



**ISGATE LAW**  
— REAL ESTATE AND BUSINESS —

*Dream Big -  
We've Got Your Back!*

## **Our January 2022 Newsletter**

Happy New Year!! We hope you had a wonderful and safe Holiday Season. Now that the holidays are firmly in the rear view mirror, its time to focus on 2022 . Everyone is keeping a keen eye on what the Spring Real Estate market will hold. Will it continue to be a Seller's market? Will rates increase? Will inflation scare people away? These questions will pan out in the coming months. Couple that uncertainty with the current increases in evictions and foreclosures and we have a very interesting marketplace. This will undoubtedly result in opportunities for investors.

## **The Current State of the Marketplace**

### **Interest Rates On An Upswing, Spring Market Uncertainty, Private Lending Remains Robust**

Mortgage rates (both residential and commercial) have started to creep up in recent weeks/months. Inflation has begun to impact the lending sector. That combined with the FED announcing that they intend to increase the interest rate several times during 2022 will undoubtedly have an impact on the housing market. High home prices coupled with potentially substantial increases in interest rates could potentially freeze out a large swath of would be home buyers. Of course, only time will tell and with the Spring Market on the horizon, some clarity should be coming soon.

Speaking of the Spring Market, many potential home buyers are undoubtedly wondering if they will see another brutal marketplace for buyers. In 2021, we saw record setting lows in inventory that resulted in bidding wars on most transactions - further spiking home prices. All signs thus far point to another Seller's market as inventory remains low. The curveball this time around will be the eventual increase in mortgage rates. The FED has already announced it will raise rates several times throughout 2022. If prices remain high and the cost of debt increases, we could begin to see some stagnation in the marketplace.

We are also just beginning to see the impacts of COVID fallout. Evictions have dramatically spiked in recent months - a trend that will undoubtedly continue for the foreseeable future as landlords attempt to recoup lost rents and get their properties performing once again. Same holds true on the foreclosure front. Expectations are that foreclosures will continue their sharp upward trend as COVID extensions expire and debtors (both residential and commercial alike) are unable to dig out of their COVID related debts.

The Private Lending space continues to see significant volume. While we are beginning to see some banks begin to soften their guidelines, most continue their strict requirements making it difficult to obtain conventional financing. Many investors are turning to private lending to save their properties which went into default during COVID. Private lending firms are seeing an uptick in an already robust marketplace. They fill the gap in a much needed lending space, rescuing investors by giving them time to re-stabilize non performing assets.

## Real Estate Investment Strategies

Real Estate is what we do. Helping our clients find their next investment opportunity is something that separates us from other firms, we love to grow with our clients and see them succeed. If you are looking for your next investment, we can help:

### Hard Money/Private Lending

Our sister company, Stone Commercial Capital, LLC continues to see incredible volume (as are most private lenders). Across the board, we are seeing an increase in loan submissions. As a result of the current conventional lending marketplace, we are able to select what we consider the safest loans to fund. We believe in common sense lending with clear exit strategies for our borrowers. Given the strong LTVs and rates of return, private lending is a very worthwhile consideration for the investor that wants to diversify (both from the stock market, but also in their real estate portfolio). It affords investors the ability to invest in the solid assets of real estate without the burdens associated with ownership. Our new fund, Stone Lending Fund I, LLC is now registered and accepting investors who want to explore the private lending space. This fund will allow accredited investors to invest in the hard money space and receive attractive rates of return, all collateralized by solidly performing Real Estate in the 50-65% LTV range, giving incredible security to the investor. If you are interested in getting involved in this aspect of real estate investing, please give us a call.

### D-town Realty Will Find Your Next Residential, Investment or Commercial Property

Our revamped Real Estate Brokerage, D-town Realty can help you find your next property. Whether it is your next investment property or your primary residence, we are here for you to help find your next property. We can help you navigate the cumbersome search process and help evaluate each and every property to ensure that it meets your investment criteria as part of your portfolio. We can help you underwrite any potential investment property to ascertain whether it meets your specific return criteria.

If you or anyone you or anyone you know would like to receive regular emails with current investment opportunities in our office, please feel free to reach out to me via email at [riscgate@isgatelaw.com](mailto:riscgate@isgatelaw.com) or via phone at 215-396-1020.

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