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More 'pain' for real estate? Experts divided over Trump's tariff impact on housing

Two CEOs detail how they're grappling with Trump-era tariffs



By **Kristen Altus** | **FOXBusiness**



A tale of two real estate markets: Is more pain coming amid tariff turmoil?

Nectar CEO Derrick Barker and BH Group CEO Isaac Toledano detail their differing views on tariff impacts on America's real estate market with Fox News Digital.

The state of housing in America has embarked on a roller-coaster ride in the post-pandemic era, and now [real estate experts](#) are weighing exactly how historic tariffs may or may not throw the industry for another loop.

"We are in a time of great crisis, really, from a housing perspective," Nectar CEO Derrick Barker told Fox News Digital. "It's more important than ever to be positioning, to be acting in such a way where we can continue to support the people who are on the front lines, who are building the housing."

"Obviously, nobody likes to pay more money, but the tariff is something that we might... have to deal with at the end of the day," BH Group CEO and founder Isaac Toledano also told Fox News Digital.

"I have to say that President Trump is a smart businessman. He's a former developer. His family is heavily invested in real estate," Toledano added. "I don't believe that he wants to bring a catastrophe to the U.S. or to the real estate market."

The two prominent names in real estate are seemingly split in their opinions on tariffs, after President Donald Trump's April 2 executive order made reciprocal tariffs official and [caused extremely volatile reactions](#) in the stock market.



Two real estate industry CEOs offer a tale of two outlooks in terms of how President Donald Trump's tariffs will impact markets. (FOXBusiness)

Despite a recently announced 90-day pause on the tariffs, Barker remains bearish that higher costs could add more pressure to an already competitive real estate market, while Toledano is bullish that developments will be unaffected.

"The immediate impact of the tariffs are [that] input costs are going up in an environment where they've already been going up," Barker said. "The uncertainty makes it so that lenders and equity providers are less likely and move slower to provide capital, so there's less liquidity in the market to help you build or buy new properties, build your portfolio or expand your portfolio."

"In the long term, what we've seen in the past is when interest rates go up and there are tariffs, taxes go up, then the markets go down. It causes recessions. It causes downturns," the Nectar CEO – who began his career as a Goldman Sachs bonds trader – continued.

"Every other day, we're getting more and more information about potential tariffs: It's going to happen, it's not going to happen," Miami-based Toledano said. "Real estate, it's a safe investment, it's a better investment. [In the] stock market, obviously, you don't control your destiny."



Real estate momentum 'is about to change big time': BH Group's Isaac Toledano

BH Group CEO and founder Isaac Toledano speaks to Fox News Digital about how Donald Trump's 2024 election victory will fuel positive activity in real estate.

"You talk to people and they're a little bit more cautious," Toledano expanded.

"If we will see the impact of the tariffs, it's gonna take a few months. Hopefully that during these few months, President Trump will negotiate some fair deals and good deals that will be good for our partners, will be good for [the] United States. But I don't think that you're gonna see an immediate effect in the real estate market on these tariffs."

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In the last week, [mortgage rates have jumped](#) back up to around 7% following a short-lived dip two weeks ago. Tariffs fears have not only hit mortgages, but Barker confirmed that some of his industry fellows are stockpiling materials like wood, concrete and glass. Toledano claimed his South Florida affiliates have not seen anything of the sort.

"They are stockpiling. They're trying to get it now because they think prices are going up," Barker said. "A lot of them are local and regional, and they don't have access to huge pools of capital. So there's only so much stockpiling you can do. And capital is less available right now. So there is some stockpiling, but we can get through those stockpiles quickly. And a lot of the market is not going to be able to stockpile."

"As far as our investors, we're in the process of closing on the \$200 million of transactions in the next 90 days. And because of what happened in the last few days, I got on a call with an investor to make sure that everybody's still on board and committed. And I was very happy to know that everybody is excited and committed to these deals, and they're not concerned about this volatility," Toledano noted.



Real estate expert explains why he doesn't see a housing crash coming

HGTV 'Flipping 101' host Tarek El Moussa joins 'Fox & Friends' to discuss the slight decrease in mortgage rates, and explain how that will impact the real estate market.

Although both industry leaders agree that it's too early to tell how high tariffs will go or how deep the impact will be, they starkly differ on [how the Federal Reserve](#) may step in to help the market.

