



For Immediate Release

Castle Lanterra Executives Optimistic: Expect Multi Housing Rebound in H2 2024

Suffern, NY – February 22, 2024 – Executives at Castle Lanterra, [\(CL\)](#), a leading New York-based national real estate investment firm, describe the mood in the multifamily market as "guarded optimism." These sentiments echo those by other industry experts attending the annual meeting held by the National Multifamily Housing Council this past month. In fact, many have a positive outlook for the second half of 2024 - a low bar given the malaise the market has experienced in 2023. The overall feeling is that the market pricing is at or near bottom - largely echoing market predictions by large multifamily owners across the country.

This guarded optimism is primarily due to the hope that the Fed will reduce interest rates, although not as quickly as many may want. In the meantime, most lenders are working with borrowers and generally avoiding defaults and distress situations.

On the supply and rent growth fronts, the multifamily market across the country is a mixed bag. Some markets (i.e. heavy supply markets like Austin, Dallas, Phoenix, Denver) are concerned about the supply absorption weighing down operational performance and expecting market stabilization towards 2025/2026. In contrast, markets in the Midwest, that have less supply, are performing better, with expectations of 2-3% rent growth. In addition, these markets are priced more attractively on the investment sales side exhibiting better cap rates and positive growth. The Midwest/Northeast are showing steady growth in rental income, Northern VA / Boston / Northern NJ continues to be extremely attractive from an institutional standpoint, still trading at negative leverage, and will continue for near future.

Furthermore, there are pockets in Philadelphia, Delaware, Southern Virginia, New Haven, New Hampshire, Maine, Columbus, Madison, that are seeing some opportunities. Also hoping for yield opportunities are some of Maryland's stronger counties, including Howard, Hartford, Anne Arundel, where they have no foreseeable rent caps.

There is continued discussion about all the dry powder in the market waiting to buy, although many of these groups have been on the sidelines. We may be finally seeing indications they're getting anxious to jump back in the market, a further sign of the optimism mentioned above.

About Castle Lanterra

Formed in 2009 by Elie Rieder, Castle Lanterra (CL) is a privately held real estate investment company focused on repositioning multifamily communities, acquiring quality, new-construction properties and pursuing emerging investment opportunities in strategic growth markets throughout the United States. Mr. Rieder has bought and sold tens of thousands of residential units throughout the United States and is also responsible for managing his family office, which is diversified across asset classes. With an emphasis on intrinsic value and downside protection and a focus on achieving stable cash flows by implementing physical and operational enhancements, CL aims to maximize NOI and provide attractive risk-adjusted returns for its investment partners. Since inception, CL has completed over \$3 billion of transaction volume across 12,000 multifamily units and over 890,000 square feet of commercial space.

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