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THE URBAN SUBURB - *PREDICTING WHERE THE MILLENIALS WILL BE LIVING*

Greetings!

The topic of millennial, the slice of our population born between 1982-2000, trends is overwhelming as marketers and economist try to understand where the biggest segment of our growing population wants to live and play. It is an important topic but one filled with confusion. Here are some common attributes that are thrown around in an effort to pigeon hole this dynamic group of aspiring individuals:

1. Urban Preference - in our real estate world, everyone is rushing to downtown metropolitan areas to capture the anticipated housing, shopping and office needs of this group. Consequently the "urban grab" is making smart investment decisions difficult and no one we have spoken to feels that the trend will subside. What we know is that when there are barriers to entry, density goes up and so does the cost of construction and living. As an example, Manhattan is a wonderful place to live but not everyone can afford to be there.
2. Technology savvy/Social Media - this generation grew up with the computers and smart phones at the center of learning. Cursive writing was downplayed in school and "keyboarding" was taught (my teenager at the end of this generation may not be able to sign a check but he is adept at mobile deposit and can type faster than I write!!). In addition, social media is their source for communication and where they learn to form opinions. One well known mall in town has a social media expert monitoring tweets and social media traffic to deflate any attacks on restaurants or their shopping experience. Why? - because the new world looks to social media to tell us whether to go to a club or restaurant, or if we will have a good experience at the venue of choice. Anyone who has an opinion can post on the social media sources without accountability - with dangerous consequences to the retailer.

3. Convenience/Value - online shopping isn't lazy but smart convenient, and the desired retail experience of choice by Millennials. The web allows shoppers to ascertain value quickly amongst competition which in turn is affecting larger secondary buying behaviors. Uber is a great example of convenience and value which is changing the way we interact with other businesses. In many cases, it is easier and cheaper to take Uber to your favorite venue to avoid valet or parking charges (as well as the inconvenience of a DUI!).

4. Sharing Economy - In the office world, Co-working has birthed companies like "We Works", "Roam" and "Serendipity Labs" as corporations try to design space that is conducive to attracting Millennials.

PREDICTION

The Millennial generation is still young and in their "formative years". We all can certainly recall those carefree younger years of apartment living and the "single way"; however, eventually age and maturity will come along and changes in life style that come full circle. Let us suggest a sequence of events that may be forthcoming:

1. Nesting - a common phrase used by older demographers, it is the concept of growing maturity and the desire to couple, which can mean conventional marriage or other long term commitments to life. With that comes the desire to create families and commitment to a more stable, grounded lifestyle;

2. Economic Reality - Urban living is not cheap, certainly not when you are renting and especially not if you decide to own real estate. Unless there is a radical change in public school systems, the thought process that will eventually come to this generation is: "I want to settle down, I am tired of putting all my money to this apartment, I may be able to afford in-town housing but I can't afford in-town housing and private school so if the kids need good school, I need to find the best public school education solution there is...so where are the best public schools.

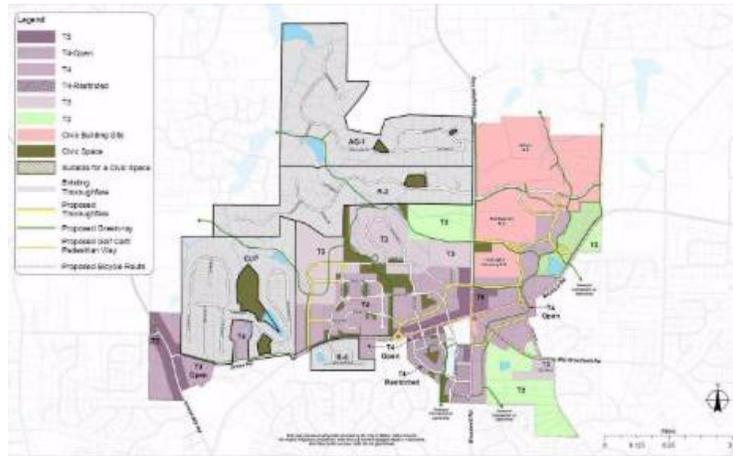
3. Traffic - as populations in urban regions grow along a finite transportation infrastructure, the concept of long commutes is colliding with the decreasing work ethic of the Millennial generation.

Welcome to Urban Sub-urbanism - where can an active Millennial go to find good schools, affordable housing in an environment that is walk-able, community oriented and somewhat "cool"? The smart urban planners are ten (10) years ahead of their time. In neighboring hamlets like Milton, Woodstock, Alpharetta and even Suwanee, you see city leaders who have well thought out townships that are creating an urban environment in a suburban location with "hip" town squares, free Wi-Fi and all the things that attract the Millennial consumer...at a fraction of the price of the super dense urban skyline of Atlanta. See the master plan below for the new city of Milton -

just north of Alpharetta:

Milton, Georgia:

Milton, GA (Crabapple 2020 Comprehensive Plan)



Above is the 2030 Comprehensive plan for downtown Milton, GA which can be seen better at:

<https://www.cityofmiltonga.us/lib/file/manager/orgfiles/RZ12-08%20Crabapple%20FBC%20TDR%20Final%20Approved%206.18.12.pdf>

Some key takeaways from the Milton downtown master plan that is attractive to Millennial migration:

- Suburban city creating a dense urban center with a mix of office, retail and housing;
- Average income in one(1) mile radius \$175,000, similar to Buckhead;
- Walk-able community with hardscapes oriented towards safe pedestrian mobility and access;
- Higher density town homes planned/built with green space in interior and outlying areas;
- Housing prices at a fraction of Big City Urban;
- Top rated schools in the state in walking distance of city center;
- Hip restaurants and shops at the heart of downtown.

This answers the call of community! Stay tuned for the next decade to see the migration that's already begun.

TriStar is seeking Investors for its next investment. Please call us at 404-698-3535 to

learn more or email us at dgibbs@tristarinvest.com.

Sincerely,

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