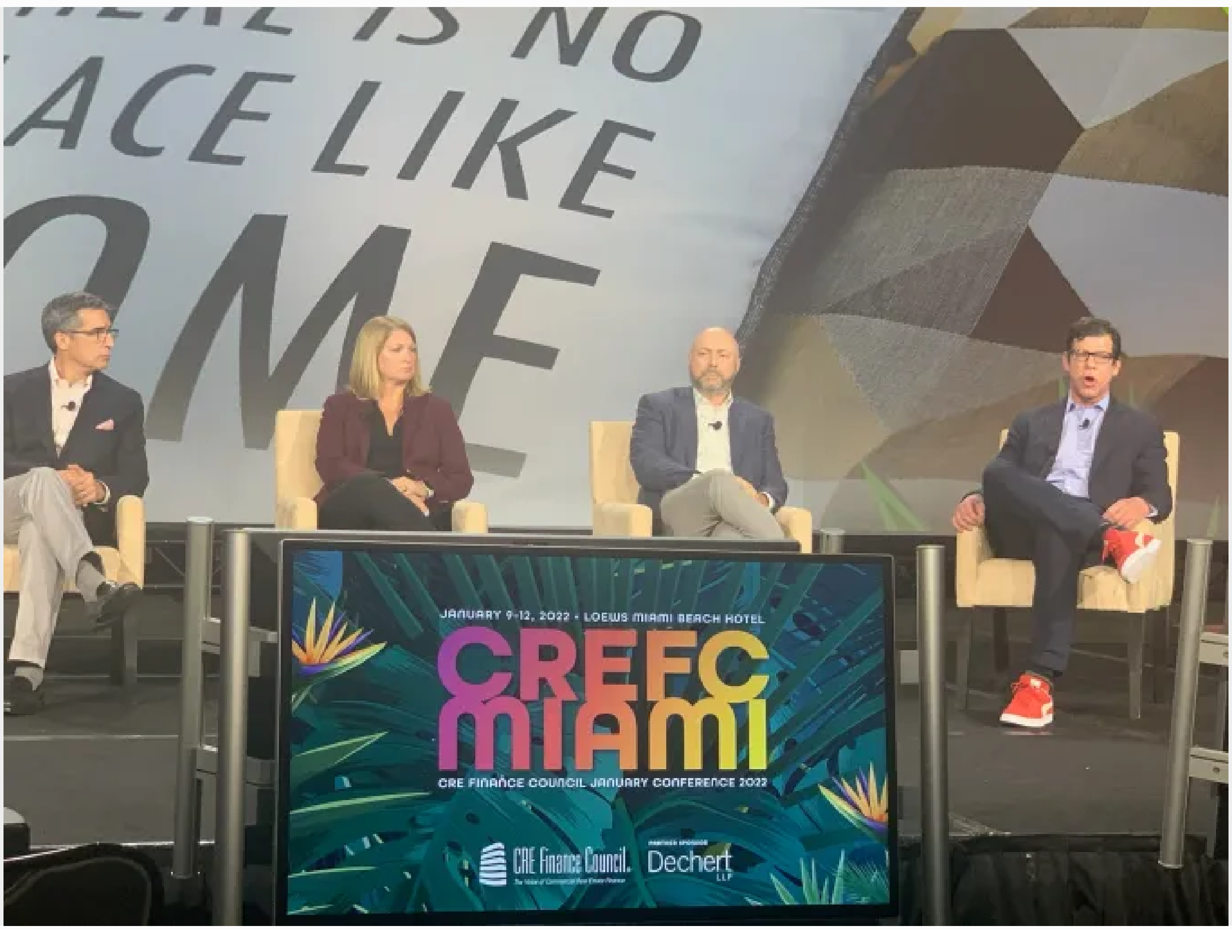
CREFC 2022: Multifamily Will Continue to Soar Amid Interest Rate Hikes

BY ANDREW COEN JANUARY 12, 2022 12:29 PM



THE MULTIFAMILY HOUSING TRENDS PANEL FEATURED FROM LEFT: COREVEST'S CHRISTOPHER HOEFFEL, KAYNE ANDERSON REAL ESTATE'S DEBBY JENKINS, VOYA INVESTMENT MANAGEMENT'S GREG MICHAUD AND LIMEKILN REAL ESTATE'S SCOTT WAYNEBERN. PHOTO: ANDREW COEN

Not even rising interest rates can slow down momentum for the red-hot multifamily housing sector.

Lenders who spoke at **CRE Finance Council**'s annual Miami conference Tuesday noted that the **Federal Reserve's** planned interest-rate hikes this year would only increase the need for rental apartments since it will drive up costs for homeownership.

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"It creates more demand for rental housing," **Chris Hoeffel**, president of **CoreVest**, said during the panel entitled, "There's No Place Like Home: Multifamily and Housing Trends and Outlook" at the **Loews Miami Beach Hotel**. "I think the net-net effect of tapering will be positive"

The panel also included **Debby Jenkins**, head of housing at **Kayne Anderson Real Estate**, **Greg Michaud**, head of real estate finance at **Voya Investment Management** and **Scott Waynebern**, president of **Limekiln Real Estate**. The discussion was moderated by **David Brickman**, CEO of **NewPoint Real Estate Capital** and an executive chairman at **Meridian Capital Group**.

"I think it will be positive for multifamily," said Jenkins, who joined Kayne Anderson in late 2021 after heading **Freddie Mac's** multifamily business, of the looming higher interest rate climate.

The **Federal Open Market Committee** voted last month to pencil in three increases in short-term interest rates for 2022 up from one projected at its September 2021 meeting. The Fed also authorized a reduction in bond purchases to $30 billion a month with plans to end the program by March instead of June as it had originally planned.

"I'm not as worried about the rising interest rates as the Fed shrinking its balance sheet," Michaud said.

Andrew Coen can be reached at acoen@commercialobserver.com.

KEYWORDS: Chris Hoeffel, CoreVest, CRE Finance Council, CREFC 2022, david brickman, Debby Jenkins, federal open market committee, Federal Reserve, Greg Michaud, Kayne Anders Real Estate Advisors, Limekiln Real Estate, NewPoint Real Estate Capital

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