



February 2024 Edition

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**Wishing you a month filled with peace,
love and joy.**

NYC Reception - Registration is Open



Alumni & Friends Reception | February 22, 2024 | 6pm - 8pm

We hope you'll join us for an evening of networking with our students, alumni and industry friends. In addition to great company, guests will enjoy hearty hors d'oeuvres and an open bar.

[Count Me In!](#)

Jorgensen: Sofia Philharmonic Orchestra

February 12, 2024 | 7:30 PM

The Sofia Philharmonic Orchestra became the national orchestra of Bulgaria in 1945 and has long established itself as one of the leading cultural institutions representative of the overall contemporary musical culture of the country.

The repertoire of the Sofia Philharmonic comprises works ranging from classical to contemporary opuses, including premiere

performances of numerous works by Bulgarian composers. The Orchestra has garnered substantial recognition all over the world, and has performed in major venues across Europe, Asia, and North America. The Orchestra has been awarded many prestigious accolades including: "Musician of the Year," "Golden Lyre," "Golden Stave," "Golden Quill," "Crystal Lyre," the Honorary Sign of Sofia, and the Honorary Sign of the President of Bulgaria. Maestro Nayden Todorov has been the general director of the Sofia Philharmonic since 2017.



[Buy Your Tickets](#)

The Year Ahead: What's 2024 Going to Look Like?

The recently concluded year of 2023, was not one that would necessarily want to be relived. Nothing

felt certain or right. Residential markets experienced weird dynamics and commercial real estate performed unevenly and unsatisfyingly.

What are some key factors and trends going forward?

- **The Economy.** While apparently under control in the Fed's view, inflation will continue to be an issue particularly with consumers. Prices have a hard time going back down than they do going up - downward price inelasticity applies here - so consumers have to deal with elevated price levels going forward. A softer job market will limit wage increases.

The upward interest rate trend may be mostly done. The big question is when will rates start to abate? The Fed may have helped pull off the much hoped for "soft landing." However, as a smart person noted, "if things are so good, why do we feel so bad?" Fair question. Things could be a lot worse. This may be a case of markets and public sentiment acting weird and either not believing the numbers or not believing they are the right numbers to have belief in.

The stock market seems to be in good shape, CD rates are pretty high, the supply chain for the most part is in good shape, people are working (and getting the chance to do hybrid work), wage growth is outpacing inflation (CPI) in the short term, there is an adequate supply of new cars and prices have softened to a certain extent.

Real estate markets aren't so good, though. The current environment reminds us of how consequential the cost of money is in driving real estate markets.

CoStar notes: "Loosening financial conditions and an expected pivot by the Federal Reserve are making most market watchers far more optimistic than they were even a month ago." Oxford Economics, CoStar's macroeconomic forecasting partner, estimates fourth quarter 2023 growth to have been 2.3% (on a seasonally adjusted annualized rate), more than twice its expectations of a month ago.

- **Residential Markets.** The Warren Group tells us, that "Massachusetts single-family home sales fell to a 12-year low in 2023 as limited inventory and record-high prices continued to strain activity." Supply is playing catch up and not very well. Boomers aren't selling, stoking an "aging in place" movement. Potential sellers aren't selling, feeling cozy with low interest mortgages. Not a healthy market dynamic. Lower rates should eventually begin to break the logjam.

Unless there is a dramatic movement on rates, the currently unbalanced fundamentals will persist.

[Click here to finish the article.](#)

Article written by Bill Pastuszek of Shepherd Associates, LLC.

Article published in the New England Real Estate Journal | January 26, 2024

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If you would like to make a monetary donation to one of our real estate funds, please use the link below to get started, or call the Foundation at (860) 269-9965 to pay over the phone with a CC. If paying over the phone, please reference the account number you wish to direct your donation to.

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- Ned Heberger Student Fund: 31110
- Real Estate Center: 20049
- Debbie C. Philips Scholarship Fund: 31897
- Real Estate Center Council Fund: 22191

Industrial Leaseback vs. User Sale

Selling vacant to an owner-user was once the obvious choice for maximizing the sale price. However, the bullish pace of the industrial market shattered this paradigm. Investors identified the remarkable upward trajectory of property values and began adopting a forward-looking approach, being willing to pay today based on much higher future projected rents. Users historically required specific locations which forced them to overpay to secure the correct building. As prices pushed higher, doubling in five years, users started getting beat out by high-paying investors.

A recurring conversation arises when evaluating owner-occupied industrial properties: "Are you

better off doing a sale-leaseback or selling your building vacant?"

First, let's explore how a user values a building. Let's assume your building perfectly fits their needs regarding size and doesn't need renovations. The buyer will finance the property today with a rate of around 7% and an amortization of thirty years. Assume a 25,000 s/f building is selling for \$5 million. With a 90% Small Business Administration (SBA) loan, the buyer will pay about \$380,000 per year or \$15 per s/f. The user will compare this to what they could rent the same building for. Today, most users are willing to pay slightly more in debt service than rent because the mortgage payment is fixed for at least five to ten years, allowing equity growth through building appreciation. However, the down payment can be a hurdle for smaller users and those focused on investing in other areas, such as equipment.

