Greetings from the corner office in Miami.
Here are our insights on the market and Covid-19. First, always take great care of your family and keep them healthy and safe. Second, consult your doctor and if he says so, get the damn shot(s). It has been great peace of mind for me and my family and I look at it as binary, now we won't die.

Now the markets and business. Here are the latest rate movements.

KEY RATES

Prime is	**3.25%.**	(30 days ago, **3.25%**; 90 days ago, **3.25%**; 1 yr. ago, **3.25%**)
Libor (30 day) is	**.10%.**	(30 days ago, **.09%**; 90 days ago, **.11%**; 1 yr. ago, **.18%**)
T-Bill (10 yr.) is	**1.30%.**	(30 days ago, **1.62%**; 90 days ago, **1.68%**; 1 yr. ago, **.62%**)
Swaps (10 yr.) is	**1.26%.**	(30 days ago, **1.59%**; 90 days ago, **1.66%**; 1 yr. ago, **.66%**)

Interest Rates.
Long term rates have risen significantly over the past 12 months, with the saving grace being increased competition and the compression of spreads in most transactions. Treasuries will likely stay in a 15 bpt band centering around the current 130 bpts. Since Libor is being phased out, Prime will be the index and derivatives of it, for short term pricing and likely stay within 25 bpts.

Lending.
Leverage has moved back up again, and is capping out at 75% LTVs for most transactions (80% underwritten LTVs for multis). However, product type, track record, structuring and underwriting is the key to efficient executions, with lenders focusing on these essential items to get things done. Clients will get 10 to 15 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 low, 3% range, industrial and medical office is in the 3.75% to 4% ranges and the remaining asset classes, with the exception of hospitality, 3.85% to 4.35%.

Multis.
Cap rates for multis are back hovering around ±4% again, and they remain the best in class for real estate products. Single family rentals have dinged occupancies a bit, but the recent spike in home prices and lack of inventory has essentially pushed rental home bulk buyers out of the major markets. Leasing velocities at new projects are very strong as well, with occupancies back to stabilized numbers and rents are rising, adding to fueled inflation concerns. Again, Agencies have tightened underwriting and annual volumes a bit, but continue to win the bulk of the financing activities and are the best executions. Our processes for multis have been very efficient and cost effective.

Industrial.
Cap rates for bulk warehouses are back hovering around ±5% again, 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 will likely be reduced over the next 3 to 6 months, as we get back to a more "normal", albeit brisk economy.

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

Retail.
Cap rates for retail are back hovering around ±6% again (grocery anchored ±5%), with the focus on food purchases and other essentials, despite the rising prices, and the delivery through apps on phones/tablets. Amazon continues to be the leader in product delivery, but Target, Walmart and Costco are catching up with better price points.   Apps are adding efficiencies to prescriptions and their pricing, as well.

Hospitality.
Cap rates for hotels are back hovering around ±7.5%. However, luxury hospitality is making a strong comeback, as people clamor for vacations, with the pent-up savings from last year. Staffing at these locations is razor thin and job postings are going unfilled. Thus, cocktails on the beach and pool are now serve yourself, from the long lines at the tiki bar and umbrellas in libations are shared, due to lumber prices.

Charter Schools.
Cap rates for charter schools have declined and hovering around ±6%. Though a niche asset class, investors have seen the 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 around ±5.5%. Both are considered more operating businesses, but Covid has shifted the investment dynamic into these assets. Large investment firms have been purchasing/investing in the cold storage industry and this will continue. Mini-storage has boomed, since the need for "home office and workout space" has blossomed and turned spare rooms into those new venues.

Our Focus.
Our focus has always been on our clients, if you need something reach out and we will use our 30+ years of experience and skills to get it done, quickly and efficiently. Or if you want to just "check in", you can reach me below.

Continued health and lasting success, John

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