

San Diego Apartment Investing Creates Millionaires

Terry Moore CCIM

Why are San Diego apartment investments so much safer than most other major cities?

The first three articles covered 1) the basic advantages of all income property, 2) the specific benefits that come from San Diego apartment's supply and demand and 3) force multiplier of San Diego's unique rental ownership topography.

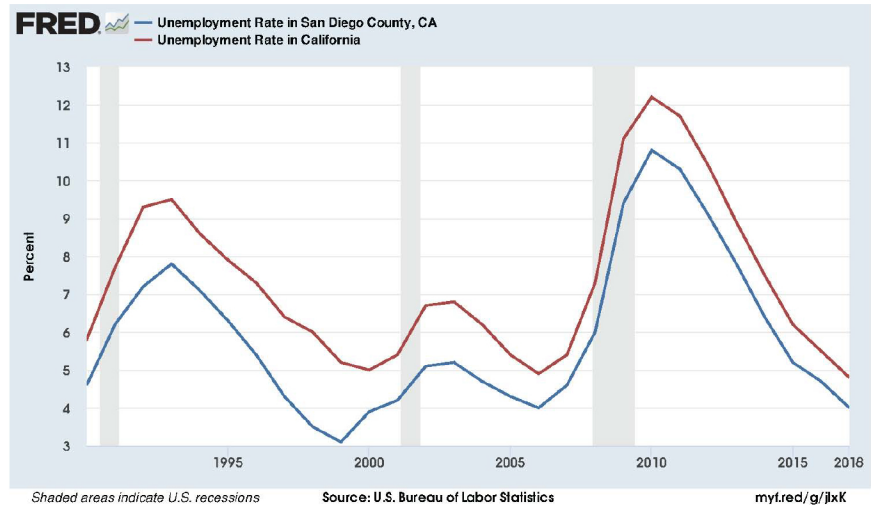
This piece examines San Diego's remarkable economic diversity. Learn why San Diego is so remarkably fortunate to have so many varied industries and robust, small firms.

What happened to Detroit when the automotive industry slid? Las Vegas led the national foreclosure rate for years. New Orleans may never regain the economic clout it had before Hurricane Katrina.

In contrast, San Diego's biggest for profit employer, Qualcomm, provides less than 1% of the county's jobs.

Our solid economy reflects a level of diversification that is amazingly rare.

Urban economists study what a region exports. When a region provides more of something than the national average, that product or service is an economic driver. San Diego is a net exporter of several goods and services to the rest of the world. Many metropolitan statistical areas, MSAs, have only two or three economic drivers. In comparison San Diego has eight drivers.



When your clients are renters, especially those who are the younger and lower paid workers, economic diversity is vital. Diversification means deflecting the economic damage that destroys others and keeps San Diego workers employed.

1. Military: largest military base on the planet;
2. Education: Four major universities and more than a score of junior colleges and institutes;
3. Tourism: beaches, vacations, cruise ships and climate;
4. High tech: Biotech and software industries;
5. Manufacturing: defence drones, golf equipment, TV components;
6. Retail: thousands of people cross the border daily with fresh purchases;
7. Agriculture: we export more than we bring in;
8. Import / Export

San Diego's unique diversification limits investment risk. Most of our strengths are in arenas with strong futures, not the past. **In the last three recessions**

San Diego has fared better than the rest of California. Our job losses were less and our recovery was faster.

Wealth Accumulation

In building wealth, it is not so much how much you make, but how much you keep. Volatile markets like Vegas and Phoenix suffer horrifying busts along with unsustainable booms. San Diego is an ideal economic environment to grow rich and stay wealthy. If you want to gamble, go to a casino. If you want to accumulate and maintain wealth, then buy San Diego rentals and trade your equity into larger properties.

The next article will consider how a simple strategy has historically produced superior returns with minimal risk. Like so many things about investing in San Diego rental housing, it almost seems too good to be true. Yet this strategy has produced millionaires for generations.