Nationally, the Federal Reserve is trying to inject certainty in what are clearly anything but certain times. Federal Reserve Chair, Jerome Powell made it clear that very low interest rates will be with us for the foreseeable future.

In many ways this is good for the economy – financing for infrastructure, housing and debt. Mr. Powell is going to try and thread a needle by keeping interest rates low and yet also allowing for some very modest inflation. We are already noticing that an assortment of everyday items cost more, but so far the increase is manageable and that is what the Federal Reserve is betting on. Creating an economy that gets people back to work, has relative low inflation and gives an air of certainty is something that can help guide us out of the current morass.

The chart above reflects the analysis of the Aspen Institute Financial Security Program / COVID-19 Eviction Defense Project (CEDP) as it relates to renters with No or Slight Confidence in the ability to pay next month’s rent as well as the analysis of additional renters with a Moderate Confidence in the ability to pay next month’s rent compiled by Stout Risius Ross, LLC. Independent analysis by Stout Risius Ross, LLC of renters reporting No or Slight Confidence in the ability to pay next month’s rent align with Aspen Institute CEDP methodology.

It is important to note that COVID-19 not only had an effect on the renters but also on landlords both, private and commercial. Their ability to pay their mortgages are tied to the ability of their tenants to pay their rent. It is possible that some building will eventually fall into foreclosure or states of disrepair and become blight within their communities.

"I think we are witnessing the beginning of a sea change in demographic trends and market demands in the Hudson Valley. Living and working in major metropolitan cities may no longer be the desired lifestyle for many individuals and families. The need for public/private partnerships to spur investment in local communities to revitalize downtowns, diversify the housing stock, and repurpose underutilized commercial and industrial buildings is rising. We are still seeing a lot of activity throughout the Hudson Valley in the real estate sector, which says to me that despite the Pandemic, the opportunity remains available for those communities and private entities wishing to engage in cooperative and creative development efforts to take advantage of the changes in the market."

David Cooper
Partner
Zarin & Steinmetz