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COMMERCIAL REAL ESTATE MARKET UPDATE

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Millennials Are So Last Year: Commercial Real Estate Developers Build With Gen Z In Mind
千禧世代：去年商業房地產開發商將 Z 世代加入考量

By: Melissa Oyler, Bisnow National

Welcome to Generation Z's influence on commercial real estate. Multifamily and coworking locations will be earth-friendly. Increased food delivery demands will require larger commercial kitchens. Retail spots will become a place to do something rather than buy something.

The next generation of consumers is already influencing the next phase of real estate. Generation Z has been defined as anyone who is born after 1996. The eldest Gen Zers are now 22, coming into adulthood and beginning to have purchasing power.

Today's youth will be the drivers of change, and other generations will eventually catch on, Ernst & Young Executive Director Marcie Merriman said. Merriman is an expert on cultural anthropology and brand strategy. She helps prepare C-suite executives for what future consumers will expect.

"The real focus should be in how we understand youth culture," she said.

Take a look at how the core five commercial real estate sectors are already incorporating the demands of Generation Z:

Multifamily

Apartment living will evolve, from how people select their flats to who they choose to live with. Access to technology has encouraged Generation Z to keep childhood friends for life. Merriman said her 15-year-old daughter still keeps in touch with people she met at camp seven years ago.

"Even with millennials, with friends you met at camp, you're best friends for the summer, then you go your separate ways," she said, adding that these lifelong Gen Z connections will influence the sharing of living space. "What constitutes family will be very different," Merriman said.

Environmental considerations will also be hugely important to Generation Z. Before, someone might have simply been looking for a three-bedroom place with two bathrooms, but Gen Z renters will take interest in granular details like the types of building materials used to develop complexes and how kindly workers on the projects were treated, Merriman said.

Locations will be largely chosen based on environmental factors and a desire for a sense of community, she said. No longer will it be acceptable to pollute the air with too much driving, and suburbs will continue to morph into true cities-within-cities.

Technology will continue to play a big role in the continued desire to live seamlessly, including hands-free technology to handle basic tasks, including turning off the lights, changing temperatures and entering the apartment.

Retail

Restaurants will evolve in one of two ways, Merriman said.

Food delivery will become increasingly more popular, and not just traditional cuisine like pizza and Chinese food. The rise of restaurants adding delivery components to their brands may lead restaurateurs to expand their kitchens, reducing dining room footprints.

“I live in Columbus, Ohio, which is a test market for everything,” Merriman said. “We have 15 food service deliveries here. I travel for work and I’m surprised when I can’t get these things.”

When this younger generation does go out, it will be to commune with family and friends. Restaurateurs could end up building larger, community-focused dining rooms as a result, Merriman said.

Generation Z has only known a world in which anything can be delivered at their front door.

“They grew up with that natural expectation,” Merriman said. The gap will continue to widen between those filling food delivery needs and those filling community needs.

With Gen Z’s future retail purchasing power, the in-store environment will come to serve a different purpose, Merriman said.

Retailers who have entered the scene since the rise of omnichannel will have an advantage. They won’t be held to the same quotas as ones who focus only on direct sales to consumers. Success will begin to be defined in other ways, Merriman said.

Before, in-store events were a traffic driver. Next, they will be a brand driver. When wine tastings or classes first became popular, it was with the intent of increasing foot traffic, leading to more sales that evening. Future successes won’t be weighed on how many immediate sales were made, but on building relationships. Trends will focus more on brand engagement and the idea of selling consumers something later, perhaps even online.

“They won’t think of brick-and-mortar as a place to buy stuff, but a place to do stuff,” Merriman said.

Gen Z will also usher in a demand for transparency in materials, Merriman said. This will be different from Generation X, which prided itself on catch phrases such as “Shop till you drop” and “He who dies with the most toys wins.” Millennials introduced the concept of minimalism, but Generation Z will drive that simplistic notion home even further with ethical demands.

“There will be a guilt aspect associated with having things,” Merriman said.

Industrial

Distribution spaces will be created closer and closer to consumers, Merriman said. The addition of 3D printing will potentially bring change to distribution markets based on how fast and chic it turns out to be.

"If I can print it, that might change how I can have things distributed," Merriman said. "The supply chain really is at the heart of all of it."

Improved 3D shopping experiences, better photos and faster delivery will help drive internet commerce, The Seyon Group Managing Partner Andrew Iglowski said.

