



TRISTAR

REAL ESTATE INVESTMENT

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A RETURN TO THE SUBURBS

Urbanization has been the rage since the exit from the Great Recession. The popularity of in-town locations have drawn the ever-growing millennial population and with it, employers, investors and developments to grasp this youth. It manifests itself in live/work communities with mixed-use developments and funky loft warehouse design which are all the rage. What's not to love? Even old guys like being in a hip environment with the latest cuisine and fanfare. Those who have followed our newscast at TriStar, have read our concept of "Suburban Urbanism," which we will expand in this writing.

Let us ask some honest question about today's urban living:

Who can afford urban living?

My apartment development friends aren't long term holders. They are selling the new projects as fast as they can lease. Many are now offering free rent as an incentive on an apartment that goes for \$2,500 and more per month. This kind of rent could afford a house of over \$500,000. There are several issues surrounding the freedom of mortgage-free living and qualifying for home buying with huge student debts, but the math seems to favor home ownership. There is more home for your money outside I-285.

Where will children go to school?

The options? Public schools in Atlanta have had their challenges. Are millennial's willing to risk pioneering the schools as they are today to affect change? Private schools will need a commitment of \$20,000 per year or more if you are wanting this quality of education in an urban environment. In the 1980-90's, young professionals flocked to the suburbs in search of better schools and cheaper housing. Which will prevail with this generation? - the cool/expensive urban living or a flight to the suburbs for better schools and cheaper housing?

Can suburban living be "cool?"

Smart suburban hamlets like Alpharetta, Milton, Suwanee and Woodstock are re-inventing themselves with a transformation of their downtown areas into live/walk communities (see pictures below). Out of necessity, these suburbs saw their residents and their children leave the cul-de-sac to try out urban living. While urban living is popular now, we are seeing these smart governments acknowledge that the "Mayberry" of old needs reinvention to survive. Gone is the large house at the end of road. It is being replaced with a higher density downtown with town-homes, green space and a denser environment that mimic urban living at a fraction of the cost.

Real estate is complicated. It is about seeing trends. Is urbanization waning? No, but the cost of urban living as we know it isn't sustainable for the majority.

How are we responding as investors? We are looking for suburban areas that show dense urban master plans that are the next exit up the road. Come invest with us.

Deal Profile of the Month: Special Purpose Use

Suburban Living



Are You an Investor?

We are in pursuit of several investments. If you are an accredited investor and want to be considered for one of these offerings, please reach out to us. Call us today to learn more at 404-698-3535 or dgibbs@tristarinvest.com.

Sincerely,

TriStar Real Estate Investment

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