

# NEWS & TRENDS

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## Welcome! News, Data, Action Steps and Opportunities in Our New Quarterly Newsletter



Time-tested strategies and expert advice are vital for successfully navigating a topsy-turvy economy. For 30 years, I've thrived by investing, pivoting and capitalizing through every type of financial environment. This quarterly newsletter is for YOU - it'll offer the latest news, strategies, trends and more so you're best positioned to capitalize on lucrative opportunities. Thank you for reading; please share with your colleagues and send us your feedback via the contact information above! Let's do this, together!

*Rajeev Chennattu*

Growing evidence that high inflation is [finally easing](#) shows that the Federal Reserve's sharp interest rate hikes are working as intended, says Loretta Mester, a key Fed policymaker. But further rate hikes are still needed, she says, to decisively crush the worst inflation in four decades. The Fed's recent actions resulted in 10-year Treasury rates coming down in a meaningful way. However, the recent higher-than-expected CPI and PPI numbers and stellar January employment numbers of 500,000+ have caused it to jump 32 basis points in short order and the rate now hovers over 3.81%. That has powered more uncertainty in the bond market, which presents short-term challenges for commercial real estate investors.

One result of the Fed's steps over the past several months: Consumer price increases, as calculated by the government, have steadily eased from a [four-decade high of 9.1% in June to 6.4%](#) in January. The Consumer Price Index, a closely watched measure of inflation, [rose 6.4%](#) over the last 12 months, a hair lower than the 6.5% rate

announced the month before. Core CPI, which excludes volatile energy and food prices, grew [5.6%](#) from a year earlier, down from 5.7% in December.

The Fed also announced that it will slow the pace of its interest-rate adjustments as it targets an [inflation rate of 2%](#) over the long term. Steadily declining inflation rates are forecasted to continue, and that couples with additional good news: The unemployment rate in January was [3.4%](#), the lowest rate since May 1969.

Elsewhere, the [EB-5 Program](#) is a USCIS (United States Citizenship and Immigration Services) employment-based visa program allowing foreign investors to gain permanent residency through a [\\$500,000-\\$1 million](#) investment in a new commercial enterprise. EB-5 financing has increasingly become an alternate funding vehicle used by big and small corporations, private equity funds and real estate developers in projects covering many different industries. It can be a solid financing option for commercial real estate developers whose developments attract the majority of [EB-5 funding](#). A major factor influencing the rise in this type of real estate investment is the increased accessibility to funds offered by regional centers, which make up about 90% of all EB-5 projects. To get the latest guidance on news and trends, and how they can be integrated into your commercial real estate investment strategy, [reach out](#) to Rajeev Chennattu for a consultation!

[Learn More About Our Investment Strategy](#)

## Purchase/Development Opportunities

Learn more at [regencyrealtyonline.com/active-properties](https://regencyrealtyonline.com/active-properties) or call (914) 720-6220.



208 and 216 King St.,  
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*Fully Approved 185-Unit  
Luxury Apartment Building,  
Westchester County, NYC  
Suburbs*



831 Arnow Ave.,  
Bronx, NY 10467

*Corner Parcel, Off-Street  
Parking; Ideal for Owner  
Occupancy with Great  
Rental Income*



3220 Steuben Ave.,  
Bronx, NY 10467

*Superb Location Close to  
Healthcare, Colleges and  
Transit*

Capitalize on a premium opportunity to purchase a pedestrian-friendly Westchester County, N.Y., location and construct a fully approved 185-unit apartment building. This site, just 30 minutes north of New York City, is ideal for development. A superb opportunity to build and operate an attractive multifamily destination where housing demand far outstrips supply, in a county known for its growth, flourishing quality of life and economic success.

A rare find that blends history and the future! unit building in 1981, making it market-rate. The beautiful building's seven units, classic look, convenient location, nearby amenities and proximity to public transit are complemented by a private yard and parking for three vehicles, all in a highly walkable neighborhood. The long-term owner is a serious seller and will offer financing to qualified purchasers.

Maximize the small-town feel of home in the Norwood section of the Bronx with this well-kept brick building, including 42 apartments and a two-bedroom superintendent unit. The walkability, location and convenience are ideal, with easy access to subways, highways and shopping and healthcare facilities, as well as schools, parks and houses of worship. Excellent opportunity - inquire today - and ask about a potential package including nearby 831 Arnow Ave., a seven-unit Bronx building available for \$2 million.

[Learn More About Opportunities with Regency](#)



**Shrewd Commercial Real Estate Strategies are  
the Key to Capitalizing on Market Turbulence**

Mortgage rates are soaring. Commercial interest rates are skyrocketing. A divided Congress means less decisive action from Washington. And fears of recession still run high as the Federal Reserve seeks to curb inflation.

This nerve-rattling uncertainty results in a complex commercial real estate market that's ripe for savvy investors. Their battle-tested expertise -- analyzing key performance indicators, pricing trends and inflation's impact -- is a powerful differentiator for shaping a robust portfolio.

Consider the value of multi-residence rental properties. With mortgage rates at a 16-year high, home ownership is unattainable for many. That means the market for multi-residence rental properties will remain strong. Elsewhere, affordable-housing remains in huge demand. New York, New Jersey, Pennsylvania and Connecticut have 31 to 40 available and affordable rental units for every 100 extremely low-income renter households, according to the National Low Income Housing Coalition.

Commercial properties remain a buying opportunity because prices are down 13% this year, according to the Green Street Commercial Property Price Index®. The market had been increasing into 2022 due to the bounce-back from Covid and returns to office work that injected vitality and momentum. However, drags on the economy, such as inflation, caught up and skewed pricing. Still, longer-term investors are likely to benefit even as hybrid work models take deeper root. Watch for Class B or lower office buildings to be repurposed for residential or other appropriate uses.

Elsewhere in the commercial sector, retail is expected continue to thrive as long as the strength in wage growth, the job market and productivity persist. Demand for industrial space remains strong, fueled by growth in online shopping and the need for distribution centers. J.P. Morgan's 2022 midyear commercial real estate outlook report predicted that industrial properties may transform into multi-use facilities, with offices and showrooms, plus amenities such as gymnasiums.

Suburban offices are "a more reliable target" than other areas, Green Street says. New York City northern suburbs such as Westchester County always represent sterling opportunities due to proximity to the city, quality of life and demographics. These areas also will experience little or no rent decreases due to enduring value and opportunity.

No matter the location, a diverse real estate portfolio is key, especially in a market fraught with challenges. A struggling market is an opportune time to strengthen that diversity, especially for cash-laden investors ready to buy at discount prices. Time will prove an investment's value when the market recovers, as it always does.

So, commercial real estate investors, leverage that savvy. Take action. Capitalize on opportunities that will pay off.

[Read More News from Regency](#)

## Selling?

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## Buying?

Let Regency Commercial Real Estate Maximize Your Opportunity!

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## Need Real Estate Expertise?

Let Regency Help Build Your Portfolio!



## Contact Rajeev Chennattu Today!

30 Years of Experience - Personalized  
Service - Integrity, Excellence, Trust

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