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## Stryker CRE News & Insights - August 2023

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Fri, Aug 4, 2023 at 11:17 AM



# STRYKER CRE

## News & Insights

STAY INFORMED, STAY AHEAD



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Edition 2: August 2023

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### Howdy,

Welcome to the second edition of the [Stryker Properties Investor Newsletter](#)! Get ready to dive into the latest News and Insights in Commercial Real Estate (CRE). In these uncertain times, we're here to keep you informed, help you navigate the investment landscape, and unleash your full potential as an investor.

Stay in the loop with updates on our portfolio projects as we continue to make strides in the world of CRE. We value your input too! If there's a specific topic you'd like us to cover or any suggestions you have, simply hit reply, and we'll make it happen.

In addition to providing you with the latest CRE news, our insightful opinions, and engaging blogs, we are excited to introduce our investment offerings from time to time. [After a 13-month hiatus, we at Stryker are thrilled to witness the momentum shifting, which has led us to present a brand-new investment opportunity – the Florida 3-Pack High Speed Tunnel Car Wash Development. These deals are particularly appealing because of their short development cycle and promising cash flow starting from Year 2 onwards.](#)

Please continue reading below for more details about this exciting opportunity. We look forward to keeping you informed and involved in our investment ventures!



## MARKET SNAPSHOT

<b>S&amp;P 500</b>	<b>4,510.88</b>	<b>WSJ Prime Rate</b>	<b>8.50%</b>
	Pct Chg YTD:		Year Ago:
	17.46%		4.38%
<b>10Y Treasury</b>	<b>4.19%</b>	<b>SOFR (1 Month)</b>	<b>5.30%</b>
	Year Ago:		Year Ago:
	2.75%		2.28%

\*Data as of 08/03/2023 market close

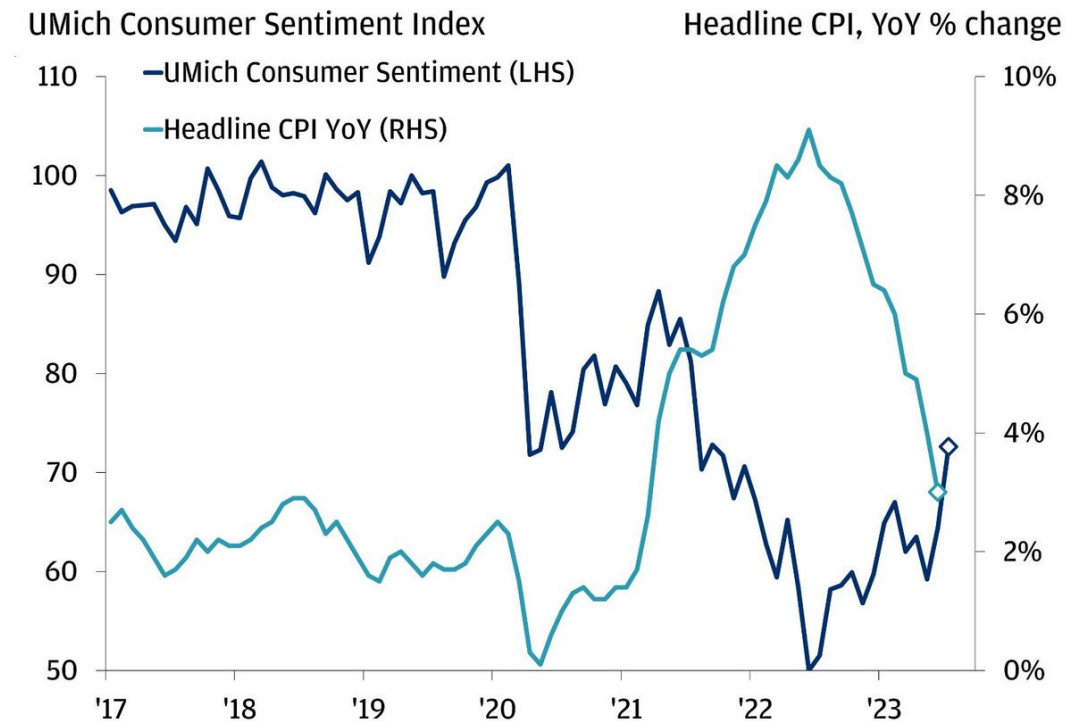
## OPINION

### "The Vibe Shift - Why Optimism Has Returned This Summer":

A year ago, rampant inflation, high gas prices, stock market declines, and other economic ills had U.S. consumer sentiment at record lows. Yet this summer we've seen a major turnaround in the vibe. Why the big shift?

