FEDERAL RESERVE BANK of ATLANTA

Commercial Real Estate Briefing

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Household Job Growth

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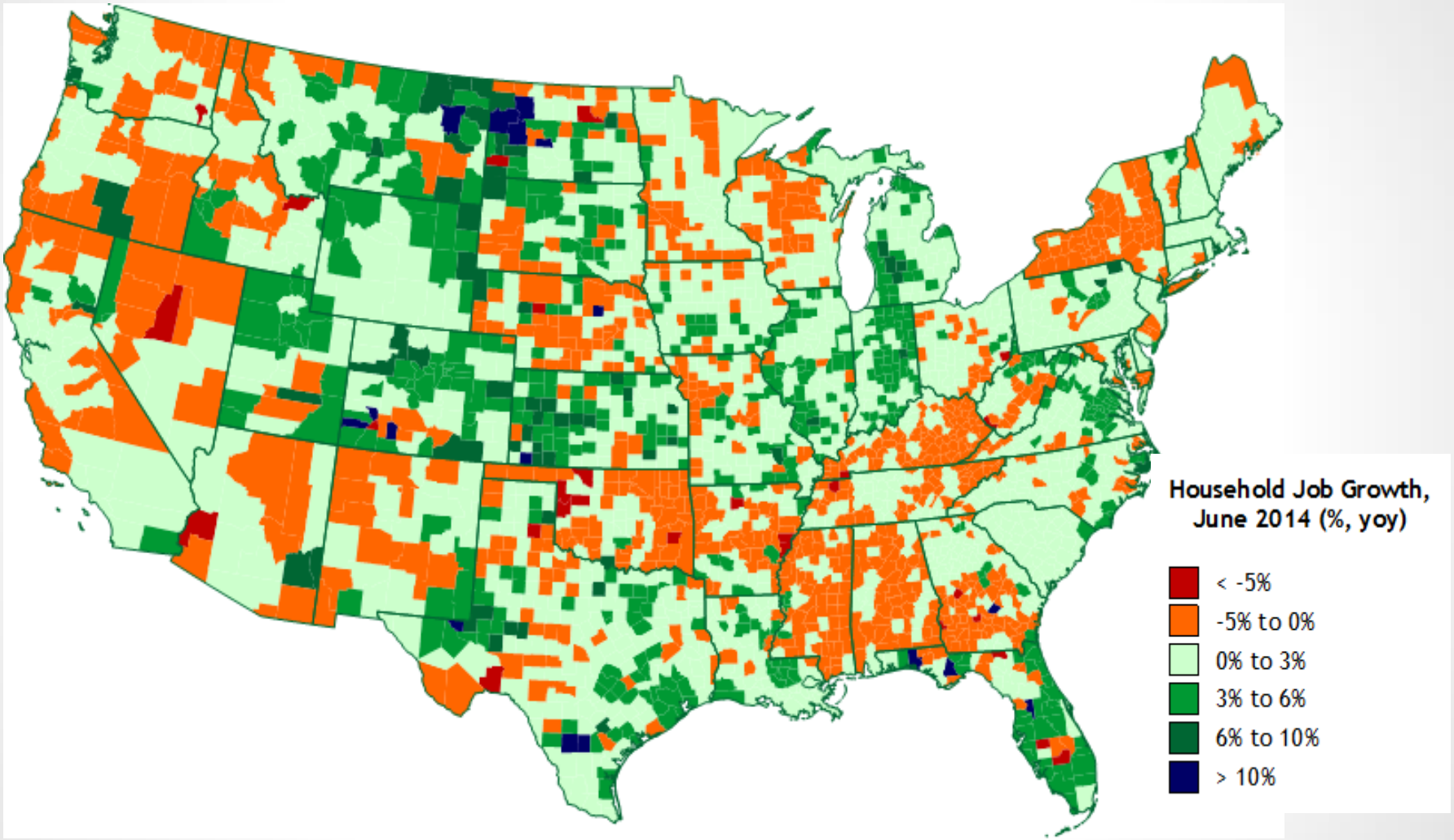

Source: Bureau of Labor Statistics (Household Survey)

