HEBRON REALTY

The “One Big Beautiful Bill Act”:

HOW TRUMP’S ECONOMIC VISION COULD RESHAPE NYC CRE

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Now signed into law, the One Big Beautiful Bill Act (OBBBA) reshapes the economic landscape with sweeping tax cuts, deregulation, and a surge in federal spending on defense and immigration — but also imposes deep cuts to housing, social programs, and infrastructure support. While the bill is positioned as pro-business, its **effects on New York City’s commercial real estate market are mixed and highly sector-dependent.**

On one hand, the bill’s permanent extension of **Trump-era tax cuts** and streamlined permitting for federally involved projects may **benefit logistics, industrial, and defense-adjacent infrastructure.** However, the absence of any Opportunity Zone enhancements or urban housing investment — c**ombined with sharp reductions to HUD and housing subsidies — threatens to stall new affordable and workforce housing deals in NYC.** Expect increased investor demand for tax-advantaged income properties, but a harder path for ground-up development relying on federal subsidy or LIHTC layering.

For **office landlords,** the deregulation push does little to reverse post-pandemic fundamentals. There's no office-to-residential support in OBBBA, and work requirements in **Medicaid/SNAP could contract service-sector employment**, reducing office leasing demand in lower-tier spaces.

Summary: CRE Impact in One Sentence

For CRE owners in New York City, OBBBA introduces a high-risk, uneven reward environment. While it delivers clear tax relief for high-income investors and business owners, it simultaneously withdraws federal support from many of the demand drivers and financing mechanisms that underpin urban CRE, particularly in multifamily and mixed-use sectors.

$3.4T+

Estimated 10-year deficit increase from OBBBA

CRE IMPACT: Expect long-term federal austerity risk and less support for public-private urban investment.

12 M

Estimated Medicaid recipients losing coverage

CRE Impact: Downward pressure on demand for healthcare space, supportive housing, and social services facilities — especially in outer boroughs.

$175 B

New spending on immigration enforcement

CRE Impact: Boosts prospects for industrial and GSA-tenanted assets, especially for institutional buyers with government credit exposure.

IMPACT ON SECTORS.

HOW TRUMP'S ECONOMIC VISION COULD RESHAPE NYC CRE

Retail and Office Owners Get No Lifeline

Despite rhetoric around revitalizing American cities, **OBBBA offers no material support for adaptive reuse, office-to-residential conversions, or struggling retail corridors.** With remote work entrenched and local government budgets under pressure (due to reduced federal aid), **office owners holding Class B and C assets in Midtown, Downtown Brooklyn,** or the Garment District face continued value erosion without regulatory relief or demand stimulus.

Worse, cuts to entitlement programs like **Medicaid, SNAP, and housing vouchers weaken the urban safety net, reducing foot traffic and spending in ground-floor retail** — particularly in underserved neighborhoods. Retail landlords tied to essential services (clinics, groceries, community services) may see declining tenant credit quality or increased turnover.

Industrial and Government-Leased CRE Stands to Gain

The biggest winners may be owners of **industrial, infrastructure-adjacent, and GSA-leased assets,** especially those positioned to serve federal agencies. The $175 billion in new immigration enforcement and defense funding will **likely trickle into logistics hubs, warehousing, and service contracts** — but t**hose assets are mostly concentrated outside of NYC**, or in select outer-borough pockets like Hunts Point, Red Hook, or JFK's cargo district.

Owners in those areas could see rising interest from institutional buyers, especially REITs and debt funds seeking federally backed tenancy.

Multifamily Owners Face Demand Risk Without Subsidy Support

The elimination or reduction of federal housing assistance (HUD vouchers, LIHTC support, and Section 8 infrastructure) under OBBBA will likely **reduce the pool of qualified renters in lower-income and workforce housing.** Landlords who depend on voucher-backed tenants or are planning affordable housing developments will face **greater leasing risk, tighter financing, and weaker exit liquidity.** Deals underwritten on soft debt or layered tax credits **may no longer pencil.**

Meanwhile, increased **construction labor costs** (due to immigration restrictions) and stalled supply pipelines could lead to **rent growth in stabilized Class B/C product** — favoring owners of older, fully occupied assets, but discouraging new development. In essence, **existing landlords may benefit from constrained competition,** but the cost of upgrading or repositioning assets just got more expensive.

$9B

CUT FROM
HUD PROGRAMS

For NYC landlords, this could mean tens of thousands of tenants losing access to federal housing support, weakening rent rolls in stabilized affordable assets and drying up funding for public-private development deals. Owners relying on voucher-backed occupancy or LIHTC-layered financing could face higher vacancy, collection risk, and reduced debt service coverage on existing loans.

ABOUT US

Meet the authors
THE HEBRONS

Expert Commercial Real Estate Leasing & Investment Advisory

Results-Driven. Relationship-Focused. Always on Your Side.

2.34MM SF	37 YEARS
Total Volume	**Combined**
SOLD & LEASED IN BROOKLYN	**CRE SPECIFIC EXPERIENCE**

Robert **Hebron,** SIOR
Principal Broker

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Principal Broker

Hebron Realty is a father-son team rooted in Brooklyn, with over 37 years of combined experience and more than 2 million square feet of closed transactions. **We specialize in office leasing, landlord advisory, and property valuation with a focus on long-term planning.** Our mission is to help clients make smart, strategic decisions today—so their properties succeed tomorrow. Grounded in ethics and driven by data, we bring clarity and confidence to every deal.

For clients who expect nothing less than excellence, we deliver. Precise research, unmatched market insight, and an unwavering commitment to execution.

At Hebron Realty, we combine the tools of a national firm with the personal commitment of a boutique shop. Every listing receives hands-on attention from the principal broker, ensuring your property or requirement is guided by seasoned decision-makers.

Our marketing spans professional mailers, SEO-optimized websites, social media outreach, broker email campaigns, direct tenant engagement, and national exposure through platforms like CCIM, SIOR, CREXI, and CoStar. We use trusted data sources—ARGUS, Moody's, Placer.AI, Pictometry, and more—to drive informed decisions, not guesses.

Hebron Realty has built a reputation as dealmakers who get things done. From tenants to institutional landlords, our clients trust us to deliver results with integrity, insight, and hustle.