



TRISTAR

REAL ESTATE INVESTMENT

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2019 WAS A YEAR TO BE THANKFUL

My nature is to find the problems in everything we do so we can improve to be better. This "fault finding trigger" is a horrible predisposition in a world that has so many good things going on. As real estate owners and investors, here are some positive things, we saw in 2019 that are worth reflecting on. (Mind you, yes, there are arrows to be thrown at everything below, but give me your optimism for 5 minutes):

1. **Economic Growth is stable** - we can't always be at 3% or above but let's face it, slow and steady growth will always be better than a recession.
2. **Interest Rate are Low** - we were fortunate to refinance some of our portfolio to the betterment of our investors when the 10 year T-bills hit less than 1.5%. The Federal Reserve is committed to keeping the economy chugging along at a reasonable pace due to lack of inflation (less than 2.0%) which is remarkably low.
3. **Unemployment Under 4.0%** - when I was in graduate school, we were taught that the economy had a concept called "structural unemployment". This recognized that people move in and out of jobs as they change to new jobs and different circumstances. An unemployment rate was never to be 0.0% - this was not possible. 3.5-4.0% was considered that level of "Structural unemployment which would indicate that we are as good as it gets to full employment.
4. **Stock Market Gains** - corporate earnings are still increasing the value of publicly traded companies. The multiples on earnings and metrics are not unreasonable by past standards.
5. **Rents and Occupancy** - for commercial investments are up based on solid demand and supply balances in most sectors.
6. **Consumer Spending** - the largest driver of growth, the consumer, is confident of the outlook of the economy and their pocketbooks reflect more than optimism.

The natural tendency is to look at "cycles" and conclude that we are in need of a correction because things have been too good for too long. This might be the case, but in looking at the various triggers for a bad economy, we seem to be without defensible case for pessimism.

We are thankful for you, our readers and investors. We listen to your feedback and respect your input on the stories we tell and our perspective on the investment world. Have a wonderful year end and Happy New Year

Please Review Investment Profile of the Month

Deal Review of the Month:

CVS Shopping Center

Mt Vernon Road at Northside Drive, Atlanta, GA



What we liked:

- Barriers to entry in the micro market
- Great visibility
- Good tenant

Why we passed on the deal:

- Awkward Architectural layout would make redevelopment after CVS exit problematic
- Site plan awkward for access and parking
- Pricey

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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