Employment

Employment Gains and Losses Following the Last Two Downturns

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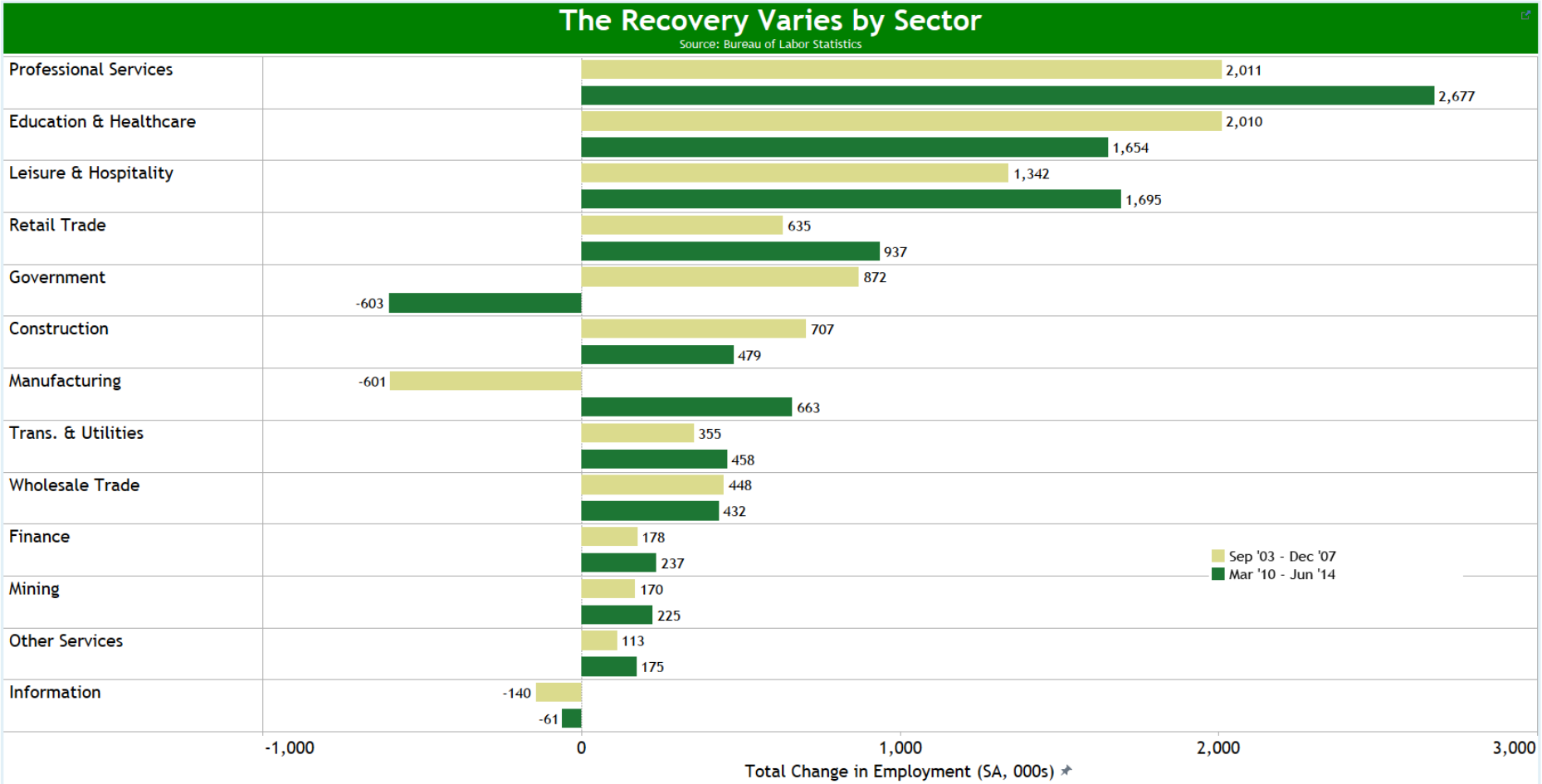

- Government and Manufacturing represent the two sectors with the largest change
- Until recently employment gains in construction have been muted