For starters, the long-feared recession hasn't materialized and as a matter of fact on July 27th Federal reserve Chairman Jay Powell has declared that [Fed no longer forecasts Recession](#). Government debt issues were resolved, bank failures haven't snowballed, and commercial real estate has held up. Meanwhile inflation has fallen to 3%, gas is around \$3.55/gallon, home prices are rising again after months of declines, stocks have rallied within 5% of all-time highs, and crypto has rebounded. Consumer sentiment has seen one of its biggest year-over-year increases ever.

## Consumer sentiment jumps as inflation cools



Sources: University of Michigan, BLS, Bloomberg Finance L.P. Data as of July 2023.

Labor force participation hit its highest since 2002, with earnings outpacing inflation. Households still have excess pandemic savings. Infrastructure investment is flowing, manufacturing incentives are working, and AI advances are boosting productivity.

This isn't to say it's smooth sailing. Manufacturing is weak, rates are higher, banks are tightening lending, China's reopening is sputtering, and Europe looks shaky.

But so far this year has exceeded expectations. The economic vibe shift towards optimism has been palpable. With inflation expectations anchored and consumers staying resilient, there appears room for the good momentum to continue rather than further deterioration.

So while risks remain, the summer's vibe rebound highlights the economy's enduring strength and flexibility to withstand shocks. For investors, it provides confidence to keep looking for upside rather than get waylaid by the downturn narrative.

## PORTFOLIO UPDATE

Stryker is thrilled to present a dynamic investment opportunity involving the ground-up development of three high-speed tunnel car washes. These facilities will be located in the rapidly expanding markets of Tampa and Orlando, Florida.

What makes this opportunity particularly enticing is the brief development period of just 9-12 months. This is swiftly followed by robust cash flow and appreciation, making it a compelling investment. Please note that this offering is exclusively available to "Accredited" Investor's

With a holding period of 3-6 years, investors can anticipate an impressive annual ROI exceeding 25%. We invite you to consider this unique opportunity to diversify and strengthen your investment portfolio. CLICK the button below and register for the webinar

Register for Webinar - 7PM CT, Tuesday August 15th



Florida Tunnel Car Washes Development Investment Offering  
3 Property Portfolio in Tampa & Orlando



## INSIGHTS

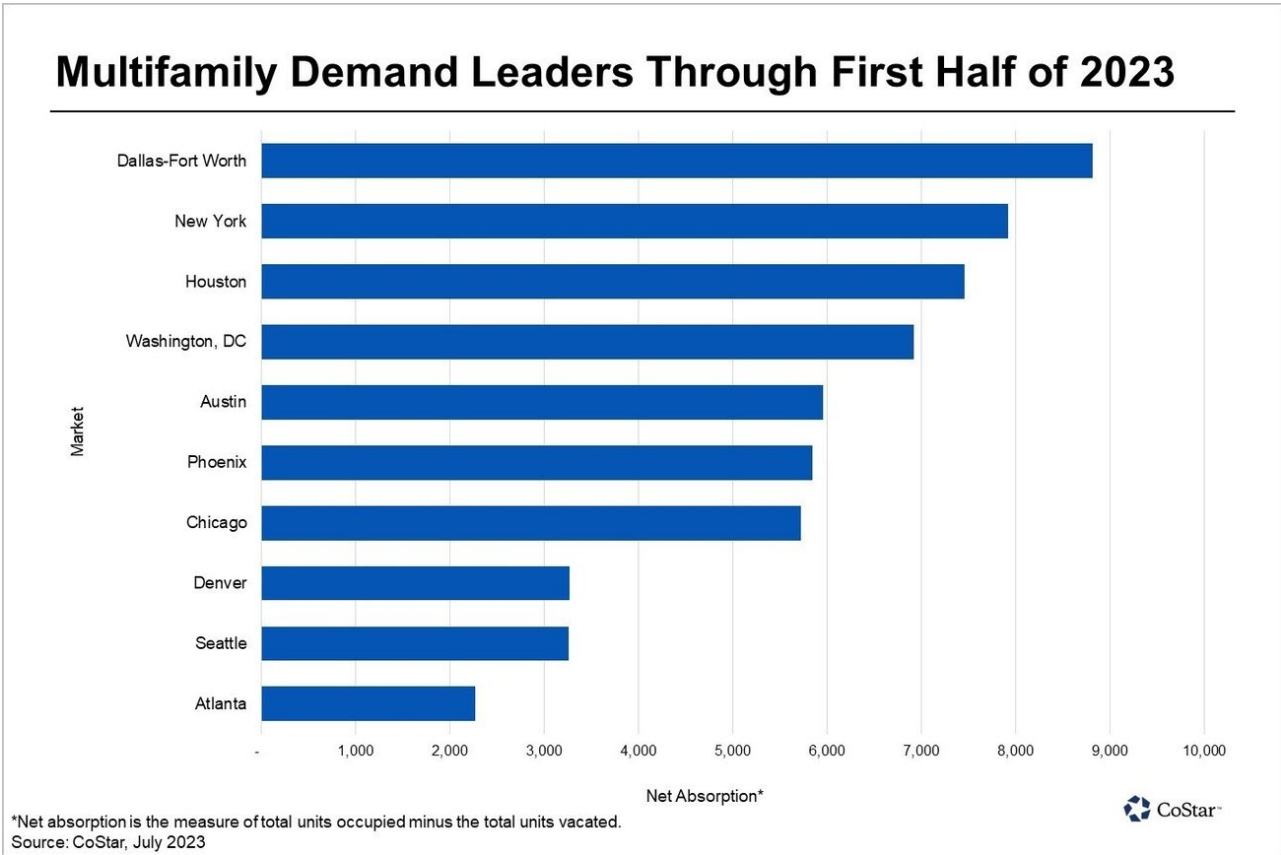
According to the latest [Costar](#) report, the apartment markets in Denton and Collin counties have been bright spots driving the rebound in demand across the Dallas-Fort Worth metro so far in 2023. These suburban counties exemplify the strong fundamentals attracting residents and fueling occupancy growth. [Stryker Properties](#) is capitalizing on the robust apartment demand by developing new communities in these high-growth submarkets as well as Williamson and Hays counties in the Austin area.