[Click here to finish the article.](#)

Article written by Harrison Klein of Marcus & Millichap

Article published in the New England Real Estate Journal | February 2, 2024

Coming in 2024 | Save the Dates

Innovating for Tomorrow: If Nothing Changes, Nothing Changes

Featuring Nicholas Donofrio, Executive VP, Innovation & Technology, Retired, IBM



The poster features a photograph of the UConn Stamford building with large glass windows. The text on the poster includes the event title, the speaker's name and title, the organizers' names, and the event date and location.

**Theodore R. Rosenberg
& Mary F. McVay**

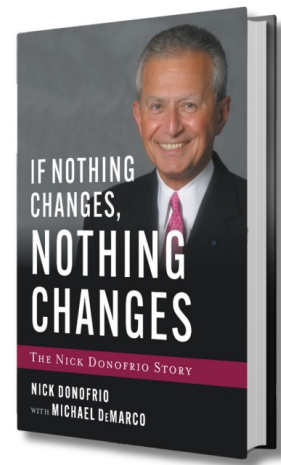
BUSINESS LEADERSHIP SERIES

March 5, 2024 | Stamford, CT

Widely regarded as “the man who saved the mainframe computer,” Nick will take attendees deep inside his almost six decades of experience in technology and innovation - sharing stories, insights, and lessons framed by his humble, blue-collar upbringing.

Nicholas Donofrio began his career in 1964 at IBM, where he remained for 44 years in increasingly responsible roles, including those of division president for advanced stations, general manager of the large-scale computing division, and executive VP of innovation and technology. He formed NMD Consulting in 2008 upon leaving IBM, choosing to focus his energy and time as a director of, and advisor to, a wide range of

enterprises in the US and Europe. Most recently, as a member of the Connecticut Academy of Science and Engineering, he was designated Co-Chair of the Connecticut Legislative Task Force on AI.



First 40 alumni registrants will receive a hardcover copy of:
If Nothing Changes, Nothing Changes: The Nick Donofrio Story
Must be in attendance to receive book.

REGISTER ONLINE

YOU ARE CORDIALLY INVITED TO ATTEND THE
20TH ANNUAL
UNIVERSITY OF CONNECTICUT

Real Estate Center Awards Banquet

April 18, 2023, at five o'clock PM
Graduate Storrs Hotel,
855 Bolton Road, Storrs, CT

5 PM: Reception
6 PM - 8 PM: Dinner and Program

More details to follow!



Save the Date

April 26, 2024 Hartford, CT

UConn
SCHOOL OF BUSINESS

Center for Real Estate Team



Nadia Bauco



Lindsey Sanderson

*Meet Our
Student
Workers*



Shawn Asiamah



Alexandra Richo



Brendan Vodola

About Nadia: Nadia is working towards earning her degree in Marketing with a minor in Real Estate. She is ambitious, hardworking, creative and always finding ways to add value to her endeavors.

About Lindsey: Lindsey is on her way to earning a Marketing degree with a concentration in Digital Marketing and Analytics and a minor in Real Estate. She plans to pursue a marketing career focused on consumer behavior when she graduates this Spring, but hopes to continue to learn about Real Estate and incorporate into her future endeavors.

About Shawn: Shawn is studying to obtain his degree in Finance with a minor in Real Estate. He has been honored leadership as a chief diversity officer, digital media coordinator, and varsity athlete. He is determined to break into the finance industry by expanding his network and gaining experience in the field of portfolio management.

About Alexandra: Alexandra is working towards earning her degree in Real Estate and plans to pursue a career in Commercial Real Estate afterwards. She is deeply intrigued by the world of real estate investments, especially strategic acquisitions. She immerses herself in the intricacies of sustainable property acquisitions and leverages her passion for unlocking value in real estate.

About Brendan: Brendan is on his way to earning an Economics degree and is committed to applying his analytic skills and strong work ethic towards making informed decisions in the financial world. He continues to explore new opportunities and is always finding ways to contribute to innovative projects. Through the Center for Real Estate, Brendan currently works with the Department of Consumer Protection in the Real Estate and Appraisal departments.

2023-24 Student Placement

Has your firm recently hired a UConn Center for Real Estate Intern or graduating Senior? We want to know about it!

Don't forget - the Center continues to offer a Resume Book of students looking for internships and fulltime placement in the real estate industry.

To share your recent hire or for more information and to receive a copy of the 2023-24 resume book, please send an email to: kathryn.oleary@uconn.edu or call her at 860-486-3227.



Recent placements, student internships and full-time, include:

Aetna, AvalonBay, Bozutto, Calare Properties, Inc, CBRE, Charles Schwab, Charter Diligence Group, Cigna Healthcare, Citizens, Colliers, FactSet, J.P. Morgan, Goman + York Property Advisors, LLC, Hillwood, HIMCO, Kerin & Fazio, LLC, Lexington Partners, LLC, Marcus & Millichap, NatWest Capital Markets, Penwood Real Estate Investment Management, LLC, Point72, PurchRock, PwC, Quartz Properties, Raytheon Technologies, and UBS.

Join the Center LinkedIn Group

The goal of this group is to offer a platform for UConn students and alumni across all

geographies and disciplines of the real estate community to connect with one another. If you are a current UConn student or Alumni and would like to be added to the group, please [click here!](#)

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And More



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