Source: Bureau of Labor Statistics

Income Growth

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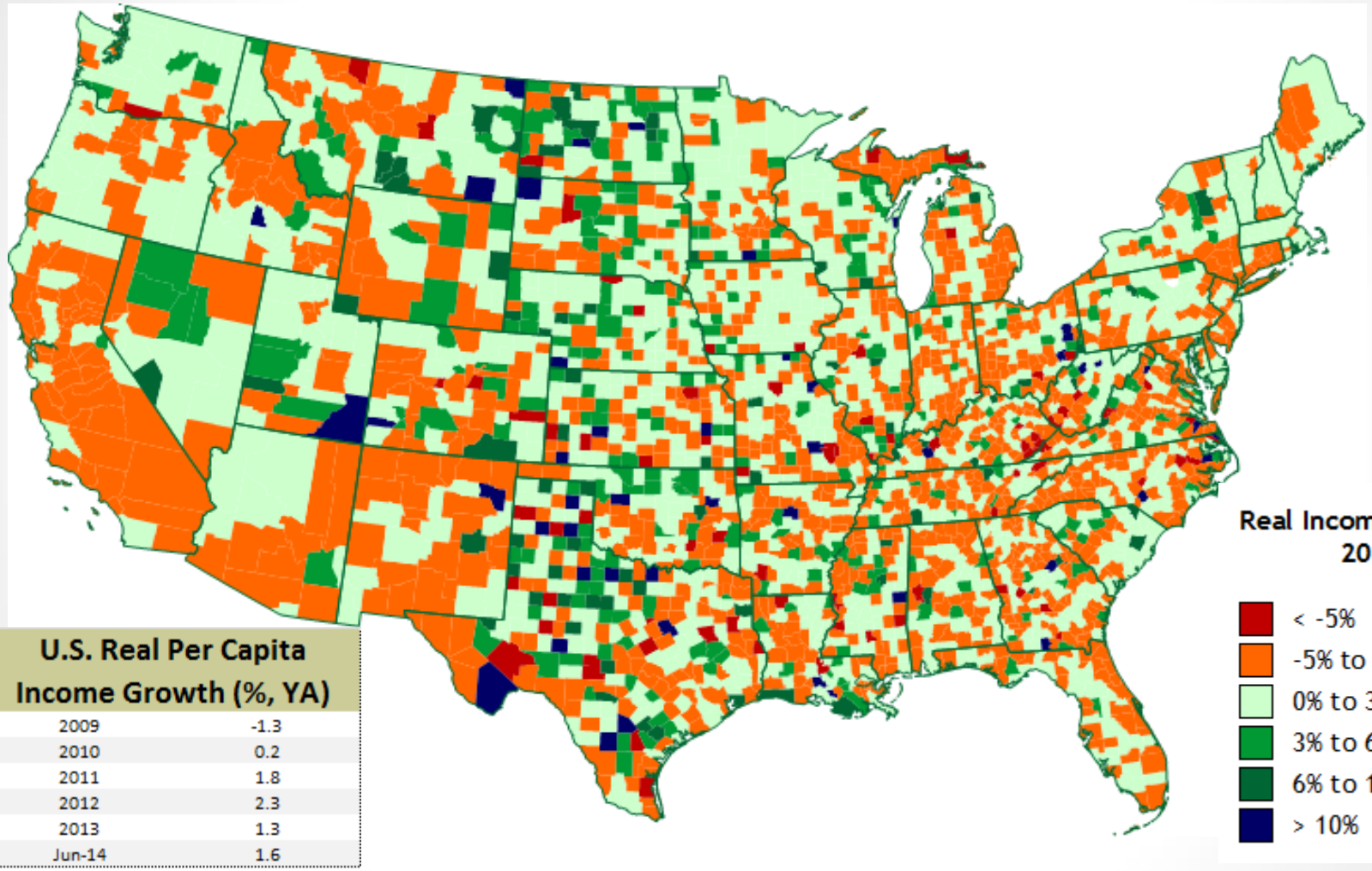

