

Best Out of State Areas to Invest

By John V. Kamin

Forecaster moneymaking in property depends upon: A) Going for the growth areas, and B) Avoiding stagnant areas, boondocks and problem properties.

Even if you make a mistake with a growth area and it keeps growing, the nice thing about well-bought property is that the market will usually bail you out over time and even help you make money.

But if you buy in non-growth areas, not only do you make your money “dead money” but you also find it difficult to impossible to resell, and get an automatic loss if you have to sell in a hurry.

Long time Forecaster members know and have made money on the #1 growth area, Clark County, NV (Las Vegas Metro); those who bought, and some who have long since bought and sold.

During March 2003, your economist identified another potential growth area: near Highway 60, east of Phoenix. I mentioned this specific area several times in the Forecaster and later in a couple of seminars.

The area identified is in Pinal County, along Highway 60, near the Maricopa County line. Pinal County is one of the lower-cost “bedroom communities” for people who work in Phoenix (high-tax area), also Phoenix Sky Harbor Airport, east of Scottsdale. Specifically, I liked property on or near the freeway exits with blacktop potential - commercial frontage that could be purchased cheaply at residential or vacant land prices. New roads were coming in with new developments. On the north you're bordered by Indian Reservations (who almost never sell), on the west by Phoenix and suburbs, and a few miles east of the county lines' intersection, by high mountains (mostly unbuildable). To the south are Florence Junction, more Indian Reservations and desert.

Go East Young Man

Since then, huge expansions and projects have been noted and planned (176,000 acres?) and prices have gone up. Good for those of you who took Forecaster advice aggressively and got in early!

Now let's mention a #3 growth area: Orlando/Kissimmee, FL (Orange County), Again, I like highway frontage with commercial development potential. I like the area of International Drive, east of Highway 528 (Tollway to Airport). International Drive is mostly built up with little or nothing for sale. But east of 528 there are mostly hotels, gas stations and the like, and a lot of vacant frontage. There aren't many 'For Sale' signs. You're in a condo boom as well as a commercial property boom in that area. You pretty much have to go east of the Vineland Avenue stoplight, or directly on the intersecting streets to find properties for sale.

Going back west on International Drive, you intersect Sand Lake Blvd. You may find some properties along Sand Lake (N.) that will be developed, but it's pretty slim pickings.

No, I am not recommending condos, not timeshares, not vacation weeks, none of that...just simple straight ownership of potential commercial frontage acreage or residences or buildings with potential; freestanding, not condos nor co-ops.

Why Is Orlando/Orange County, Florida Area #3 In Growth?

Actually, the Orlando/Orange County convention area is #2 in convention body county in the USA, after Las Vegas. Orlando has been a direct competitor to Las Vegas conventions for many years; stiff competition.

Prediction: If the state of Florida ever allows in future decades normal casinos and gambling (not Indian run casinos) for Central Florida, I predict that there is a good chance it would center on Orlando/Kissimmee area, possibly even on or around International Drive east, to compete directly with Atlantic City and Las Vegas metro.

So far, however, only certain kinds of (Indian) casinos, and gambling are allowed in Florida, not the Las Vegas/Atlantic City style of ownership. Those are political decisions. Las Vegas, Nevada-style gambling might make sense economically, but would have to clear multiple tough policy hurdles. Don't hold your breath. (Avoid old downtown Orlando.)

But even more on a non-future-casino basis, the Orlando metro area is expanding fast. In decades to come, Orlando Metro may even reach as far east as Tampa.

Much of Orlando area land is restricted by the northernmost Everglades. You have to be very careful in Florida to walk every foot of any land you're buying. If you can't afford to walk every foot, you have a very good chance of buying bogs, swampland, spongy unbuildable earth and even occasional underwater property. Be careful here. It's not like buying property in Denver or San Diego.

Cheaper Area

There is a cheaper area that also might grow, but is currently undeveloped near the Orlando Airport.

You go to Exit 13 for the cheap land on State Route 15, then you can go east on 15, which is closer to the Orlando airport (stay close to the exit). You can go west on Route 15 where you'll find a couple of off-airport car rental lots, gas stations and some development. The rest is mostly sandy woods. I saw some 'For Sale' signs there.

If you want gamble on Orlando Airport business expansion, Highway 15 near 528 would be one way to do it. Remember that SR15 is a more remote area and development may be slower. I prefer properties that are more clearly in the path of existing development.

A third (costlier) area to prospect and search for developing properties is along the 528 tollway which exists between the Orlando Airport and Kissimmee, near the freeway exits, most of which already have businesses. In case you didn't realize, Highway 528 is a Tollway, with tollbooths every couple of miles. But 528 is the fastest route between the Orange County Convention Center (expanding rapidly) and the airport where much of the Orlando business and traffic originates. Limit buys to NTS (Need-To-Sell) properties and get our booklet on negotiating to save \$10,000s!

Happy hunting. Happy prospecting. Make some money and have some fun with your money while you're at it!

Land Sakes!

Observation: Some real estate sellers are flush with too much cash, and some of that surplus could find its way into the gold coin markets over time. Wouldn't be a bit surprised.

Our advice on property profits has been to "Sell your worst one or two properties now, but keep the rest, keep the best".

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as buyers with no money, and no-money-down
buyers are courted by anxious lenders!

VALUABLE TIP: If you have a couple of bad burdensome properties, don't just list the worst one. Instead list the worst two or three. Then, after one of them sells, cancel the listings on the ones that didn't sell. At least you'll have some opportunity money available if the market changes suddenly.

Forecast: Interest rate hikes ahead by the FRB will continue until, in their words -- the property markets "stabilize". Translation: property boom-killers, Careful.

As a retiring Dr. Greenspan pointed out in 2003 at a bankers meeting in Texas, "Bad loans are made during good times". Could be many bank REOs ahead, as buyers with no money, and no-money-down buyers are courted by anxious lenders!

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