

## Why Dr. Tyson Cobb Believes Now Is the Best Time to Invest in Commercial Real Estate

Strategic Insights from Dr. Tyson Cobb on Capitalizing in Today's Commercial Real Estate Landscape

BETTENDORF, IA, UNITED STATES, November 12, 2024 /EINPresswire.com/ -- As we navigate one of the most turbulent periods in recent memory for commercial real estate (CRE), Dr. Tyson Cobb, a seasoned investor with an investing experience of over \$1 billion in CRE and a background as a successful surgeon, sees incredible opportunities for those prepared to act. He's confident that today's market offers one of the best buying opportunities since the 2008 financial crisis.

In his words, "The greatest opportunities are often found in times of uncertainty. And for those willing to dig deep and take calculated risks, the rewards can be immense."

It's a Buyer's Market—The Best Deals We've Seen Since 2008



With high interest rates and economic volatility, many investors feel cautious, but Dr. Cobb sees this as the perfect environment for opportunity. "The current landscape has created a true



The time to buy is when there's blood in the streets."

Nathan Rothschild

buyer's market," he explains. "We're finding deals now that rival anything we've seen since the 2008 financial crisis."

The rapid rise in interest rates has created cash flow issues for property owners who are now forced to sell at a discount, creating deeply discounted properties with long-

term growth potential. This, Dr. Cobb believes, is the time for savvy investors to act.

Interest Rates Are Dropping—And History Is on Our Side

While rising rates have created today's discounted prices, Dr. Cobb notes that we're now seeing signs of a turnaround. "We're already seeing the Federal Reserve start to lower rates," he says, " and once they start cutting rates, they tend to do so rapidly."

Historically, the Fed has been known to respond quickly and decisively with rate cuts when economic indicators suggest a downturn. This trend indicates that the window for buying discounted real estate could be short-lived. As borrowing costs decrease, property values typically appreciate. Investors who buy now, while prices remain low, are well-positioned to capitalize on the rise in values as rates continue to drop.

Although no one can predict the future, Dr. Cobb remains confident in one thing: "History tends to repeat itself. And when the Federal Reserve lowers rates, we typically see an improving economy and rising property values."

Don't Miss the Upswing—This Market Cycle Won't Last Forever

Dr. Cobb recently reviewed the historical data: "We're at a point in the market cycle where the opportunity to buy low and sell high is undeniable, which is similar to the significant crash of 2008. But these conditions won't last forever." In the context of a potential rebound, an inverted CRE values could suggest that the market may be poised for recovery, especially if economic indicators start to improve. Investors who seize this opportunity now could see substantial returns in the coming years.

Lessons from Market Stress

While today's CRE market is under pressure, Dr. Cobb views this as a moment of opportunity. "Periods of adversity make us stronger, more resilient, and better investors," he explains.

Dr. Cobb also highlights a hard-learned lesson: "For years, seasoned investors have warned about the risks of floating rates without caps. Those who didn't listen are feeling the consequences now."

Some investors, unable to meet debt service coverage, have no choice but to sell at a steep discount. For those with liquidity and the ability to act quickly, this market stress has created some of the best buying opportunities in decades.

As Warren Buffet famously said, "When the tide goes out, you see who's swimming naked." According to Cobb, those who are ready to act could reap substantial rewards.

**Build Instead of Survive** 

While some investors are taking a "survive until 2025" approach, Dr. Cobb's strategy is different: "We're going to buy our way out of this slump."

Dr. Cobb isn't advocating reckless buying but instead emphasizes selectivity: "We're being extremely selective, targeting deeply discounted deals that are selling substantially below their intrinsic value, creating significant upside potential."

Diversification—A Smart Strategy for an Uncertain Market

One of Dr. Cobb's primary strategies is diversification within CRE. "I love multifamily properties, but I also believe in diversifying across asset classes to reduce risk," he says.

"By diversifying, you create a portfolio better equipped to weather various market conditions." As an example, Cobb recently acquired a boutique hotel on Carolina Beach with highly favorable seller financing terms—3% fixed rate with interest-only payments for five years and no payments for the first 12 months. Already cash-flowing, this property offers excellent returns: 14% on a \$100,000 investment and 16% on a \$500,000 investment. "These deals are rare," Cobb says, "but they're out there and every time we find one, our investors reap the rewards."

The Perfect Storm—Low Prices, Lowering Rates, and a Housing Shortage

Today's market is what Cobb calls "the perfect storm." With some deeply discounted CRE deals, falling interest rates, and a national housing shortage, the fundamentals are strong for multifamily properties.

"With housing starts down and many developers on the sidelines, the shortage is only going to get worse," Cobb explains. While he is bullish on multifamily properties he also warns that some areas have a surplus of inventory which is driving down occupancy and returns. Therefore, investors must carefully research an area before investing.

Act Now Before the Window Closes

Dr. Tyson Cobb believes there's no better time than now to act. "These conditions are rare, and they won't last forever. With rates dropping and property values poised to rebound, the demand for multifamily housing will only grow stronger."

Dr. Cobb's message to investors is clear: "Don't wait too long. Now is the time to build, diversify, and set yourself up for long-term success. Do your research, make informed decisions, and move quickly. This is your chance to thrive in a market that many fear."

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