



Greetings from the corner office in Miami.

I just wanted to reach out to dear friends and clients and give you some insights from a 30 year veteran in the real estate financing, sales and consulting business. We are not a big Company, but we have a strong skill set, excellent track record and vast experience on transactions large and small, and those that are very complex. Here are our insights on the market and COVID-19.

First, take care of your family and keep them healthy. It is back to the fundamentals of keeping spirits high, reaching out to those you care for and as my boys say “checking in”. I have had some of the most heartfelt calls from friends and clients (large and small), as we all reach out and “check in”. Most of us are working from home and the sense of community continues to be very strong, patience and focus will get us back to what we do quickly and efficiently.

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

KEY RATES

Prime is	3.25%.	(30 days ago, 4.25% ; 90 days ago, 4.75% ; 1 yr. ago, 5.25%)
Libor (30 day) is	.95%.	(30 days ago, 1.64% ; 90 days ago, 1.67% ; 1 yr. ago, 2.49%)
T-Bill (10 yr.) is	.76%.	(30 days ago, 1.38% ; 90 days ago, 1.93% ; 1 yr. ago, 2.44%)
Swaps (10 yr.) is	.77%.	(30 days ago, 1.27% ; 90 days ago, 1.87% ; 1 yr. ago, 2.42%)

Rates have fallen very quickly over the past 30 days, spreads have been volatile and we are all suffering from the stock market losses. For transactions that were in the “process”, (executed applications, commitment letters, executed sales contracts); lenders, buyers and sellers want to get them done and that will be the focus over the next 30 days. It is the proverbial “bird in the hand” for the well underwritten, strong asset classed transactions. Borrowers are working with tenants to stabilize cash flow, the low rates and high debt service coverages will help mitigate the short term issues.

Going forward, it will be back to the basics. Lending will recover, with those having balance sheets, coming back the quickest and relationships will again, be the key. Asset classes, on the debt/equity side, will focus on apartments, grocery anchored retail, industrial (bulk), schools and medical office over the next six to nine months. Specialty retail, hospitality and tourism are longer term prospects.

Our focus has always been on our clients, if you need something reach out and we will use our experience and skills to help in this time and get it done. Or if you want to just “check in”, you can reach me below. Take care of family and loved ones, we will get through this.

Continued health and success, John

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

- JPM -