



Elie Rieder, Castle Lanterra Properties

December 22, 2020 - Spotlights

Name: Elie Rieder

Title: Founder & CEO

Company Name: Castle Lanterra Properties

What was your most notable project, deal, or transaction in 2020?

In July 2020, CLP acquired the residential portion of The Triangle, a class A, 529-unit community components in downtown Austin. This modern six-building residential complex boasts 111,000 s/f of popular local and national retailers as well as commercial space. The property's central location—equidistant from Downtown and the Domain—provides easy access to Austin's top economic, education and technology hubs. It is surrounded by the University of Texas, Dell Medical School, the U.S. Army Futures Command, Texas Health and Human Services Commission's headquarters, and the biggest names in the technology industry. The asset is well positioned for resilience during any economic downturns. We plan to implement a value-add program and expect to benefit from the strong demand for class A units.

What are your predictions for commercial real estate in 2021?

CLP is continuing an overall strategy of acquiring and repositioning multifamily properties in strong suburban markets, while maintaining a conservative approach to operations through 2022 due to continued pressure on markets from COVID-19. We expect the national eviction moratorium will cease sometime during 2021, leading to a wave of evictions and large amounts of bad debt that will be booked on financial statements. As a result, CLP tends to underwrite 2021 with elevated vacancy, concessions and bad debt, regardless of how well the property has performed to date. We expect to see minimal upgrades by owners vs. a "heads-in-beds" strategy that prioritizes occupancy over rent growth. This trend will likely continue into 2022 as tenants focus on stabilizing their finances before upgrading their living experience.

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