As an investor in industrial properties, Iglowski said Seyon chooses assets specifically located near consumer pools. He said this better positions the company as a long-term partner with e-commerce retailers.

"With a Generation Z factor as one of a few drivers, we expect surging levels of internet commerce as a percent of all retail activity in coming years," he said, adding that many may be surprised to know how little retail purchasing is currently done online.

E-commerce retail sales reached $453.5B in 2017, according to the U.S. Census Bureau. This accounts for about 9% of total retail spending.

In these early stages of internet commerce, Iglowski said priorities have focused on guaranteed availability and short delivery times to compete with brick-and-mortar. The result has been higher logistics costs, warehousing in particular.

"We expect logistics practices to be continually fine-tuned for efficiency," he said. "We expect that, with essentially no inhibitions to online commerce, Z'ers will feel comfortable acquiring effectively any purchasable good online."

Hotel

Financial means within different life stages will dominate the next generation's spending as with any other's, Merriman said. Since the oldest members of Gen Z are in their early 20s, this means low-cost hotels will be a priority for some time.

The difference between millennials and Gen Z will lie in their expectations, Merriman said.

"Gen Z won't necessarily prioritize hotels that provide special 'experiences' as they have always had the technology in their hands to find their own," she said.

Instead, she said they will seek hassle-free check-ins and abilities to customize and personalize their room selections — without having to interact with another human.

"Room service will be irrelevant as this is the Uber Eats, Grubhub, DoorDash generation. These companies know them and their dietary desires," Merriman said.

As with other sectors, Gen Z will place a higher priority on the company's treatment and compensation of its employees.

“Transparency will become the expectation and internal business practices will become an important part of the brand identity," she said.

A hotel’s design will be equally as important as its location, millennial and Generation Z Engagement Expert Ashira Prossack said. Prossack works with clients in business, retail and hospitality to help them better understand and engage today's youth.

Currently, members of Gen Z are mostly still traveling with their families and aren’t yet the decision-makers, but Prossack said it is important to cater to them now so they will return to those hotel brands they liked when they are in charge of trip planning.

Power and USB outlets need to be available not only in the rooms, but in common areas as well, she said. Rooms will need to be designed with modular features, keeping options for modification in mind.

Expected features include Smart TVs with the ability for them to log into their own Netflix accounts.

“Gen Z expects a far greater level of personalization than millennials,” Prossack said. “This is largely due to the fact that they’ve grown up in a world where they’re getting personalized advertising based on their browsing habits, and this is what they’re familiar with.”

Services that allow for personalization will be a huge selling point for Gen Z, including giving them choices of pillows, throw blankets and premium bath products.

Office

Millennials introduced us to open office and the shared-office experience, Merriman said. Generation Z, by contrast, will feel that work can be done wherever they want, whenever they want. All they will need is a laptop or, in some cases, a phone.

Environmental concerns will play into how Gen Z chooses to work.

“Driving half an hour to work — is that really necessary? Not just convenience, but how much pollution am I introducing into the environment?" she said.

Gen Z’s desire for community will keep coworking spaces in high demand. Companies will need to get creative to fill the desire for coworking but also keep emissions low. Turning suburbs into true cities-within-cities is one way to satisfy both needs, Merriman said. Another is to be located in walkable or transit-oriented areas.

WorkPlace at HOK director Kay Sargent said Generation Z’s ability to be constantly connected takes an emotional toll as well. The anxiety and emotional detachment many will face will need to be counteracted with workplace design that promotes positive mental and emotional health. Quiet areas, technology-free zones and meditation rooms will be on the rise, as well as offices with a neighborhood concept and unassigned seating to allow for flexibility and placemaking.

"We need to design spaces that minimize visual clutter, provide ease of navigation and support health and well-being," Sargent said. "In workplaces that lack these attributes, engagement and productivity will suffer."

The Time To Prepare Is Now

As some hold their breaths waiting for the Generation Z shift to commence, Merriman said it is time to stop waiting: It is already here.

In the U.S., more than 25% of the population is Gen Z, and they will account for 40% of all consumers by 2020, according to an Order Dynamics white paper.

A key difference between millennials and Generation Z is that today's youth have always expected a digital component to any experience.

"Where most millennials can at least somewhat remember a time when the Internet wasn't all-consuming, Generation Z more or less grew up with smartphones in their hands, the world at the tips of their thumbs," MRI Software industry principal Brian Zrimsek said.