"What I will say is that if interest rates go down, that will be supportive of current commercial real estate asset prices," Barker said. "A lot of people would like that... the Fed coming in and lowering rates would just be a band-aid... There's a lot of debt out there in the market. The United States has a lot of debt in the market and there's a lot of uncertainty around that."

"If things will go out of control, I think the Fed will act, rates will go down. And once rates will go down, I think that more buyers will feel comfortable putting a deposit on the new construction that they will need to close within two years, three years," Toledano countered.

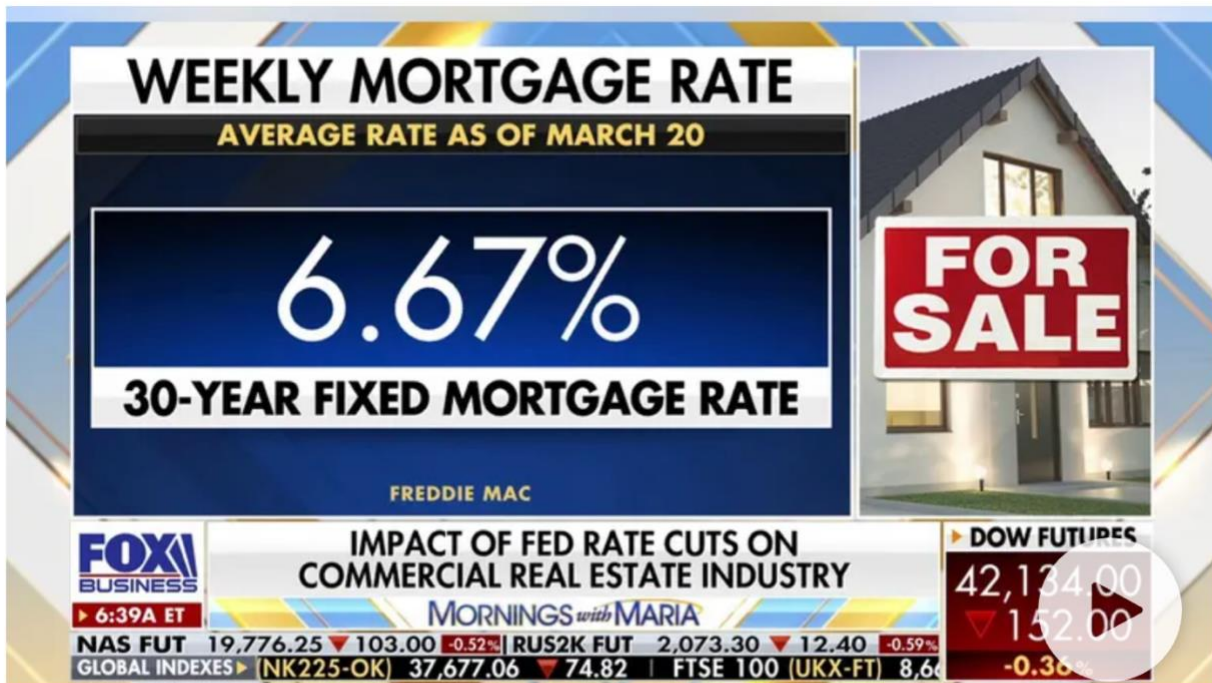


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As of April 16, mortgage rates fell slightly below 7% after ticking higher in reaction to global tariffs. | Getty Images

The BH Group patriarch believes that [the South Florida "boom"](#) can continue to hedge against any market disruptions, with his group more recently collaborating with names like the Ritz-Carlton and the W. Barker also sees some places across America that may be unfazed by tariffs.

"The apartments or the assets that are going to weather the storm better are assets that are already renovated, that have new systems, that have new appliances. Whether they are new because they're newly constructed or newly renovated, those are going to perform better because they were able to get new things at a price that's not the reality anymore," Barker pointed out.



Trump tariff uncertainty is creating 'volatility' in the commercial real estate: Expert

JLL Capital Markets senior director Jillian Mariutti-Nieder discusses the potential impacts of federal rate cuts and President Donald Trump's tariffs on the commercial real estate industry on 'Mornings with Maria.'

"But the places that are near things that are gonna be connected to the future economy, to the economy of 2030," Barker continued, "those places are gonna outperform."

"The smart money continues to come to South Florida and, obviously, people understand that Florida is not going to disappear," Toledano said. "Short-term, we might... have this roller coaster and some more people that are concerned, but overall, we think that the strong momentum that we enjoy here in Florida for the last six, seven years, will continue."