

# FED RATE CUT: IS IT TIME TO MOVE INTO REAL ESTATE?

*Cheaper Capital, Bigger Opportunities*

## FED RATES UPDATES...

The Federal Reserve's quarter-point rate cut last week is small on paper, but it has big implications for our multifamily and commercial real estate investments. When borrowing costs move down, our financing structure, acquisition strategy and exit plans all shift.

## HERE'S HOW THE CHANGES COULD IMPACT YOU:

### ✓ Lower Borrowing Costs

With agency and bank financing tied to Treasuries and SOFR, we can secure better debt terms and boost leverage. And YOU get better returns.

### ✓ Valuation Impact

Cheaper debt often compresses cap rates, which can push property values upward. Smart underwriting is key to avoid overpaying. We think about this for YOU.

### ✓ Market Activity Increasing

We're expecting more sellers to come back to the table and as buyers we will be able to pursue more deals.

### ✓ Refinance Potential

For those carrying floating-rate loans, this environment may allow them to lock into long-term, stable debt.

### ✓ Investor Confidence Returning

As money market and T-bill yields fall, more capital is likely to flow back into multifamily for consistent cash flow back to the Member Investors.



## RISKS TO CONSIDER...

Lower rates can spark competitive bidding, and macroeconomic softening could weigh on rent growth. Staying selective matters more than ever.

## YOUR ADVANTAGE:

For you as an investor, this is the moment to talk to your RE Sponsor. He or she is evaluating refinancing, exploring new acquisitions and positioning capital ahead of further cap rate compression.

*At Next Legacy Group, our focus is helping you grow legacy wealth through smart, strategic investments in multifamily real estate.*

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