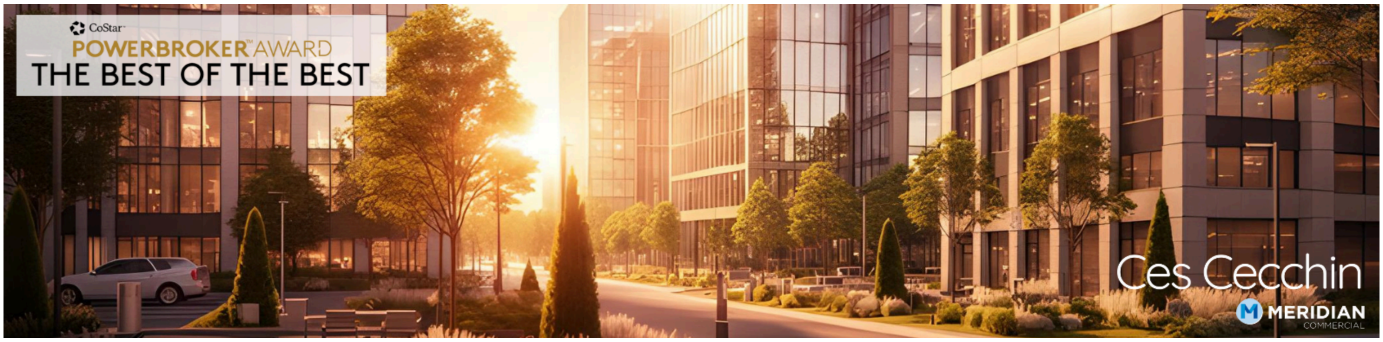
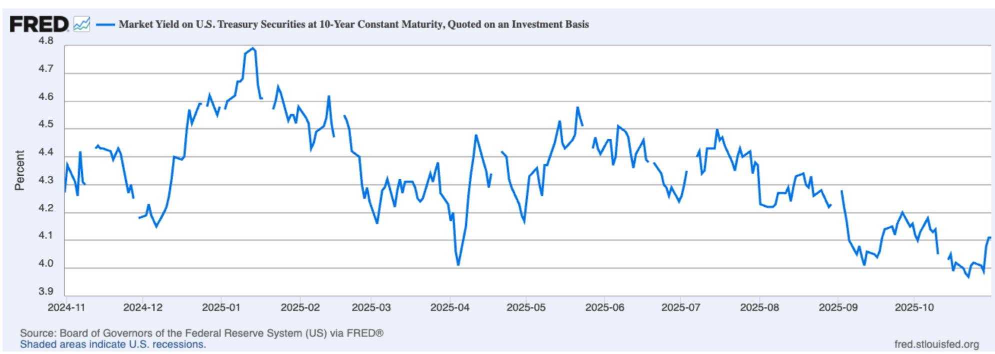


Interest Rates are Falling - What does that Mean for your Property?

The Federal Reserve has started to lower interest rates, and many property owners are asking what this means for commercial real estate. The answer depends on the same key drivers that always shape values: the **cost of money, demand for space, rents, jobs, supply, and confidence in the future**.

When the **Prime Rate** goes down, it usually puts downward pressure on the **10-year Treasury yield**, which helps reduce loan rates for commercial and investment properties. Cheaper financing can bring buyers back into the market — but that doesn't mean every deal makes sense.



Warren Buffett once said, *"Interest rates are to asset prices what gravity is to the apple."* When rates fall, the pull on values eases and prices can rise. Still, investors and property owners need to be cautious. Unless you're doing a **1031 exchange** to defer taxes, expect future rent growth, or believe real estate will hedge against inflation, paying top dollar is tough to justify.

There is, however, real **opportunity in value-add properties**. The **North Bay is still short on multifamily housing**, so converting an **older commercial property into apartments or mixed-use** can be a smart long-term move.

Local supply remains tight. Very little new construction and limited available space have helped support property values, even with higher rates.

As rates continue to drop, expect more investor interest and stronger deal activity — especially for well-located assets with solid income.

Is it time to see what your property is worth in today's market?
Let's talk — I can provide a current valuation and help you plan your next move.

MERIDIAN COMMERCIAL

Ces Cecchin
CA LIC #01763657
(415) 762-8064
ces@meridiancommercial.com

17 E Sir Francis Drake Blvd., Ste. 203
Larkspur, CA 94939
(415) 451-4900
www.cesCREinvest.com