Collin and Denton counties accounted for much of DFW's absorption of 8,823 units in early 2023, a 50% jump over 2022. Companies and residents flocking to these counties for the job growth, relative affordability and quality of life has Stryker Properties bullish

on multifamily in these emerging neighborhoods.

Similarly, Stryker's Austin-area developments in Williamson and Hays counties are poised to benefit from Austin's solid uptick in leasing momentum. The company's targeted strategy focuses on areas within these metro areas that are experiencing some of the strongest demand growth due to an influx of new residents and corporations.

With the Texas economy thriving and population booming, Stryker Properties is strategically developing high-quality apartments in the specific submarkets with the most promising demand fundamentals. The recovery in absorption bodes well for stabilized occupancy and rent growth potential as Stryker's new communities come online to meet robust housing needs.



CONCEPT

# Apartment Building Types: A-Z and Top Trends Explored



The realm of apartment construction has witnessed remarkable innovations over the years. As you delve deeper into the subject, you'll find yourself navigating through a maze of diverse apartment types, each with its unique advantages, disadvantages, and target demographics. While these apartment structures may appear distinct from one another, they all share one common feature: they are all rental properties.

In this comprehensive article, we will unravel the tapestry of contemporary apartment types that continue to operate successfully. Furthermore, we will delve into the most prevalent and prolific apartment building construction types, gaining a deeper understanding of their characteristics and benefits.

So, fasten your seatbelts as we embark on this insightful exploration of the A-Z of apartments, shedding light on the various building types that dominate the market today.

[Read More..](#)