As with all other industries, commercial real estate has already found itself adapting its methods and tools designed to reach this group of future spenders.

"If those serving Gen Z resist adopting a digital approach, they'll find themselves left behind, trying to reach the new generation on the one smartphone app they hate to use: the phone," Zrimsek said.

Cross-Border Capital Less Interested in U.S. CRE, Except For Big Apple
除紐約外，跨境資本對美國商業不動產興趣降低
By: Dees Stribling, Bisnow National

During the first half of 2018, cross-border investors snapped up $2.19B worth of commercial real estate in Manhattan. That amount places Manhattan as the fourth most popular market for cross-border commercial real estate investment in the world, according to a new report by Knight Frank.

Manhattan was the only U.S. market among the top 10 cities in the world for cross-border investment.

London was vastly more interesting to cross-border investors, ranking as the most popular market in the world for such capital allocation, with $7.25B invested during the first half of 2018. Shanghai was a close second with $6.48B invested and Paris Central came in just ahead of Manhattan, with $2.39B invested.

Rounding out the top 10 markets globally are Kowloon (Hong Kong), Munich, Western Crescent La Defense (Paris), Dublin, Frankfurt and Tokyo's Five Wards.

“Despite the political turmoil surrounding the U.K. with Brexit, London is once again the most liquid real estate market in the world," Knight Frank Head of Capital Markets London Nick Braybrook said in a statement. "It is more popular as a home for international investment than Paris Central, Manhattan, Munich and Frankfurt combined."

Asian real estate investors continue to be among the most important global capital exporters, with South Korea and Singapore more active than previously, Braybrook said.

"The largest five deals in the market this year have all involved Asian capital, and this trend looks set to continue for the foreseeable future,” he said.

Why do some countries attract more cross-border investment than others, particularly in the U.K.? Knight Frank took up that question recently in a separate report.

The most popular markets among investors tend to have large and high-quality assets, good levels of transparency and consistency in the rule of law, the report said.

These factors are subject to change.

"Few of the hurdles to inbound investment are insurmountable in the longer term," the report states. "We predict that the fixed or binary factors currently identified as drivers of investment, such as location, language and colonial ties, will become less important over time.

"Instead, variable factors such as transparency, economic growth and market liquidity will play a stronger role in determining the volumes of capital inflows to real estate."

Demand for Smaller Industrial Buildings Surges in Coastal Markets
沿海市場對較小型工業建築的需求激增
By: Patricia Kirk, National Real Estate Investor

Industrial developers in coastal U.S. markets are cashing in on the extraordinarily high demand by small businesses for for-sale modern warehouse facilities of between 25,000 and 40,000 sq. ft.

For example, Los Angeles-based Dedeaux Properties and a joint venture partner recently sold seven stand-alone industrial buildings ranging in size from 27,438 sq. ft. to 43,166 sq. ft. at Echelon Business Park in City of Industry, Calif. before a certificate of occupancy had been secured, according to Matt Evans, Dedeaux chief investment officer.

While investment-grade industrial properties in this region are trading at $120 per sq. ft., according to second quarter Greater Los Angeles Inland Empire Industrial Knowledge Report from real estate services firm Colliers International, the seven San Gabriel Valley buildings, which totaled 246,543 sq. ft., brought in about $50 million, or nearly $203 per sq. ft.

The buildings include two-story office space, ample dock-height loading and configurations for loading shipping containers. Evans says the bidders included a mix of small businesses and entrepreneurs, including: import/export and light assembly companies involved in the automobile, textile, electronic components and apparel industries, as well as suppliers desiring “last mile” space nearby large retail distributors like Amazon.

The high values commanded by buildings under 40,000 sq. ft. underscore the huge demand and low vacancy rates for small industrial buildings, says Dennis Sandoval, executive vice president with DAUM Commercial Real Estate Services, who represented Dedeaux in the sale. The vacancy rate for buildings of that size has hovered at 1.0 percent for the past four quarters, while overall industrial vacancy rate in the area has ranged between 2.3 percent and 2.8 percent in the first quarter of 2018.

Evans also notes that the San Gabriel Valley is an infill market, so it costs more to build industrial facilities due to the higher cost of land. In addition, larger buildings are more cost-efficient to build from the ground-up on a per-sq.-ft. basis due to economy-of-scale discounts for infrastructure, utilities and other construction requirements, he adds.

“Due to Echelon’s success, a couple [of] other local developers revamped their single-building development plans and brought to market similar free-standing, multi-building developments in the North San Gabriel Valley,” says Sandoval.

