



# TRISTAR

REAL ESTATE INVESTMENT

[www.tristarinvest.com](http://www.tristarinvest.com)

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## POST COVID REAL ESTATE INVESTMENTS

Whether we are in a "V Shaped" recovery or a "W shaped" recovery in the economy still remains to be seen, but over time, a vaccine for the current virus will be found and the economy will keep chugging along. Investors in real estate have already begun stockpiling money as they did after the great recession and a few years ago in anticipation of great buys amid forecasted recessions. What is the read on the street and what is likely to occur and what are we doing?

### **Buyer/Seller Disconnect**

If you are in real estate as an investor, you are an incredible optimist. It is not for the faint of heart yet many gains can be made. As we head into the end of the year, the vultures are lining up on the sideline for "motivated sellers" that we don't think will emerge in volume. The valuations in almost every category have been healthy and if you bought 3-5 years ago, you probably have a very low basis and are patient to wait out what seems to be a small correction to the market. There will be a buyer/seller disconnect. Over the years, as odd as it seems, we have watched arrogant owners who would rather turn the keys back to the lender than sell at what they felt was an unfair price...which is usually way above market realities.... such is the hubris of some investors.

### **Opportunities that are Real**

**Workouts** - There will be trouble in certain sectors that will be looking for buyers...namely in retail or hospitality areas, in less desirable markets that were marginal buys at best. These centers are in outlying areas or were purchased recently at high valuations and are over leveraged. They will have to work their way through the lenders to come to market much like we saw in the last recession and the opportunities will be few and far between.

**Aging Population** - the boomer generation love real estate and many inherited or bought the corner retail center or an apartment building years ago. As they approach failing health and/or dwindling retirement funds, they are now ready to sell due to necessity or fatigue. Cash is king to those who banked on their real estate investments that paid them monthly rents. These assets are short on performance. They are tired, and want certainty in their later years and are looking for solutions. These are not institutional plays but the opportunities in the back yard that come from knowing the market and the players in the market that are in need.

**"Working Capital" Partners** - some owners do not want to exit/sell but would like help taking money off the table and to leave a transferable tax basis to their children.

The knight in shining armor is an operator that will come in, buy a part of the deal and operate until a point in time in the future.

All of these investments opportunities are not likely to be deals that come to you from your favorite realtor but are deals that are found from a depth in the community and knowing where to look. What is the strategy? Think of yourself as a kid, writing a letter to Santa Claus as to what you want. Much in the same way, we are searching for where the growth will be, creating a wish list of what we would like to own for our investors and then doing the research, and making the calls to see how we can enter an area with opportunity.

### Deal Profile of the Month:

## CALHOUN LOFTS ANDERSON, SC



### WHAT WE LIKED

- STABLE OCCUPANCY
- BEST IN CLASS RENOVATION
- MONEY PARTNER LOOKING FOR EXPERTISE

### WHY WE PASSED

- UNSTABLE ECONOMIC BASE
- HIGHEST RENTS IN TOWN
- WEAK RETAIL STORE FRONT PRESENCE

### 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](mailto:dgibbs@tristarinvest.com).

Sincerely,

TriStar Real Estate Investment

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