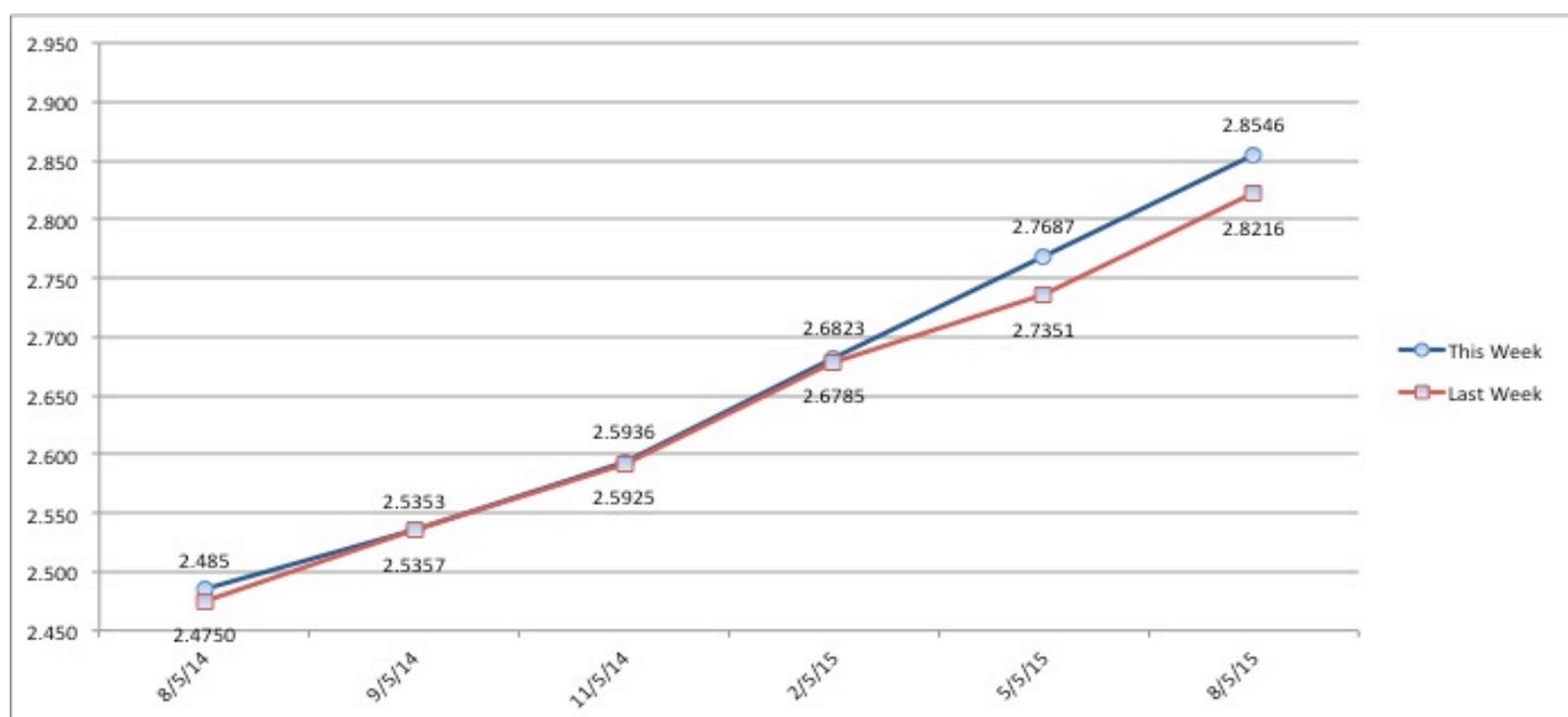


August 6, 2014 | RATE ALERT

Last week was all about volatility courtesy of a 4.1% GDP. However, the 10-year U.S. Treasury still wants to trade at sub 2.50%. At [Commercial Defeasance](#) we continue to expect low rates but are concerned about volatility. Our biggest concern is for those waiting to refinance or sell their property. For example, the difference between locking in rates last Thursday versus Tuesday would cost the borrower \$117,133 in proceeds and \$72,130 in additional borrowing costs on a standard \$10,000,000, 10-year deal. In this case, time would most definitely not be on your side. To learn more [contact](#) one of our deal managers today.

Projected 10-Year U.S. Treasury Rate**The Importance of this Graph**

The ten-year Treasury forward curve (the "Forward Curve") is a graph of forward rates on a series of current ten year Treasury contracts that have different forward periods, **in other words what we think the 10-year rates will be in the future**. The current shape of the Forward Curve is depicted above and indicates that traders of such contracts generally believe interest rates will be higher in the future. Many commercial real estate borrowers use the Forward Curve as a tool to help them decide when to refinance or sell. Contact [Jeff Lee](#) at Commercial Defeasance at JLee@defeasewithease.com or at 704-248-2602 to determine how future interest rates may impact your property.

The Weekly Defeasance Overview & Industry News



According to an article in the *Wall Street Journal*, a new group of lenders has begun to target properties valued at \$10 million and less. [Read](#) who's benefiting from this new trend.

Last week, New York was a "hot-spot" for defeasance transactions. The Commercial Defeasance team also continued to see an increase in defeasance transactions for multifamily properties across the U.S. [Contact](#) one of our defeasance facilitators to see if now is the right time to defease your loan.

Here is a sampling of what closed last week:

- \$700M defeasance; office space in New York
- \$13M defeasance; multifamily in Baton Rouge
- \$23M defeasance; multifamily in Charlotte
- \$91M defeasance; office space in Chicago
- \$79M defeasance; hotel in Myrtle Beach
- \$2M defeasance; multifamily in Philadelphia
- \$30M defeasance; multifamily in Des Moines

DEFEASE WITH EASE

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Commercial Defeasance 11121 Carmel Commons Blvd Suite 250 Charlotte NC 28226 United States

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