Southern California-based Mike Kendall, executive managing director of investment services, Western region, with Colliers International, who is responsible for investment sales from Denver westward, says that his counterparts nationally report an upswing in both sales and leasing demand for smaller industrial buildings everywhere small businesses are doing well. But he notes that the greatest demand for small, for-sale assets is

in the four-corner coastal markets—Southern California, the Pacific Northwest, New York/New Jersey and Miami, which have similar cap rates, rental growth and entitlement challenges due to the infill phenomenon.

Inland markets like Atlanta, Chicago and Dallas have lower values because land is more readily available and thus less expensive than in coastal markets and labor costs are significantly lower, particularly in "right-to-work" markets in the South and Midwest, Kendall adds.

Not long ago, he notes, "There was an inversion in values, with larger buildings bringing higher pricing per square foot than smaller buildings, but now we're seeing equilibrium in values, due to strong demand for smaller, for-sale buildings by small businesses, high-net-worth individuals and other private investors.

Kendall cites the following reasons for the extraordinary demand for small industrial buildings in coastal markets:

- Interest rates are still historically low, and owning your own building is the best hedge against inflation for the next 10 years and helps to build value while the company grows.
- Most existing small buildings were built between 20 and 40 years ago and are now obsolete for modern uses.
- Certain cultures have a strong bias for owning their own real estate to house their businesses, including Chinese and Korean business owners, which operate a significant number of import/export operations in coastal markets, particularly on the West Coast.
- Small businesses that want to remain in place as they grow, but may get priced out if they rent, are also opting to buy their own real estate.
- Some small business owners also using their company's real estate as a retirement fund, purchasing it and leasing it back to their company, which pays the mortgage. Then, when they retire and sell the business, the real estate will continue to generate income for their retirement.

Meanwhile, Evans also says that many small businesses are buying their own real estate simply because they are growing in a specific market where there is little space available and/or are investing significant capital in customizing workspaces to fit their unique operational needs.

Lenders Continue to Fight for Market Share with Multifamily Deals
借款人繼續爭取複合式建案的市場份額
By: Bendix Anderson, National Real Estate Investor

Multifamily investors are still able to get low interest rates on permanent loans as different lender groups continue to compete for market share.

"The competition between the agencies and life companies is creating bidding wars on the debt side, with increased interest-only and decreased spreads a requisite to win deals," says Brandon Harrington, managing director with JLL Capital Markets.

Benchmark interest rates like the yield on 10-year Treasury bonds have risen nearly half-a-percentage-point since last year. But the interest rates on permanent loans for multifamily assets have remained relatively stable. To make more loans, lenders are cutting the extra amount that they add to interest rates—the "spread" between their cost of capital and the interest rates they charge borrowers.

"The debt market for multifamily remains very liquid," says Mitchell W. Kiffe, co-head of national production for the debt & structured finance group at CBRE Capital Markets. "All of the capital sources remain active and are seeking multifamily borrowers."

Strong demand for apartment keeps lenders interested

Lenders keep fighting to make loans partly because on a national basis, apartment rents continue to rise. "We've been expecting a moderation of rent growth for a few years now and have continued to be surprised how resilient the market is," says Harrington.

Rent growth has slowed down, however, as developers open new apartment communities a little faster than renters are signing leases and moving in. "We do expect there to be will an uptick in vacancy rates and rent growth will moderate in 2019 and 2020," says Harrington. "Most of the markets with supply overhang will continue to have strong job and population growth to help combat this."

Lenders have also become more interested in lending on properties in smaller cities and secondary markets as larger investors have begun to buy more properties in these places.

"More institutional investors are entering the secondary markets and even the class-B space, which they have historically shied away from. This has caused lenders to be even more aggressive in the secondary and class-B space, which has been positive for all borrowers in the space," says Harrington.

Agency lenders still dominate

Freddie Mac and Fannie Mae lenders continue to provide more permanent loans to apartment properties than any other type of lender. "Volume-wise they continue to be the largest providers of debt capital," says Kiffe.

To stay on top, the government-sponsored entities (GSEs) have cut the spreads that they charge on loans. "We have seen spreads from both lenders decrease from a year ago, especially for the strongest borrowers, which has helped combat the increase in Treasuries and the London Interbank Offered Rate [LIBOR]," says JLL's Harrington.

