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quick  
FACTS

## CREATING AMAZING VALUE

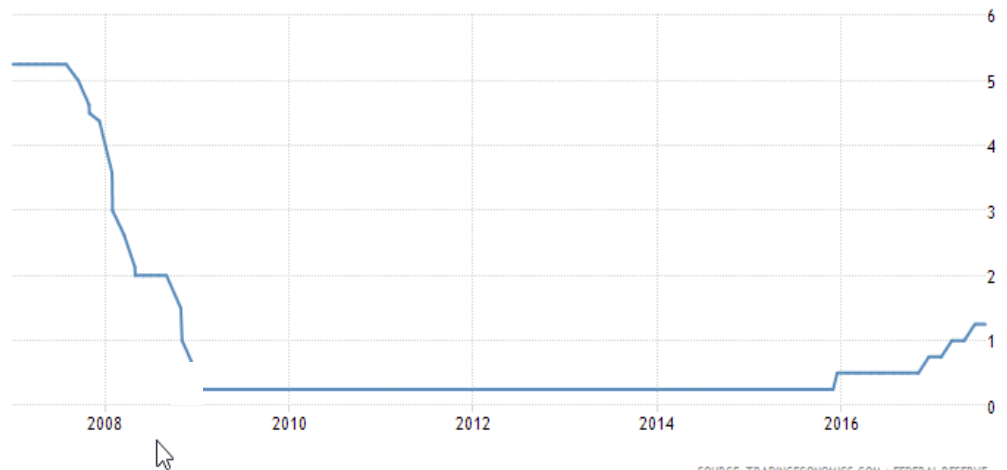
*with our clients, colleagues, and communities*

### Is Using the CPI Increase in Commercial Leases Archaic?

**By: Cliff Hockley, President Bluestone and Hockley Real Estate Services, Executive Director, SVN | Bluestone and Hockley**

*CPI lease clauses have long been a practice of Landlords, and were originally added in the 1980s to keep up with inflation when interest rates skyrocketed to 18.5%.<sup>1</sup> These clauses remained relevant as interest rates were high - but interest rates have plummeted since the 2008 recession, following the Federal Reserve adjustment to jump start the weakened economy.<sup>2</sup>*

US FED FUNDS RATE



*Most importantly, the Federal Reserve has decided that a soft landing was critical to the economy and the stabilization of American business. This has been good for the country because it has lowered national debt payments, and made it easier for businesses to expand. This has directly affected the CPI, and resulted in lower annual CPI increases as well.*

### QUICKLINKS



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<sup>1</sup> <https://finance.yahoo.com/blogs/just-explain-it/why-mortgage-rates-matter-152241574.html>  
<sup>2</sup> <https://tradingeconomics.com/united-states/interest-rate>