Greetings from the corner office in Miami.
A little over a year ago, we closed apartment transactions at rates of ±2.8%, today that is closer to ±4.65%. We provide loans & equity and financial strategies to our clients, and highly recommend taking full advantage of locking in rates today, in order to match assets with long term liabilities. Below are our insights on the markets, continued volatility in interest rates and inflation. Interest rate histories and movements are below.

Key Rates (6.23.22)

Prime is	**4.75%.**	(30 days ago, **4.0%**;	90 days ago, **3.5%**;	1 yr. ago, **3.25%**)
Libor (30 day) is	**1.63%.**	(30 days ago, **.93%**;	90 days ago, **.39%**;	1 yr. ago, **.08%**)
T-Bill (10 yr.) is	**3.01%.**	(30 days ago, **2.85%**;	90 days ago, **1.99%**;	1 yr. ago, **1.44%**)
Swaps (10 yr.) is	**3.06%.**	(30 days ago, **2.91%**;	90 days ago, **1.91%**;	1 yr. ago, **1.40%**)

Interest Rates.
Long term rates have risen significantly over the past 12 months, spreads continue to be in flux and there is significant pressure on the Federal Reserve to increase rates an additional 75+ bpts by year end. Treasuries continue to bounce in a 25 basis point band, hovering around 3.25%. Also, as Libor is being phased out, Prime will be the index and derivatives of it, for short term pricing.

Lending.
Leverage is maxing out at 75% loan to values (LTVs) for most transactions (80% underwritten LTVs for multis). However, product type, track record, structuring and underwriting are the keys to efficient executions, with lenders focusing on these essential items to execute. Clients will get 15 to 25 bpt pricing breaks with reductions in leverage, i.e., 50% to 65% LTVs and some recourse flexibility, at those levels. The Agencies continue to win 85% of the multi business, but life companies and conduits have come back strong on the long-term side. Banks have been filling the void again for all other products and have pressured bridge lenders to significant reductions in pricing. Multi rates are in the mid-high, 4% range, industrial and medical office is in the 5%-5.25% ranges and the remaining asset classes, with the exception of hospitality, 5.25%-5.5%.

Multis.
Cap rates for multis are hovering around ±4% and they remain the best in class for real estate products. Leasing velocities at new projects are very strong and rents continue to rise at ±10% a quarter. Agencies have tightened underwriting and annual volumes a bit, but continue to win the bulk of the financings and are the best executions. Our processes for multis have been very efficient and cost effective.

Industrial.
Cap rates for bulk warehouses are hovering around ±5%, as the need for bulk inventories to be closer to wholesalers and the ultimate consumers. Supply chains continued to be stressed, from staffing to materials, but this is expected to be reduced over the next 6 to 9 months, as we get back to a more "normal", albeit choppy economy.

Medical Office.
Cap rates for medical offices are hovering around ±6%, but there is pressure on further reductions, as large investors are heavily investing in top tier assets, close to hospitals. We have been very active in selling and financing these assets.

Retail.
Cap rates for retail are hovering around ±6% (grocery anchored ±5%), with the focus on food and other essentials. Amazon continues to be the leader in product delivery, but Target, Walmart and Costco are catching up with better price points and apps are adding efficiencies to prescription drug pricing. Inflation continues to be very problematic for this sector.

Hospitality.
Cap rates for hotels are hovering around ±7.5%. Luxury hospitality is making a strong comeback, as people clamor for vacations, but staffing at these locations continues to be razor thin and job postings are going unfilled.

Charter Schools.
Cap rates for charter schools have declined and hovering around ±6%. Though a niche asset class, investors have seen the intrinsic value in the long-term leases with strong, annual rent increases. We have been very active, selling and financing these product types.

Cold Storage/Mini Storage
Cap rates for these assets are hovering at ±5.5%. Both are considered more operating businesses and large investment firms have been purchasing/investing in these industries and it's expected to continue. Mini-storage has boomed, since the need for "home office and workout space" has blossomed and turned spare rooms into those new venues.

CapitalQuest Commitment
Take advantage of the rates **NOW**. Long term interest rates are just under 4.75% for the coveted multifamily and credit tenanted loans, and underwriting will continue to tighten and leverage reduced, for older assets in secondary and tertiary locations.

We execute and get business done. Our decades of institutional experience and focus, enables us to provide accurate and timely solutions in the areas of: Loan structuring, loan placements, financial advisory, asset sales and loan sales/dispositions. Our investment banking and equity relationships are superb, as banks, bridge lenders, pension funds, life insurance companies and niche hedge funds are consistently giving us access to their limited pockets of low interest, short term and long-term funds.

Our focus has always been on our clients, if you need something reach out and we will use our 35+ years of experience and skills to get it done, quickly and efficiently. To all, continued and lasting success.

Remember, no matter how much milk is shaken, cream rises to the top.
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