U.S. Real Per Capita Income Growth (%, YA)	
2009	-1.3
2010	0.2
2011	1.8
2012	2.3
2013	1.3
Jun-14	1.6

Source: Bureau of Economic Analysis

Source: Bureau of Labor Statistics (Quarterly Census of Employment & Wages (QCEW Formerly ES202))

Commercial RE Loans Outstanding at Banks

Billions, peak balances shown

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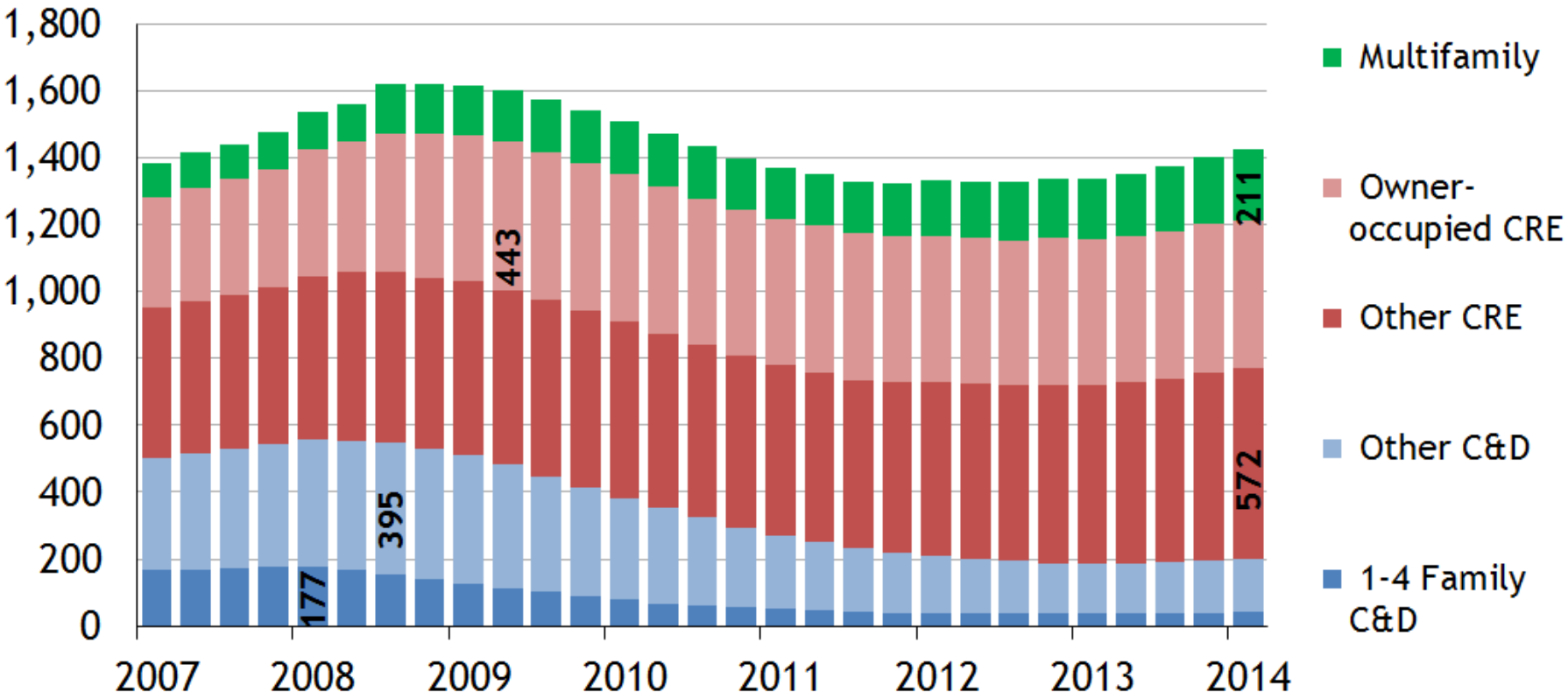


