

Investors Group to Discuss Economic Development

How does the rest of the country view the Memphis real estate market? Larry Jensen, president and CEO of Commercial Advisors LLC, admits it can be a mixed bag, namely because the message Memphians send differs from the one they should be sending.

Jensen, a 30-year real estate veteran, will address that question – and provide a few different views – as guest speaker at the Memphis Investors Group’s monthly meeting Oct. 9 at 7 p.m. at the Germantown Athletic Club, 1801 Exeter Road.

Memphis Investors Group Monthly Meeting

Larry Jensen, Guest Speaker
Oct. 9, 7 p.m. (early bird sessions begin at 6 p.m.) Germantown Athletic Club (formerly Germantown Centre), 1801 Exeter Road
Free for first-time visitors; \$20 for repeat visitors
Call 414-2729 or visit www.memphisinvestorsgroup.com for more information

The biggest problem, Jensen noted, is the city’s leaders don’t spend enough time focused on job creation, the biggest economic impact for a metropolitan area. Without that, companies hesitate to invest here.

“We don’t have enough priority in our community thinking about jobs creation – not just attracting new businesses here but making it an attractive place for existing businesses to expand,” Jensen said. “Is our welcome mat out in the community?”

Moreover, he said the city isn’t as “business friendly” as it once was, a huge detriment to attracting new companies or helping existing companies expand.

“I’m not so sure right now that we are (business friendly) as a community,” he said. “I think that’s one of the biggest problems – our reputation in the country.”

Focus on the positives

But the city’s problems aren’t the messages he wants to convey to attendees at next week’s Memphis Investors Group (MIG) meeting. Instead, Jensen wants to focus on the ABCs of the Memphis economy. For Jensen, it’s important for Memphis business leaders, especially real estate professionals, to focus on the fundamentals of the city’s economy.

That starts with the “A” for aerotropolis, the idea of building an economy around Memphis International Airport, a \$22 billion engine.

“It’s really putting a bow around what we really have,” Jensen said. “We’re sitting as one of the major, major, major nodes in the rail intermodal (industry) and with the airport. You put those two things together and there are a lot of communities around this country that would be mighty happy and mighty proud of having that in place.”

Beyond that, Jensen touted the city’s other assets. “B” is for biosciences industry, “C” is for its community assets like Shelby Farms Park and “D” is for its diversity. All those factors are

keys to making Memphis more attractive to companies looking to expand their operations here, and the city – its governmental, business and cultural leaders – have to be on track with them for Memphis to thrive.

Jensen said he doesn't want to sound overly Pollyanna, but he noted that to attract more investment in the city, whether it's in retail, industrial, office or residential real estate, the city's good points have to be on display.

"If you're comfortable with a place," Jensen said, "then you'll invest your money there."

Different parameters

Kevin Peck, owner of the local investment firm Kevron Properties and MIG secretary, is comfortable investing his money in Memphis real estate and sees why the city, with its undervalued property values, has drawn interest from outside capital.

"We're a little bit better off," Peck said. "Prices have dropped here somewhat, just not cataclysmically as they have in other areas of the country."

Peck is looking specifically at the residential side of investing, where everyday people from Memphis and from outside are looking to buy city houses on the cheap with hopes of flipping or renting. But with credit so tight these days, even the real estate investment gig is evolving.

"You can't flip that house anymore because folks can't get credit to buy (and sell), but if you've got credit to buy and hold, then you're good to go," said Peck, noting that a large segment of the population was "wiped away" from getting a mortgage because of the fallout. "On the flip side, that (situation) created renters, so if you're buying and holding for rent, then some things are OK. We buy and hold and rent, and we're finding that we're doing OK. You can invest in real estate here and make it have good cash flow."

Ultimately, Peck said, that's why city homes will continue to be bought even during this economic and real estate slump.

"You can still buy a property for a good price, and if you're smart about it, you can make it cash flow and make some money," he said. "I think that's why Memphis is attractive to folks."

In addition to Jensen's talk, the MIG monthly meeting begins with an "early bird" session at 6 p.m. This month's topics include "Networking 101," "Getting Started Right in Real Estate" and "Investing in Your Self-Directed IRA."