

Mitochondria Learns to Invest #15

by Klarise Yahya, Apartment Loan Broker

Continued from last month ...

I looked at the map. There really weren't all that many highlighted areas. We have two colleges. One is a state supported school and the other is private. Naturally, I'd illuminated both of those. Then there were two hilly sections, and I'd circled both of them. We did have a river, but the flood control department had concreted the bed and fenced it off so people couldn't get to it. The river no longer (to use Mrs. Langerhorn's words) *contributed to value*. But as I was looking at the map, I remembered something.

I live in a metropolitan area. As you would imagine, most of it is just tacky-tacky and pretty unappealing. But within the larger area there are several little communities with their own character. You know, sort of like little villages with three or four blocks of restaurants, coffee houses, and book stores. One of those was the hilly area I'd already highlighted. I thought that maybe it might be one of those gentrifying areas Mrs. Langerhorn referred to. The next day, I got in my car and drove to it.

This area was called Saradama Hill because back in the Depression when nobody had air conditioning (can you imagine that?) the local baker used to keep his doors open to catch the summer breezes. And they said his wife was such a shrew that every morning the baker would curse her as he kneaded the bread dough. His voice carried out the doors and everyone within a half block could hear him, "Sarah, damn her!" It's a cute story, but I don't know if it's real.

Anyway, I drove over – it's only about 15 minutes from my house – and started driving up and down the streets. I'd been there a couple of times before, but this was the first time I'd really *seen* it, if you know what I mean. I guess investors, even new ones, just view things differently.

All the stores were old. Parking was on the street and behind the stores. There were plenty of empty spaces even though this was the weekend, when you would think the people should be shopping. The cars were almost all entry level, and most of them were old. These were not good signs. On the other hand, even though I drove the alleys I didn't see any graffiti.

I left the main shopping district and started to drive the side streets. The first thing I noticed was that the cars in the driveways were mostly old and cheap, just like the ones in front of the stores. Mrs. Langerhorn would probably say that this area just didn't draw big spenders. She might also conclude that the people here in Saradama Hill had very little disposable income.

Anyway, as long as I was there I continued to prospect. I noticed a lot of the houses were real old, but seemed to be kept up pretty well. It was seldom that you would see a house with worn roofs or blistered trim paint. Front lawns were tidy. There were only a couple of apartment buildings and no "vacancy" signs. There was no indication that new condominiums were going up.

I didn't see any For Sale by Owner signs, but I did see three brokerage signs in front of small units. Some of the signs looked like they'd been there for a while. I wrote down the telephone numbers and names of the listing agents so I could call them when I got back home.

I kind of liked Saradama Hill. The area looked a lot like the neighborhood where I grew up. The whole thing took several hours, and it was late in the afternoon when I returned home. I made a cup of tea and started to call the numbers on the signs, making copious notes so I could report to Mrs. Langerhorn.

My next field trip took me to the University area. I repeated the process employed at Saradama Hill. The stores were nicer, and there were several bookshops and many restaurants and coffee shops. When I drove the alleys, I saw some graffiti. There was a wider range of automotive values, as you might expect. Parking was at a premium. I drove most of the residential streets in the area. That took quite a while!

The University district was asymmetrical. It extended almost a mile on the west side, but only to the freeway (about a half-mile away) on the east. It wasn't equidistant on the north and south sides, either. You could tell where the district ended because all of a sudden you would cross a major street and the character of the neighborhood changed.

There weren't any "vacancy" signs in the windows, and only three "For Sale" signs on small units. Like before, I took down the name and telephone number of the agent and the street address of each property. When I returned home I called and got the information I thought I might need.

On yet another day, I inspected the College district. I just loved it! The College itself had all these cute brick buildings with ivy all over the walls. There was Fraternity Row and Sorority Row, with all those darling old houses. I drove the area and found that the College district was pretty symmetrical, extending about one-quarter mile all the way around the College. It was smaller than the University area because there were fewer students. If you went outside the College district, you immediately got into some pretty scary neighborhoods with lots of graffiti and groups of young men gathered at the street corners trying to look formidable and giving those hard stares at anybody driving past. I don't know why boys do that. It isn't very attractive and it certainly doesn't help make them husband material.

Anyway, I found two fourplexes for sale inside the College district. I took the numbers and called the agents.

A week later, I drove the other hilly neighborhood with curvy streets. I put this area off until last because I just didn't want to live there. I once knew a boy who took me to his apartment and all his friends were there. The boys were all so yucky and the girls were all snotty. I just knew there would be nothing in this neighborhood for me, and I was right. I drove the area quickly, though, just to satisfy Mrs. Langerhorn. There were a couple of small units for sale, but I didn't even take down the agent's numbers because anybody could see there was something wrong with the properties or they wouldn't be on the market. One of them had some weird people, just like that boy I used to date, standing in front. The other property looked like it was just waiting for more weird people to arrive. Anyway, I knew that area wasn't for me so I left quickly and returned to my home with the pretty lace curtains in the kitchen.

I put my notes in order. Then I called Mrs. Langerhorn and asked if she could visit.

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*Klarise Yahya is a Commercial Loan Broker. If you are thinking of refinancing or purchasing five units or more anywhere in the U.S.A., **Klarise Yahya** can help. **Find out how much you can borrow!** For a complimentary mortgage analysis, please call her at (818) 500-9966.*