



ISGATE LAW
— REAL ESTATE AND BUSINESS —

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

Our October 2021 Newsletter

Happy Fall!!! We hope everyone had a great Summer. As we gear up to the holiday season, the fourth quarter economy is not disappointing. I believe we currently find ourselves "in the eye of the storm" so to speak. There has been so much flux in the industry thus far in 2021 and for the first time it seems as though things are finally starting to settle somewhat. Although major economic hurdles such as eviction moratoriums lapsing and material pricing subsiding, it is not yet known how the industry as a whole will react to the cumulative results of all this upheaval. We believe that these and other market indicators point to significant upcoming changes in the marketplace. This will undoubtedly result in opportunities for investors.

The Current State of the Marketplace

Interest Rates Remain Low, Private Lending Remains Robust and Signaling a Slowdown?

Mortgage rates (both residential and commercial) continue to hover near record lows, however we are seeing rate increases across the board over the last several months. This remains an exceptional time for obtaining debt for investors and home owners alike. The Residential marketplace is signaling a slowdown - while new home construction demand remains high, indicators suggest that the marketplace is beginning to cool. Make no mistake about it, this remains a Seller's market (both in residential and commercial), but a slowdown to normalcy could be on the horizon.

The real question is how the marketplace will react now that eviction moratoriums and COVID relief programs are ending. Not surprising to anyone, eviction filings have drastically increased as landlords can now attempt to stop the bleeding by removing non-paying tenants. This will undoubtedly bring substantial relief to landlords. The real change could come from banking/lending fallout. Both on the Residential and Commercial side, relief programs have ceased. This is resulting in substantial amounts of mortgages being in default as past due. For many, the damage done during COVID is insurmountable which is signaling a spike in foreclosures.

The Private Lending space continues to see significant volume due to banks continuing their stringent lending practices and also as a result of the spike in delinquent mortgages. We are seeing many investors needing private lending to save their properties which went into default during COVID. Private lending firms are seeing an uptick in an already robust marketplace to fill the gap in much needed lending to rescue 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

As you can guess, we are bullish on private lending. Our sister company Stone Commercial Capital, LLC has been incredibly busy (as are most private lenders). We are seeing increased loan volume in almost every sector - single family rentals, small and large multi families as well as commercial and retail. 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 Investment 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.

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 risgate@isgatelaw.com or via phone at 215-396-1020.

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