## The Psychology of Investment



## Enrique Teran

## Co-Founder of Avanti Way Group

A One-Stop Shop for real estate buyers and investors


## Proven Success Story



# LOCATION LOCATION LOCATION 

## Is it all you need?

## LOCATION LOCATION LOCATION

## Is it all you need? NO

The Mindset
The Formula

## Mindset



Supply

## if int timitit <br> Demand

## Mindset



Supply


## Mindset

The Ultimate Gain From Positive Leverage


## Recipe for successful investing



Florida's Historical Population Growth


## Resilient Market Segment

| CLASS | INCOME | MONTHLY PROPERTY PAYMENT | POPULATION \% | OWNERSHIP \% | RENTAL DEMAND |
| :---: | :---: | :---: | :---: | :---: | :---: |
| HIGH | > \$700,000 | \$16,000 + | 1\% | 95\% | Weak |
| MIDDLE/ HIGH | \$150,000-\$699,000 | \$4,000-\$15,000 | 15\% | 86\% | Weak |
| MIDDLE | \$65,000-\$149,999 | \$2,000-\$3,999 | 27\% | 50\% | Strong |
| MIDDLE/ LOW | \$30,000-\$64,999 | \$1,500-\$1,999 | 23\% | 45\% | Strong |
| LOW | \$1-\$29,999 | \$1-\$1,499 | 34\% | 27\% | Strong Demand / High Risk |

## Population Migration



## Florida's New Construction Permits

As a result from the exorbitant population growth in the last ten years, and insatiable demand for real estate and favorable market conditions there have been over 34,797 new construction permits approved across the state

| Southwest | West | Northwest | Central | Northeast | Southeas |
| :---: | :---: | :---: | :---: | :---: | :---: |
| $\sim 8,250$ new permits | $\sim 8,210$ new permits | $\sim \sim, 800$ new permits | $\sim 5,452$ new permits | $\sim 3,135$ new permits | $\boldsymbol{t}$ |
| Main Counties: | Main Counties: | Molk $-2,318$ | Main Counties: | Main Counties: | Main Counties: |
| Lee $-2,423$ | Pasco $-2,039$ | St Johns $-1,798$ | Orange $-1,380$ | Baldwin -648 | permits |
| Manatee $-1,962$ | Hillsborough $-1,944$ | Duval $-1,731$ | Brevard $-1,121$ | Washington -572 | Main Counties: |
|  |  |  | Lake $-1,046$ | Escambia -482 | St Lucie $-1,242$ |

## Rent vs Buy Proportion

Precetage Of Cost to own vs. Year


## Demand That Speaks for Itself

MIDDLE/LOW
MIDDLE
MIDDLE/HIGH



## The Numbers Behind our Thesis

\$280K - \$600K | Purchase Range (Per Door)<br>\$1,500-\$3,999 |Rental Range (73\% of the rental market)

45m a 200m | Ranging Sizes per Unit (83\% of the rental market)
\$50K - \$150K | Income Range (50\% of the population)

## The Ideal Portfolio

Shopping Plazas
Service-oriented tenants, specifically need and destination businesses with strong underlying fundamentals.

## Industrial

E -commerce oriented assets with easy access to main transportation routes and with strong potential to boost net operating income.


Offices

## Residential

Quality assets, focused towards lower-middle class individuals in excellent suburban locations.
Looking for value-added components.

Executive and/or medical offices that have been inefficiently managed. In great locations and are service-oriented tenants.

## Putting Things Into Perspective

## \$15 trillion and counting: global stimulus so far

By Tommy Wilkes, Ritvik Carvalho
5 MIN READ $\quad f$

LONDON (Reuters) - Central banks and governments have unveiled an estimated $\$ 15$ trillion of stimulus already to shield their economies from the coronavirus pandemic record sums that will swell balance sheets and deficits to peacetime highs.

This is how much was spent so far in response to COVID-19
\$4.6 Trillion Total Budgetary Resources

## Putting Things Into Perspective

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# MB markets business investing tech polutics cnbctv investing club a pro a
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UPDATED FRI, DEC 30 2022 • 5:23 PM EST

# Stocks fall to end Wall Street's worst year since 2008, S\&P 500 finishes 2022 down nearly 20\% "~\$7 Trillion" 

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Jesse Pound Samantha Subin
```

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The crypto market has now lost $\$ 2$ trillion in value. Here are 5 shocking facts from crypto's Black Monday

The Stock Market Remains Correctly Valued

- PE Ratio (TTM) for the S\&P 500



## Recession $\neq$ Drop in Property Prices



Sources: CoreLogic, The Balance


