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Says Greiner-Maltz's Dmitri Belyi: All Markets Will be Healthier in 2007

Dmitri Belyi, senior sales director at **Greiner-Maltz**, also predicts a healthy year for the 2007 real estate market in New York City.

"While it should be noted that national trends can differ drastically from local trends, and that economic influences such as interest rates affect all markets, overall, all sectors [residential, retail, commercial, industrial and investment] are currently healthy and will be getting healthier through 2007."

Belyi also believes that the news we've been reading over the past year about the residential sector is either "grossly overstated" or just plain wrong.

"There has been no crash in real estate pricing and only in certain select markets has there been a bubble that has now mostly deflated. The strength of a residential market is dependent on financing rates, overall unemployment and household formation," he says.

Specific markets, such as luxury condominiums, experienced supply and prices which overshot their targeted market, and those are the headlines we are being bombarded with. Interest rates remain in a very affordable sweet spot of be-

tween 5 and 6.5 percent, the unemployment rate is at an historical low of below 5 percent and normal household formation is being added to by an ever-increasing flood of immigrants as well as empty-nesters purchasing second homes (a growing trend, says Belyi).

"So don't wait to make that bid thinking that prices will go much lower."

The commercial sector, made up primarily of office buildings, has experienced increasing space absorption over the past three years as the sector of the economy made up of service industry increases, says Belyi, who sees an increasing trend in attracting the greatest office building growth due to the synergy of convenient and inexpensive transportation, as well as the availability of labor.

"Without question, real estate is the sector of choice for 2007," Belyi says, crediting a combination of stable rates, positive demographic trends, a falling dollar, as well as the double benefits of inflation protection and investment leverage that will continue to cause it to be the nation's healthiest economic component.



Dmitri Belyi