

TRINITY MANAGEMENT NEWSLETTER



DEADLOCK INTEREST RATES?

As we reflect on market conditions for Q1 of 2024 we see that despite the many hints of interest rate changes by the FED we seem to be stuck at a stalemate. Although this is still a step in the right direction, it appears that it will be a slow burn. The larger question for our industry is, "How does this affect the local rental market?" I am a large fan of a healthy economy and lower interest rates WILL stimulate the real estate world from a transactional perspective. The lack of movement in rates actually seems to be building a stronger rental market. The first quarter of 2024 was a slower start in January followed by exceptional leasing numbers for February and March. Historically this has not been a great time in Parker and surrounding areas for lease ups but company wide we saw a rather large jump in both lead flow and closes

LOOKING FORWARD TO Q2.

We are excited to see all signs pointing towards the market demand continuing to increase. Leases that are expiring during this quarter will likely see an opportunity to increase rental rates as we have not yet realized the full effects of the FED's push to get a handle on inflation. What's most interesting is that there have been no real signs of Real Estate Value changes in this lending environment. Income properties are staying on the market a bit longer but do not appear to be trading at a lower price point. This could likely be a function of our market being somewhat insulated because of the rapid pace of growth since COVID, OR it could also speak to the confidence level owners have in our market remaining strong.

We're pleased with the rental market's early vitality and optimistic about its future. Parker County's job growth has risen by 5.47% since last year, with consistent population growth around 5% over the past 5 years. Monitoring major employers and median income is crucial for matching supply with demand. One of the biggest mistakes investors can make is overcompensating on supply. An example of this would be building luxury condos with extravagant amenities in a blue collar community where manufacturing makes up 75% of the employment market. Data driven decisions are a must when you're dealing with this much capital and "gut feelings" can cause a lot of unnecessary heartache! If you are interested in hearing more about investment opportunities on local cash flowing properties as they come up please reply to this email and I will add you to my shortlist.

