Capital, a better way...

TOP TAKE AWAYS FROM THE 2019 NYSSA INVESTMENT FORUM

- Higher leverage non-recourse bridge loans priced in the upper 5% range are being used by owners to eliminate recourse obligations, obtain more time to achieve operational stabilization, and to recapture some/all of their equity.

- Construction lenders are still providing competitive loans, but they are becoming more selective regarding to whom they'll lend. Qualifying borrowers are often getting lower LIBOR spreads than 12 months ago.

- In addition to increasing labor, construction and interest rate costs; developers must carefully assess the real estate tax risk in underwriting as taxing agencies continue to aggressively increase their revenues.

- The LIBOR Curve is indicating that the 30-Day LIBOR rate will be in the 2.40% - 2.60% range during 2019.

- Micro markets matter...don't paint geographic markets with a broad brush as trade areas are far more important in the storage sector.

- There may be too much focus on occupancy growth and not enough focus on profitability.

- Loan underwriters and appraisal reviewers are getting extremely focused on the minutiae in cash flow projections because the NOI forecasts are as important as valuations for loan sizing today.

Talonvest principal Tom Sherlock leads the Capital Markets panel featuring Eric Snyder, Dan Hryczyk, Chris Sonne and Gary Sugarman at the NYSSA Investment Forum.

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