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Presented by Marcus Millichap

## These CRE Properties Are Still Winning Despite Interest Rate Hikes

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MIAMI—Alex Zylberglait, senior managing director of Investments at Marcus & Millichap to find out what sector of Miami's commercial real estate market is doing exceptionally well in this environment.



Alex Zylberglait

MIAMI—It's been nearly three months since the Federal Reserve raised interest rates with another rate increase expected this summer. How has this really impacted **commercial real estate** investment sales?

GlobeSt.com sat down with **Alex Zylberglait**, senior managing director of Investments at **Marcus & Millichap** to find out what sector of Miami's **commercial real estate** market is doing exceptionally well as interest rates increase in part one of this interview. Stay tuned for part two, in which he discusses the foreign investor impact.

***GlobeSt.com: How busy are you selling and closing deals these days?***

**Zylberglait:** I focus on deals ranging from \$1 million to \$20 million and I can tell you that deals priced below \$5 million are happening at an increasing speed. Deals closed with cash or small acquisition loans are easier than deals priced north of \$5 million.

Case in point: I am about to close on a single-tenant property in Hialeah that was initially priced in the mid \$2 millions. After receiving more than 15 offers, the property is set to close for about \$3 million.

I believe that money is out there chasing good assets in the lower price range. Personally, the first half of 2017 has been much busier than the first half of 2016.

So far this year, I have closed nine properties in the \$1 million to \$4 million range, totalling \$24.2 million. During the same period last year, I closed three deals.

***GlobeSt.com: Is the expectation of more interest rate increases affecting deal volumes?***

**Zylberglait** So far, the rate increase has only affected short-term, not long-term rates. From a historical perspective, we are still in a very low interest-rate environment and the short-term impact has been nominal.

However, the expectation of new rate increases is creating uncertainty in the marketplace as the real estate cycle levels off. There is no doubt that the Fed's plan to hit the brakes to prevent the real estate market from overheating is working.

<http://www.globest.com/sites/jenniferleclaire/2017/06/13/these-cre-properties-are-still-winning-despite-interest-rate-hikes/?kw=These%20CRE%20Properties%20Are%20Still%20Winning%20Despite%20Interest%20Rate%20Hikes&et=editorial&bu=REM&cn=20170613&src=EMC-Email&pt=Florida>