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FOR IMMEDIATE RELEASE

CREMODELS CREATES ‘ONE-STOP SHOP’ RESOURCE ON OPPORTUNITY ZONES

—Firm launches free online resource focused specifically on the needs of real estate developers and fund managers, with interactive maps, demographic data, critical links and more.

ST. PETERSBURG, Fla. (11/30/18)—[CREModels](#) today announced the launch of a free online resource center designed to give commercial and multifamily real estate developers and fund managers the tools and information they need to capitalize on [Opportunity Zones](#).

“The perfect storm created at the intersection of Qualified Opportunity Zone (QOZ) tax legislation and an extraordinarily long bull run in the stock market may trigger one of the largest shifts in capital from public to private markets in history,” noted Mike Harris, Managing Director. “High-net worth investors are sitting on an extraordinary amount of capital gains. Our [Qualified Opportunity Zones Resource Center](#) gives developers and real estate investment fund managers the tools and resources they need as they work with such investors on acquisitions and development projects in these low-income areas.”

To date, media coverage, analyses and resources on Opportunity Zones have tended to focus on the concerns of limited partners and fund investors as opposed to real estate developers and fund managers, Harris noted. “Developers and fund managers are hungry for actionable intelligence and effective tools to build strategies around these incentives,” he said. “Our resource center is an information-rich, one-stop shop for them.”

CREModels provides consulting services and software products for commercial and multifamily real estate investors, fund managers, and developers. Among other content, its new resource center includes free interactive maps of all census tracts that have received QOZ designation. . “Acquisitions teams and developers can do some early due diligence by entering an address, checking its QOZ status and getting information like population, housing units, and occupancy,” Harris noted. “It works great on mobile phones and doesn’t require a login.”

CREModels’ resource center serves as a continually updated hub for official documentation, white papers, raw data and other portals covering the topic. “We curate news articles and link to high-quality information from law firms, CPAs, nonprofits and more,” said Max Garbus, Vice President. “You’ll even find links to discussion boards with free-form, word-on-the-street intelligence. Our resource center gives developers and fund managers a single place to visit as strategies and regulations unfold.”

Since 2017, investors have flocked to inaugurate funds focused on Opportunity Zones. In so doing, they stand to receive substantial capital gains tax reductions. In many cases, those taxes will not come due until 2026, which means they can be reinvested today. The incentives also enable investors to avoid capital gains tax entirely on new Opportunity Zone investments held for at least 10 years.

Capital gains from a wide variety of investments may be allocated into Opportunity Zone funds. “What is really unique here is that these investments will not have to flow through a 1031 like-kind exchange,” said Mike Jaworski, Managing Director. “This very well may cause an enormous influx of outside capital into real estate as an asset class, effectively increasing the size of the entire industry.”

The need for speed owes to the Dec. 31, 2026, deadline. “To receive the full benefits of the deferment over the course of its seven-year life, investors must act prior to Dec. 31, 2019,” Garbus explained. “Our phones are flooded with calls from developers and fund managers looking to help investors deploy capital in compliance with the new regulations.”

In many of these cases, managers of traditionally passive investment funds see the need to embark on development or redevelopment projects for the first time. In others, investors are pressing developers to do deals substantially larger than the norm, Garbus said.

These new situations require firms to rethink and reassess the tools and strategies they have long used. “We are working with clients to design new equity structures, build pitch decks, deploy underwriting and [development pro forma modeling](#) tools via our platform, and draft offering memoranda for review by potential investors,” he said. “We’re also assisting clients with site selection, acquisitions and due diligence related to QOZ projects.”

And while public perception is that Opportunity Zone funds will be investing only in low-income housing, Harris added, the guidelines are so broad that strategies exist for virtually every property type. Nonetheless, developers and fund managers need to stay informed about the fast-developing regulatory framework. “Our resource center helps catalyze acquisition, development and fund management strategies by providing answers in real time,” he said. “It accelerates the learning curve.”

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About CREModels

CREModels provides transactional, managed and enterprise services for commercial and multifamily real estate fund managers, investors and developers. The St. Petersburg, Fla.-based firm’s Transactional Services division performs full-service [real estate due diligence](#), lease abstraction, acquisition underwriting and deep-dive reviews of books and records. The Managed Services division handles [CAM reconciliation](#), asset management and portfolio review. The Enterprise Solutions division creates custom technology and big-data integrated solutions. CREModels’ flagship software platform, [The CRE Suite](#), serves as the backbone on top of which all services are provided. The CRE Suite optimizes the workflow of acquisitions teams, fund managers and developers from pursuit through acquisition and all the way through disposition. For more information, visit [CREModels.com](#).

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