

Starwood's Sternlicht Sees 'Incredible' Distressed Opportunities

Bloomberg

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October 11, 2022 at 3:53 PM CDT

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Billionaire Barry Sternlicht says he sees “incredible opportunities” to find distressed investments in the real estate market.

He’s looking to “kick through the debris” to find investments and companies “that they’re broken balance sheets but not broken assets,” the chief executive officer of Starwood Capital Group said Tuesday in a Bloomberg TV interview on the sidelines of the Robin Hood Investors Conference in New York.

Rising rates may cost millions of people their jobs and are creating unprecedented stress around the world, he said, adding that the Federal Reserve was “unbelievably late” in acting.

“In the real estate world, there’ll be people having loans coming due that might be hard to refinance. And so they’re going to need a capital infusion,” he said. Banks will likely be tougher and so “you’ll see a lot of loans being sold” across every asset class.

Looking ahead to the US midterm elections next month, Sternlicht said a split government would be the best outcome for investors.

“A freeze of government doing anything really dumb right now is probably healthy for us to get to the presidential election,” he said. “Maybe they’ll compromise and do some smart things and focus on things that matter to the nation, instead of some of the nonsense they spend all their time on these days.