

NEWS & TRENDS

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Welcome to the Second Edition of News & Trends!



News & Trends, brought to you quarterly by Regency Commercial Real Estate, provides commercial real estate insights, trends and opportunities so you're positioned to capitalize. 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

Plenty of Economic Good News – But When Will Full Recovery Take Root?

The economy is chugging along, despite indicators and data sending mixed messages for when a full-fledged recovery will take root and when commercial real estate can flourish at new levels.

The good news regarding the economy is clear: Overall, the Federal Reserve's policies are working. Financial markets, despite stresses, have not melted down. Regional banks are not collapsing. Consumers are spending. And any recession would seem to be shallow and short. The most recent rate increase by the Federal Reserve is perceived to be its final one - at least for the time being!

The markets, though, remain jittery and the credit market is frozen - hamstrung in great part by high interest rates. That limited ability to borrow at cost-effective rates could lead to a prolonged period of stagnation. Still, economies are often cyclical and optimism for recovery remains in place. The question, of course, is when.

For commercial real estate investors, numerous headlines shed light on what's at play:

- Inflation persistently remains in the 7% range, and weakening fundamentals will create a tougher environment for commercial real estate. The higher the inflation rate, the lower the value of assets.
- A shallow recession is likely, and the Federal Reserve's Federal Open Market Committee's reversal of monetary tightening to easing may be a slow process. That means longer pain for commercial real estate.
- Liquidity remains healthy and the banking crisis has been limited - both examples of even more good news. In addition, average household debt is low in comparison to the 2008 crisis. So, should the Federal Reserve begin quantitative easing when unemployment passes 5% and inflation is tolerable, the market may set itself for a prolonged recovery!
- The proliferation of artificial intelligence (AI) technology and the growing digital economy could inspire additional growth in productivity and can positively impact commercial real estate.
- The hybrid working environment seems to be here to stay and will further force the office segment to evolve smartly. The retail segment has been resilient, as are the industrial and data-center segments. Severe housing shortages will keep demand high in the multifamily sector. Though a large number of new housing units is being delivered nationally at a historically higher level, the huge demand is powerful while supply is paltry locally and nationally. In addition, prohibitively high interest rates and construction costs have halted new development projects since the second half of 2022. That uncertainty may continue until interest rates reverse and ignite new commercial real estate projects.

The wild cards continue to be inflation and interest rates. The Fed will be forced to keep interest rates high if inflation persists, consumer spending remains resilient and employers continue to hire to fill 10 million open jobs. That could further exacerbate the banking crisis, setting the stage for prolonged lower values in commercial real estate. While recovery in the immediate future could be a mirage, optimism continues for stability, no severe recession and a sound fundamental financial climate that supports commercial real estate.

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Purchase/Development Opportunities

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

JUST LISTED!



5 Canterbury Court, Briarcliff Manor, N.Y. • \$2.3 million

Picture yourself enjoying this elegant colonial offering privacy, sophistication and many amenities such as a media room, finished basement, sitting room and spectacular views. A bright, inviting foyer is your entry to a finely appointed home with the extras you've long desired. A spacious living room is a wonderful, warm gathering spot, and the formal dining room features French doors. The family room boasts several picture windows overlooking the gorgeous property and a door to the patio. The spacious eat-in kitchen offers an island, abundant cabinets and deck access. The second floor features a large Master Bedroom suite with a sitting room, multiple walk-in closets, and a marble bathroom. The second floor also features three bedrooms, two bathrooms, and a private study/office. The finished walkout basement has a media room, bedroom and even a bathroom.

- Five bedrooms
- Five bathrooms
- 5,754 square feet
- Finished basement, walkout access
- Hardwood floors, wall-to-wall carpet
- Natural gas, hot water heating, central air
- Three-car garage
- 1.26 acres in a cul-de-sac
- Built 1997



[Learn More and Schedule a Tour
Here](#)

JUST SOLD!

77 Poningo St., Port Chester, N.Y.



- A rare find as an auto repair/body shop.
 - Immediate availability is possible for 1/3 of the building to start your business and establish it. Approximately 1,000 square feet are currently vacant!
 - Current tenancy is in place until 2025 with no renewal options. Goes market rate upon expiration or could be occupied by new owner/user.
 - Port Chester has been on the upswing lately with renewed investment interests from the development community.
- Property Type: Retail
 - Property Subtype: Auto Repair
 - Building Class: C
 - Sale Type: Owner User
 - Lot Size: 17,859 SF
 - Gross Leasable Area: 10,098 SF=No. Stories: 1
 - Year Built: 1940
 - Tenancy: Multiple
 - Clear Ceiling Height: 12 FT
 - Zoning Description: CD-4

Meet the Regency Team!



Meet Rajeev Chennattu, founder and owner of Regency Commercial Real Estate

For 30 years, Rajeev has been a thriving real estate dealmaker and investor. He's also a trail runner who embraces the training and resilience needed to complete half marathons. That discipline also powers his work ethic, which was key when he closed a multi-million-dollar deal merging two bus companies. That lucrative deal positioned a long-time client to retire. Let Rajeev help you set up your future; partner with him to buy, sell or strengthen your commercial real estate portfolio, or help you devise and execute an exit strategy for your thriving business. Just email rchennattu@gmail.com, call (914) 720-6220 or visit RegencyRealtyOnline.com.



Meet Teena Arun of Regency Commercial Real Estate

When lives were on the line in an Emergency Department, Teena's analytical approach and attention to detail were vital to her work as a Registered Nurse. Now she puts those attributes to work for Regency clients as an Associate Broker. She's resourceful in analyzing data, strategizing solutions and providing top-notch tools to guide informed decision-making and ensure a superb experience. Her main goal is simple: Create value for clients by being the trusted "go to" expert for success. Contact her today to buy, sell or invest in commercial real estate! Email teena@teenaarun.com or call (888) 459-4666.

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Service - Integrity, Excellence, Trust

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