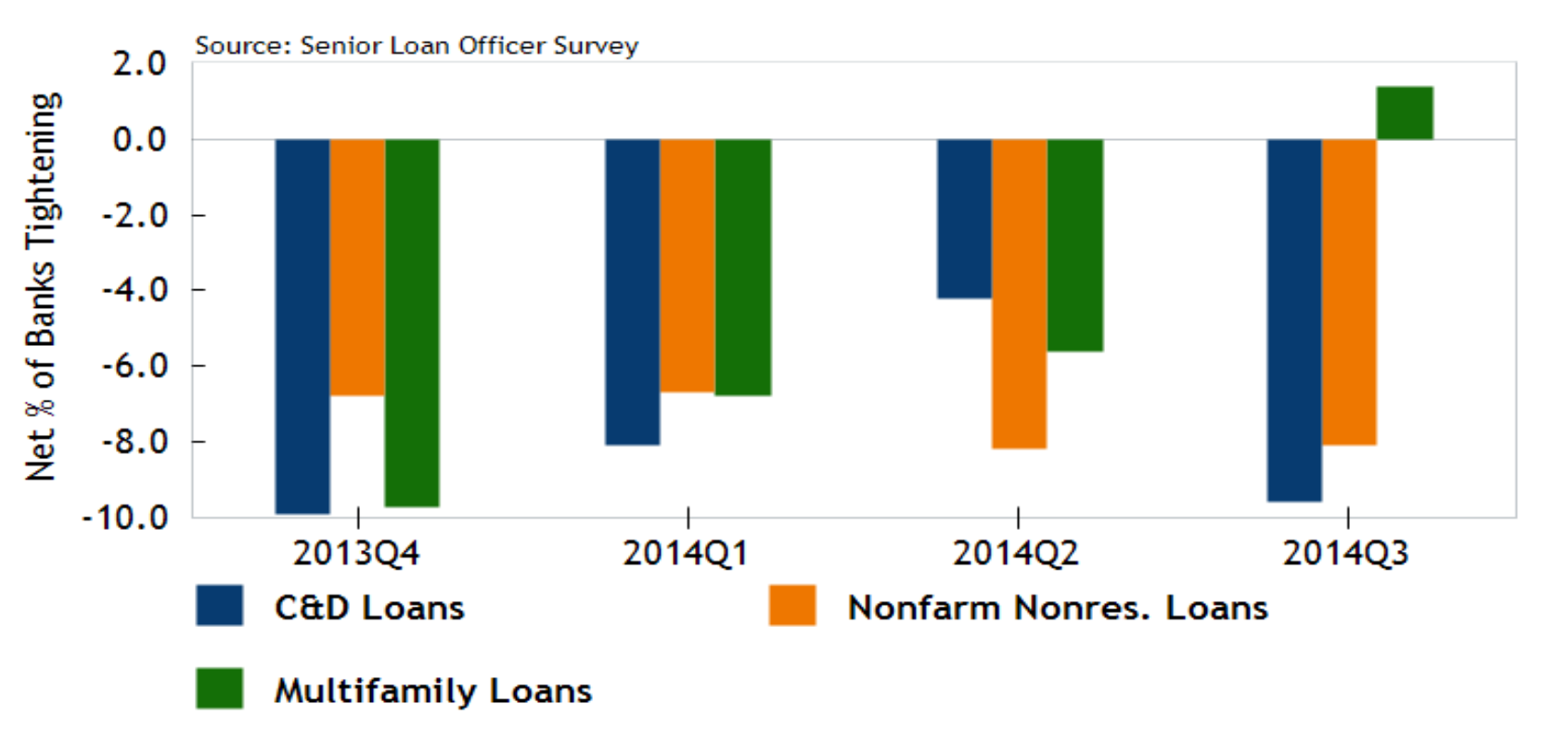
Source: Call Report

data through 2014Q1

Bank lending balances for Multifamily and Other CRE have reached all-time highs in the last six years

Source: Call Reports

CRE Loan Standards



- A negative number translates into the loosening of standards, and generally greater availability of loans
- Banks appetites for Commercial Real Estate (CRE) loans have been increasing; however, in 2014Q3 more banks reported tightening loan standards for Multifamily properties.

