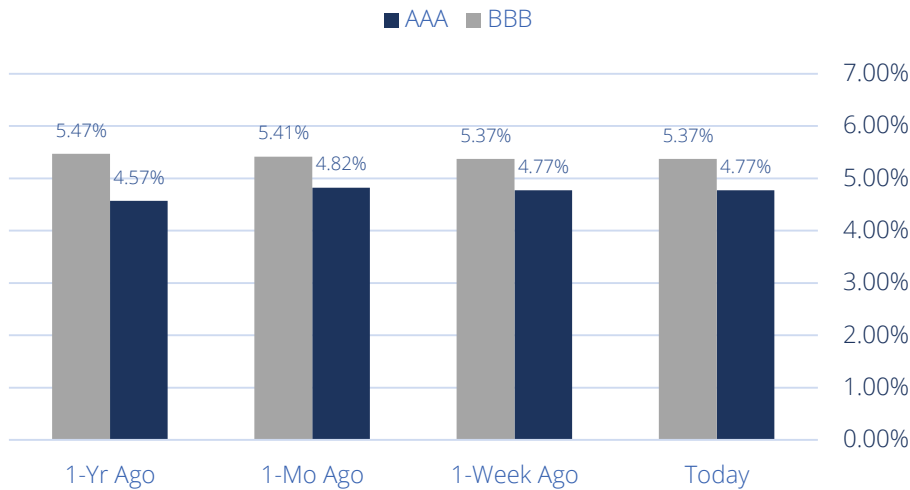
## Fed Funds Target Rate Probabilities (as of 12/17/2024)



## US Inflation Rate (Jan 2022 - Oct 2024)



## Corporate Bond Yields (Dec 2024 - Dec 2023)



## SOFR Cap Cost Estimates

Notional \$25,000,000

Strike Rate	1 Year	2 Year	3 Year	4 Year
1.00%	\$791,000	\$1,477,000	\$2,130,000	\$2,754,000
1.50%	\$668,000	\$1,239,000	\$1,786,000	\$2,311,000
2.00%	\$546,000	\$1,006,000	\$1,451,000	\$1,884,000
2.50%	\$425,000	\$780,000	\$1,131,000	\$1,481,000
3.00%	\$308,000	\$566,000	\$835,000	\$1,113,000
3.50%	\$193,000	\$374,000	\$555,000	\$751,000
4.00%	\$91,000	\$196,000	\$326,000	\$478,000
4.50%	\$35,000	\$97,000	\$188,000	\$302,000
5.00%	\$24,000	\$61,000	\$124,000	\$210,000
5.50%	\$21,000	\$44,000	\$88,000	\$152,000



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