Fannie Mae and Freddie Mac lenders now offer all-in interest rates in the low 4.0 percent range for permanent loans covering about 50 percent of the value of a property. Interest rates climb towards 5.0 percent for higher leverage loans covering 60 percent to 65 percent of the value of a property.

These loans rarely cover more the 65 percent of the value of the property, even though agency loans can technically go up to 80 percent. That's because as property prices rise relative to the income produced by the property, the debt service coverage ratio that lenders require has become a limiting factor.

Borrowers can still get higher leverage if they take out a mezzanine loan in addition to the permanent mortgage on their property. Freddie Mac's new mezzanine loan program provides another 10 or even 15 percentage points of leverage to borrowers with properties that meet Freddie Mac's standards of workforce housing.

Other lenders also keep interest rates low

Over the past few years, life companies have offered some of the lowest interest rates for lower-leverage loans on class-A properties in leading apartment markets. To keep these interest rates low, life companies have also cut their spreads. "We've seen spreads decrease," says Harrington. "Life companies have continued to be active."

Life company lenders now offer all-in interest rates from 4.00 percent to 4.25 percent for permanent loans that cover less than 65 percent of the value of apartment properties. In special cases, they can even offer interest rates in the 3.00 percent range, though such cases are rare, according to Kiffe.

Banks also continue to offer permanent loans at competitive terms. Conduit lenders have become more consistent. "It is a more consistent capital source than it has been – though the certainty of execution is not like the life companies or the GSEs," says Kiffe.

Lenders are also offering interest-only loans on multifamily deals. How much of the loan term is interest-only depends on how large the loan is in comparison to the value of the property. "At 50 percent loan-to-value there are a lot of people offering full-term interest-only loans," says Kiffe. "At 65 percent loan-to-value… it depends on the cash flows from the property."

"We have also seen the full-term interest-only more widely used as a means to combat the lower leverage," adds Harrington.

Life Company Lenders Feel Pressure to Tighten Spreads on CRE Loans
壽險公司貸款人感受到收緊商業不動產貸款利差的壓力
By: Beth Mattson-Teig, National Real Estate Investor

Life insurance companies are proving that they aren't afraid of a little healthy competition. Life company lenders remain firmly at the table when it comes to commercial real estate financing despite tighter spreads and a push by some borrowers for more flexible pre-payment options.

Life companies generally do a good job of holding the line on underwriting, yet they have had to narrow spreads along with other lenders due to competitive pressures in the marketplace. "Spread compression is our biggest challenge this year. We're not getting as well paid for what we're doing," says Christine Haskins, managing director with PGIM Real Estate Finance. Haskins serves as portfolio manager and oversees PGIM's general account commercial mortgage portfolio, which was valued at $53 billion in assets under management as of June 30, 2018.

Some of the value proposition has eroded in debt financing along with tighter spreads, but for diversification's sake, life companies still like mortgages and are maintaining—if not increasing—allocations to debt financing. In addition, commercial mortgages still look good compared to investment alternatives. "The question has been where can the life companies find value? They already have a lot of investments in Treasuries and corporates," says Haskins.

PGIM Real Estate Finance is maintaining its allocations to commercial mortgage financing. The company originated $8.1 billion in the first half of 2018, which was driven by strong production in industrial and multifamily loans. Originations that the life insurance company keeps on its own books accounted for $4.9 billion. "Those originations are pretty consistent with where we like to be," says Haskins.

Life insurers are not prone too big moves or sudden surprises. So, history is always a good predictor of the future for them. That history points to a capital source where allocations have been stable, or even growing slightly as real estate has performed well for them in this current cycle, notes Jeff Weidell, president of NorthMarq Capital, a debt and equity provider.

Results from the latest CREFC and Trepp Insurance Company Investment Performance survey released in June shows that insurance companies were still reporting strong performance and increased allocations to commercial mortgages during the second half of 2017. According to the survey, commercial mortgage holdings ticked 52 basis points higher to 11.7 percent of total invested assets, while delinquencies remain negligible at 0.01 percent as of year-end 2017.

Battling tighter spreads

The big challenge for life insurance companies in 2018 has been pressure to narrow spreads. "For a few years running on a relative risk-reward basis, mortgage spreads were pretty good relative to the private bond market,"

says Weidell. Early this year, spreads got very competitive. As Treasuries rose, spreads collapsed and the advantage that mortgages had relative to bonds went away.

"We kind of saw a chase to the bottom in spreads and then a bottoming out," says Weidell. Now in the second half of the year, spreads have gone as low as they can and life companies are holding firm and passing on super low spread deals, he adds.

