Avanti Properties Group
Investing in land where America grows
Summer 2026
Issue No.34

Mind Over Market

This winter, we proposed "10 Good Things" to consider during an anxious market. Today, a half year later, they remain the same. America remains underbuilt, Avanti's sunbelt cities remain the best for growth, and pent-up demand for housing endures. For deep-value investors in land, bright days are ahead.

Yet these are uneasy times. In the early 2020s, after falling off a cliff due to the COVID-19 shock, the housing market rebounded with remarkable acceleration. Low interest rates, huge fiscal stimulus, and historic levels of immigration fueled significant growth in response to both new and pent-up demand for shelter. But by 2024, housing reversed course as Washington enacted policies that hurt both demand and supply, leading to virtually no immigration, interest rate instability, government cuts, and fiscal indiscipline. Today, both homebuyers and homebuilders are under pressure – the former from higher prices and the latter from profit margin compression.

Thankfully, market anxiety can lead to opportunity. Indeed, no matter the stage of the economic cycle, uncertainty *always* exists. In response, the best investors work to cultivate a sense of control amid it all. As Marcus Aurelius (the Roman emperor whose Stoic philosophy resonates with the Instagram set) once said, "You have power over your mind, not outside events. Realize this, and you will find strength."

Another Successful Avanti Development in Houston

Avanti has sold more than 1,250 homesites at its recently completed StoneCreek community in Houston, TX.

In four decades at Avanti, we've found strength by finding deep value where others won't, don't, or can't. None of this is easy, because doing so requires independence, discipline, and a willingness to ignore the crowd, especially when conventional wisdom says otherwise. And it can be hard to apply these abstract ideas to reality. But one way to try is by translating experience into practical lessons – 10 of which follow. These guide our business every day:

1. **Buy at the right price.** The cornerstone of any acquisition we make is simple: invest at a deep discount to what users will pay in the future. Paying $25 for a parcel that ultimately will be worth $100 offers not only the potential of a $75 gain, but also something more valuable: control. The right price enables patience in business planning, flexibility when selling, and sanity during economic slowdowns. And it makes ownership much more enjoyable. When things go wrong, life is easier at 75% off.
2. **Avoid the risks you can control.** There are risks we want to take, and those we won't. Exhaustive (and expensive) due diligence is critical to assessing those risks. How much does it cost to develop the site? Does it have sufficient governmental approvals? What are the soils like? Is public financing available? Where do we get water, sewer, and utilities? These and others are all questions that we can answer, at least within a certain range of outcomes. And we need to find those answers before we take title. If we can't, we move on.
3. **Minimize the risks you can't.** The only risk we *do* want to take

is time: How long will it take to sell for $100 if we're paying $25 today? It's never possible to know for certain, but it's always possible to make an educated guess. First, start with locations in strong corridors of large, economically diverse cities that are close to jobs, schools, transportation, and shopping. Then, understand the future competition. How many current and future homes are nearby? At what prices and household incomes? Analyze them dispassionately, and you'll increase the chance of investment success.

4. **Grab a profitable sale, but don't reach for the last penny.** Sometimes a buyer will show up earlier than expected, maybe with an offer lower than projected. But if that unexpected sale delivers an acceptable return and multiple of your investment, take it. Doing otherwise is like giving up control when you don't need to and assuming more risk than necessary. Instead, take the risk off the table – the last penny isn't always worth it.

5. **Don't bet on short-term outcomes.** Over time, betting on the whims of the short-term is a mistake. Even so-called paradigm shifts don't happen instantaneously. Better to focus on more predictable trends that have proven themselves over decades. In our business, that means investing in the best markets for growth over 50 years. And studying long-term relationships like home prices to household incomes. Leave the betting to Kalshi.

6. **Mind the store.** Patient investing sometimes requires impatience. When problems arise, address them. When a bill arrives, pay it. When the phone rings, answer it. (Or call back promptly.) Closely monitor market activity. Doing all these things rather than putting them off *creates* the time for us to sift through 2,000 potential deals a year to buy four, five, or six.

7. **Keep an eye on overheads.** We conduct a nationwide land investment business, not with offices in 25 cities and the overhead that would entail, but by enlisting local expertise at the time we find a site. We've found that "paying as we go" focuses our attention on finding the right investments at the right time, instead of investing to support a permanent infrastructure all the time.

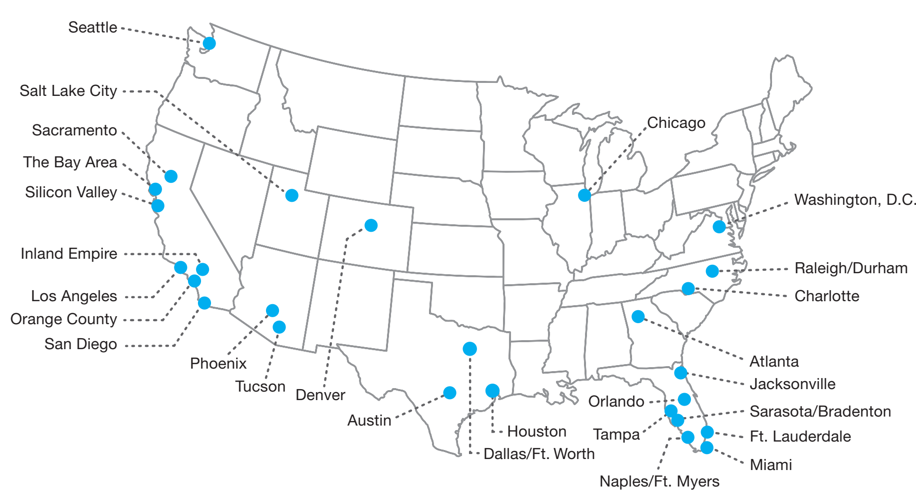
8. **Be careful of building ahead of buyer demand.** Spending the capital to buy a site when no one else will is a big enough commitment alone. So, we're careful not to double down with improvements until we have buyers who are willing to take risk alongside us. Though we understand that buyers may not always perform, their commitment with meaningful deposits helps to defray costs and supports the seller's market. While others may say "build it and they will come," just understand that sometimes "they" may not show up.

9. **Avoid leverage.** Most of real estate is fueled by debt, but land and leverage generally don't mix. Loans can come due at the wrong time. And even when used prudently, introducing debt to a transaction adds another decision-maker to the table when you're ready to buy. That can also add unwanted pressure to sell when you may not be ready. Use leverage sparingly, if at all. And always be prepared to pay it off and live without it.

10. **Don't forget Lesson #1: ONLY buy at the right price.** The right price can't solve every problem, but it helps.

Sourcing Network and Markets

For 40 years, Avanti has dedicated itself to land investment, focusing on well-located sites in fast-growing metropolitan areas. Today, Avanti owns land that can accommodate more than 45,000 homes in its residential holdings alone. Avanti looks forward to working with experienced local land developers who benefit from having a strong equity partner for medium-term projects requiring $5–$50 million.



Corporate Headquarters:
923 N. Pennsylvania Ave
Winter Park, FL 32789
T: 407-628-8488 F: 407-644-3115
www.avantiprop.com

For more information on Avanti or to discuss any specific proposals, please contact any of the following by telephone at 407-628-8488 or by email.

Andrew Dubill
adubill@avantiprop.com

Marvin Shapiro
mshapiro@avantiprop.com

Ryan Lefkowitz
rlefkowitz@avantiprop.com