Source: Federal Reserve Senior Loan Officer Survey

CMBS Loan Amortization Structures

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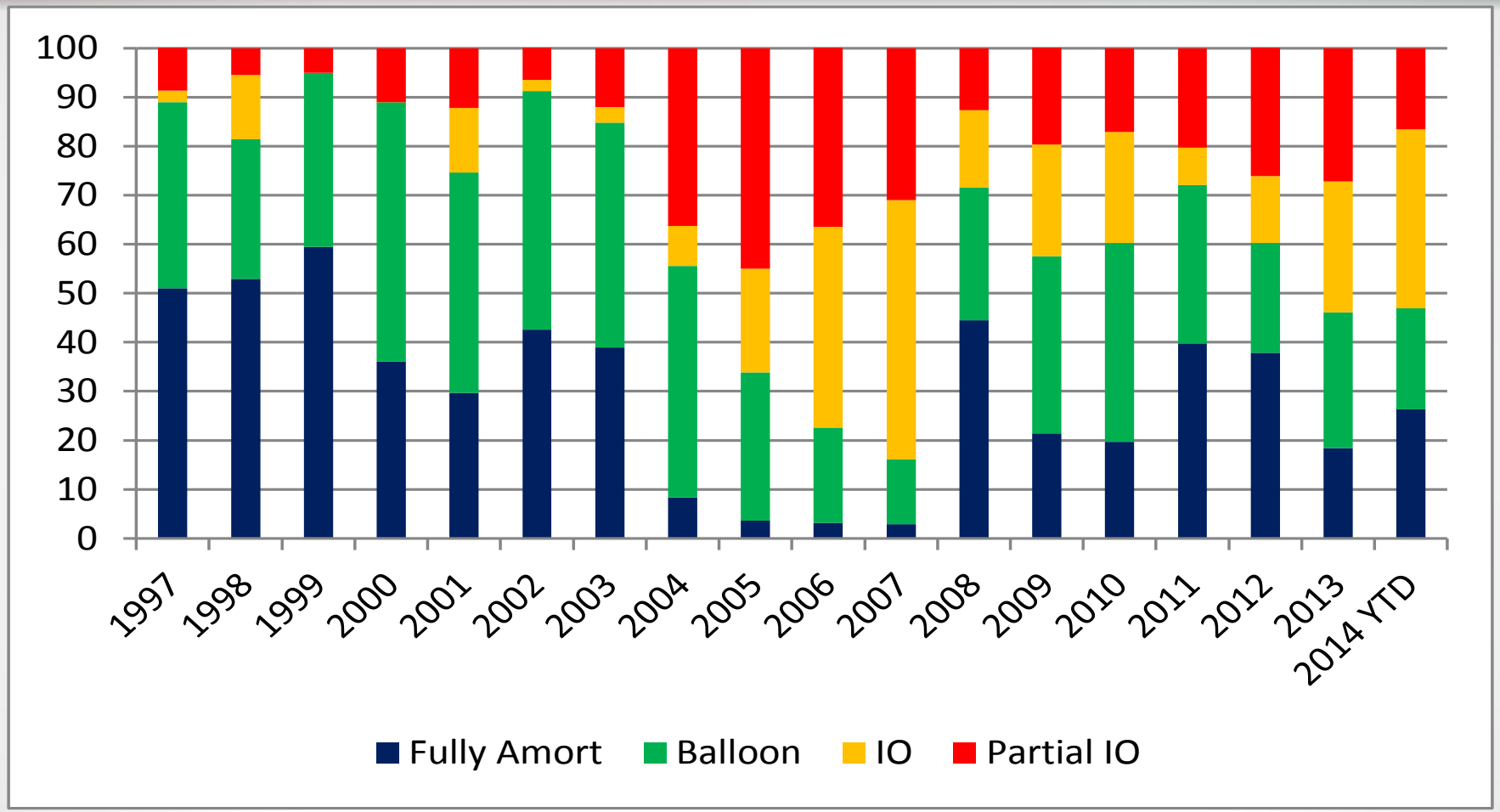

Interest Only (IO) and Partial Interest Only loan structures comprise approximately 53% of 2014 YTD loans