Each deal prices differently. However, if the bottom of the market a year ago was a 125-basis-point spread, then that spread has likely come in 25 basis points to a spread of 100 basis points today, notes Weidell. "There are many lenders saying 'we're just not going to a 100 basis point spread today,'" he says.

The spread compression is a function of liquidity in the market. There is plenty of capital available across the board from life companies, as well as banks, private equity debt funds, CMBS and other sources, and there are no indicators suggesting that liquidity will decline any time soon.

"The challenge is at what point do you get a pullback in your allocation, because it's just not attractive enough for the organization," says Haskins. Life companies want diversification, but they also have to be mindful of the risk-adjusted returns they are getting from their mortgage lending. There could be an inflection point where life companies have to pull back on allocations if they can't find attractive enough deals. That hasn't happened yet. "There is still value there. It's just been more compression this year than we had hoped," she says.

"We're always looking at what kind of spreads we get on mortgage loans versus what kind of spreads our partners in the public investment side get for public bonds," agrees Tom Zale, vice president and head of Northwestern Mutual Real Estate. The differential has gotten very tight with mortgage spreads that are clearly less attractive today than they were 12 months ago, he says.

Northwestern Mutual's allocation to commercial real estate loans has remained steady, while its loan portfolio has been growing at a steady rate that is consistent with asset growth of the company, notes Zale. The company has been originating between $5 billion and $5.5 billion per year over the past three years, with about $33 billion in commercial whole loans in its general account. "We expect to continue to originate in that range over the next three to five years as well," he says.

Dealing with competitive pressure

Some life companies have gotten into alternative loan products, such as mezzanine or bridge loans that they layer on top of the first loan that they provide on a property. It helps the borrower raise leverage to 75 to 80 percent, while allowing the life company to generate a higher yield with combined pricing. "That is a trend that we're seeing with some of the larger life companies," says Weidell.

In addition to tighter spreads, another shift has been lenders that are more willing to be flexible on pre-payment penalties. On a 15-year deal, for example, borrowers might be asking for—and getting—the last five years open

with no pre-payment penalty. That's more of a pricing issue that adds to the pain of compressing spreads, adds Haskins.

"There has been a very, very healthy appetite for commercial real estate loans from our direct and indirect competitors," adds Zale. One sign of weakening underwriting criteria is a willingness by some lenders to provide more interest-only loans, which increases the refinancing risk in a rising interest rate environment. "That's not something that we're real excited about meeting in the market," he says.

Northwestern Mutual also remains active investing on the equity side with new deals that typically range between $1 billion and $2 billion annually. The company has a deep position in multifamily on the equity side, with about half of its equity portfolio devoted to apartments. Much of that new investment is occurring by working with development partners on new projects in major metros. For example, the firm is partnering with Trammell Crow to build Glasshouse at Station Square East in Pittsburgh, a class-A project that will feature 300-plus units.

"Real estate continues to be a very important part of our general account portfolio. Some of the pressures that real estate is facing right now in respect to competition isn't unique to real estate. All of the asset classes are facing similar pressures," says Zale. "Our job in this kind of environment is to be very, very disciplined and make sure that our investment selection is never compromised."

Consumer Money Rates (Mortgage Rate, Prime Rate, etc.)

消費者市場利率：房貸、基本利率、等等

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	Yield/Rate (%)		52-Week		Change in PCT. PTS	
Interest Rate	Last	Wk Ago	High	Low	52-week	3-yr
Federal-Funds rate target	1.75-2.00	1.75-2.00	1.75	1.00	0.75	1.75
Prime rate*	5.00	5.00	5.00	4.25	0.75	1.75
Money market, annual yield	0.46	0.45	0.53	0.25	0.19	0.20
Five-year CD, annual yield	1.83	1.83	1.83	1.43	0.38	0.38
30-year mortgage, fixed	4.56	4.55	4.69	3.73	0.80	0.67
15-year mortgage, fixed	3.99	3.99	4.14	2.99	0.99	0.91
Jumbo mortgages, $424,000-plus	4.79	4.79	4.96	4.21	0.51	0.33
Five-year adj mortgage (ARM)	4.27	4.33	4.78	3.22	1.01	0.99
New-car loan, 48-month	4.42	4.42	4.52	2.99	1.38	1.39
Home-equity loan, $30,000	…	…	…	…	…	…

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