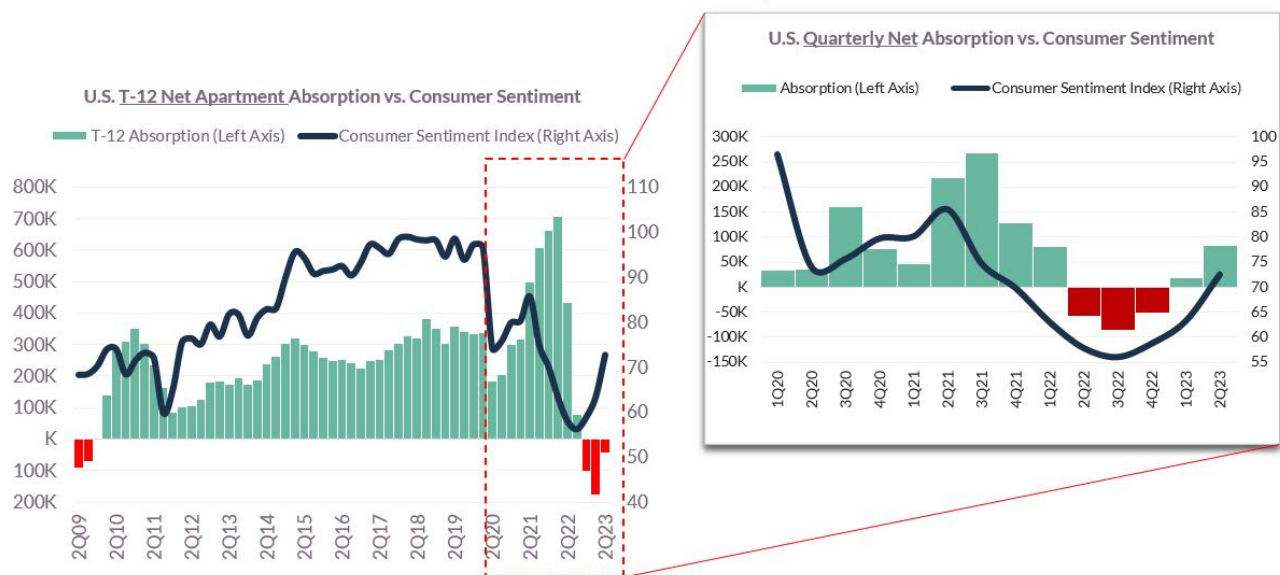


## CHART OF THE DAY

Consider this peculiar scenario from 2022. Despite robust job growth, significant wage increases, and ongoing demographic advantages, multifamily absorption rates faced a tough time. Historically, these factors would have signaled strong absorption rates, but 2022 proved to be an anomaly.

One possible explanation for this could be the shift in consumer sentiment. The psychological impact of the pandemic on consumers was significant. The constant news of job cuts, escalating global tensions, and inflation reaching a 40-year high eventually led to a change in consumer behavior. This change was so profound that it put a halt to new household formation, thereby affecting absorption rates.

### Consumer sentiment appears to be improving, signaling a *potential* near-term rebound in absorption levels



Sources: RealPage Market Analytics, University of Michigan Consumer Sentiment Index (via FRED)

REALPAGE

However, there seems to be a silver lining. The recent statistics from June show a substantial increase in consumer sentiment. While some of this improvement in the second quarter can be attributed to seasonal factors, it's hard to ignore the simultaneous improvement in absorption rates.

Renter confidence is a key driver of demand. The early rebound in sentiment suggests that absorption rates could pick up pace as consumer psychology recovers. After the uncertainty caused by the pandemic, renters may finally feel secure enough to make a move.

If this positive trend in sentiment continues, it could set the stage for an ideal scenario in 2024, coinciding with the arrival of a large supply wave. This could potentially trigger

the release of pent-up demand back into the market. For now, it's just a small stream. But compared to the complete standstill last year, it's definitely a move in the right direction.

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## LIFESTYLE

Procrastination and lack of discipline prevent us from accomplishing our goals, despite living in a country full of opportunities. Between distractions, chores, multitasking, and fatigue, it's hard to stay focused and motivated. Yet self-management through discipline is key to success. Since discipline doesn't come easy, we need hacks to trick our minds into productivity.

That's where writer Jana Termos provides game-changing insights in her recent blog post. She reveals psychological techniques to refocus your mindset and build unstoppable momentum. Jana advises breaking intimidating goals into manageable chunks so they feel less daunting. Setting "if-then" triggers also prompts your brain into automatic action. Making tasks fun through gamification or rewards helps overcome the inner drive to procrastinate.



Jana further explores using accountability, competition, visualization, and environmental manipulation to boost motivation. The aim is positively influencing



thinking to conquer inertia and doubt. With brilliant yet practical strategies, Jana arms us with tools to stop self-sabotage despite the distractions competing for our attention.

In our opportunity-filled but exhausting modern life, discipline is crucial to channeling our efforts effectively. Jana's insights on tricking your mind can help anyone struggling with procrastination and lack of follow-through. Don't let mental obstacles continue holding you back.

[Read More..](#)

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## CRE NEWS



### "When Will Interest Rates Go Down?"

**Interest Rate Forecast** - We project a year-end 2023 fed-funds rate of 5.25%, falling below 2.00% by mid-2025. That will help drive the 10-year Treasury yield down to 2.5% in 2025 from an average of 3.5% in 2023. We expect the 30-year mortgage rate to fall to 4.5% in 2025 from an average of 6.5% in 2023.

### "Study: Austin projected 3rd largest metro while Dallas No.1 by 2100"

Studying population and migration trends, moveBuddha predicted Dallas-Fort Worth as **the largest metro area by 2100**, Houston and Austin following right behind. These three

Texas cities are anticipated to oust New York, Los Angeles and Chicago to become the most populous cities in America.

### "Equal Opportunity For All Investors Act of 2023"

The [Equal Opportunity for all Investors Act of 2023](#) is a bipartisan bill to expand who may be [considered an accredited investor](#) based on their knowledge, instead of just their wealth. If this bill passes, SEC would have one year to develop the exam to determine whether an individual demonstrates competency required to be certified as an accredited investor.

### "Avoid Defaults and Mitigate Short-term Losses"

[Commercial real estate lenders](#) are showing an increasing readiness to work with borrowers whose loans are rapidly approaching maturity. The aim is to help suffering properties survive long enough to return to profitability and refinance once interest rates fall. Banks are stepping in to work out deals and help borrowers avoid defaults and mitigate short-term losses, [according to a Reuters analysis](#).

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**Amazing**

**Okay**

**Meh**



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