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BRISKY

NET LEASE

MONTHLY NEWSLETTER

A PEEK AT THE CONTENTS

REAL ESTATE INVESTING:
Your Guide for the Rest of 2022

1031 EXCHANGES:
What to Know About the Process

ICSC 2022:
ICSC Recap

REAL ESTATE INVESTING:
YOUR GUIDE FOR THE REST OF 2022

The current state of the real estate market in the US is very healthy. Home prices are increasing, many businesses are seeing growth in their customer base, and there is a high demand from buyers and tenants alike. These situations have led to a sellers' market both for homeowners and many commercial industries.

As residential real estate can often be looked at as an indicator for other real estate branches, a seller's market nods toward continued industry strength for the remainder of 2022. In fact, industry watchers expect the annual home value to continue increasing and reach a peak level of around 22 percent in late May. As current housing inventory remains low, home values are also expected to increase in the coming months. With this, it's firmly assumed that 2022 will follow the 2021 trend of a strong housing market.

Cap Rates Will Hold Steady

Cap rates will remain steady as asset prices increase due to increased demand. The stability will continue as long-term interest rates increase slightly. The first half of the year will see a



higher all-property average cap rate than the 10-year Treasury yield. Rents will also increase, supporting the net operating income (NOI) of many asset types. Even though real estate rates can influence cap rates, NOI expectations have a more significant short-term impact.

Alternative Lenders Will Drive the Debt Market

With many commercial mortgage banks cautious when dealing with the commercial real estate (CRE) market, non-bank lenders have entered the picture. These alternative lenders increased their activities by connecting with borrowers looking for bridge loans. These activities will drive the debt market in 2022. [\(Continue Reading\)](#)

1031 EXCHANGES

WHAT TO KNOW ABOUT THE PROCESS

If you're a real estate investor, you know that the key to success is diversifying your holdings. You reduce your risk while maximizing your earning potential by owning property in different markets and states. You can also increase your profit by investing in real estate using specific tax strategies, such as the 1031 exchange.

What Is a 1031 Exchange?

The 1031 exchange allows you to trade one investment property for another without paying any capital gains tax on the sale.

The process allows you to reinvest your money in a new property and defer paying taxes on your profits until you eventually sell the new property. But you must follow specific guidelines set forth by the IRS for the exchange to be valid.

How Does the 1031 Exchange Work?

When you sell your property, the funds go into an escrow to ensure both parties fulfill your obligations. You have 45 days to look for replacement properties for the one you sold, or you'll get taxed.

After identifying the replacement property, you have 135 days to buy it to qualify for the 1031 exchange. If you go past 135 days, you get taxed. So, you have 180 days to complete the transaction to qualify for the 1031 Exchange.

[\(Continue Reading\)](#)



Hi All,

It was a true pleasure to have just returned from the ICSC Las Vegas convention 2022! It was great having the show back to "relative normal levels" and meet with so many clients, colleagues and friendly faces! Always really productive dialogue, both regarding existing transactions, but also on the market/future trends in this rather fluid economy. Fascinating times, and we feel fortunate to be able to "quarterback" net lease transactions for so many of you. Our team remains focused on having a very successful year in spite of the changing variables. We'd love to help you or your organization with your real estate needs, whatever those may be.

All the best as we head toward a busy summer season!

- Brian