Source: Bloomberg

US 10 Year Treasury & Cap Rate Spreads

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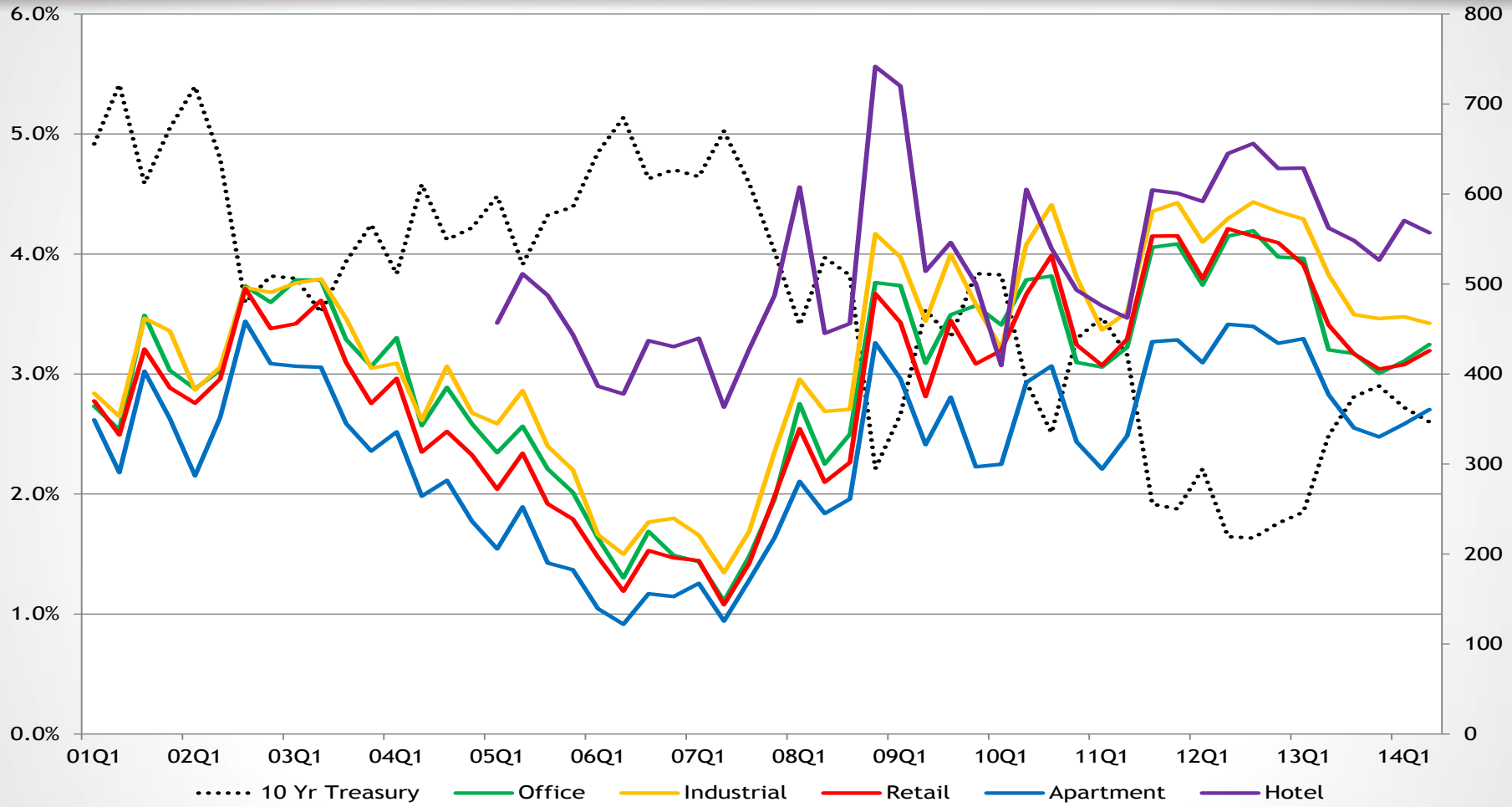

As the yield on the 10 Year Treasury declines spreads between Cap Rates and the 10 Year Treasury Increase

Source: RCAnalytics