

Heatley Capital's
DFW Land Advisory
The Tell-It-Like-It-Is Letter for Real Estate Speculators
September 2001 Issue

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He that's secure is not safe.
-Benjamin Franklin

From:
Dallas, Texas
Saturday, 8:18 a.m.
September 22, 2001

Dear Subscriber and Fellow Speculators:

As you know, my newsletters focus on the ins and outs of real estate investments, which way the market might be headed, and what you should be doing about it. But in the last 10 days I've heard from so many people, I've decided that this won't be one of those newsletters.

As expected, most everyone I've talked to seemed to have their heads wrapped around one single and very compelling urgency: getting back to normal, and getting there as fast as possible.

Do I hear an "Amen?"

But "normal" as we knew it before Black Tuesday doesn't exist anymore, and getting back to anything closely resembling it isn't likely to happen as fast as most of us would like. Our world changed, and in a way that most of us could never have imagined. Things we took for granted just two weeks ago now no longer hold true.

"Normal" has just been redefined...

Still, there is a lot be thankful for.

That it could have been worse would be number one.

A nuclear or chemical invasion would have meant a death toll of Armageddon-like proportions. Japan lost 140,000 human beings in the bombing of Hiroshima. In New York the

number feared dead approaches 7,000. But we forget that in 1999 we killed over six times as many people on...

Our Own Highways!

Number two is, we still have a president, a vice president, a White House, an FBI, an Air Force One, and a very qualified group of experts working tirelessly to bring order back into our lives, so that we can at least begin moving toward a "New Normal," whatever it means, and however long it may take.

Could it be that the "New Normal" will turn out being better than the old one?

I say yes.

Remember, we live in a very wealthy nation that answers devastating disasters by spending obscene amounts of money. In this case, it will come from both the insurers and from the Federal Emergency Management Agency, which over the past decade has become a politically unstoppable fountain of federal largesse. So in the end, in their attempt to maim America, these terrorist will probably end up making it more prosperous. We are dazed, but not confused. We are hurt, but not hobbled. They can break our hearts and they can kill us, but they cannot...

Make Us Poor!

I need to interject something on how all of this mayhem was handled. We're lucky those at the controls didn't pole-vault to conclusions. "Be always sure you're right—then go ahead." Davy Crockett said. Good advice then, and even more so now. Lord knows there's more'n enough cowboy types running loose, bent on carpet bombing everything Middle Eastern and asking questions later. If you haven't encountered any of these, tune in to almost any talk radio station. I'm certain these are the same people who suffer frequent bouts of road rage.

By the way, whoever's idea it was to delay the opening of the stock market, we can thank our lucky stars for that too. Great call, that one. Panic is one of those options we can't afford at a time like this, and thankfully panic got scratched from the race before it even began. Maybe the idea of letting some good news catch up with the bad news so that emotions would have a chance to settle, thereby avoiding extreme responses, paid off.

We'll know soon enough.

Even so, there was some panic selling, and parasites and con artists came slithering from underneath rocks. A few Islamic temples were shot up, too. Fortunately these make up a microscopically small minority of Americans. All in, America, I am proud to say, behaved in a way I am sure was disappointing to the terrorists and their supporters.

Some of you commented that you wished President Bush had come out with stronger talk at the very beginning. Me too. Had his speech been more from the heart and less from the teleprompt, no doubt we all would have been more moved. But then a second thought came:

George W. will never be a Winston Churchill. And, should never have to be. What's important is, is that George does his job.

And, that we *let* him do his job.

No second guessing allowed.

When trouble is at the gate, it's best to turn things over to the pros hired and trained for it. Believe it, there's plenty of strong backs surrounding George W., a mighty arsenal of talent getting paid a good wage. For now, I'll take getting my back gate safely secured against the terrorists and worry over polishing up speeches on another day. What matters is, we are moving forward, we are functioning rationally, rather than knee-jerking our way into an even deeper dilemma.

SO: get back to your seats and let George W. do his job.

As always, the grief, anger and fear will pass. Eventually we can get on to what good may come of this. I'm encouraged that already this has galvanized Americans, that the political bickering dividing our country over trivial matters came to an abrupt halt. But that alone doesn't fill my cup. I won't be happy until the day we find a new sense of awareness. If the attention this gets prevents something exponentially more terrible from happening to us later on, we should count ourselves lucky. It's time we grew up and accepted that there are a great many people on the loose who truly hate Americans (too many of them right here *in America.*)

Equally important, I won't be happy until our government comes to its senses on priorities. We're a nation overly obsessed with others rights. May I see a show of hands for *Americans'* rights?

Thank you.

At least the Israelis get this. Priorities are their primary weapon against terrorism. Priorities arranged in a sensible fashion, that is: take care of your own, and to heck with world opinion. This is not a neat and pretty world, and you can't make it right for everybody. Sooner or later you're gonna tick somebody off, and likely as not it's going to be over something you can't fix anyway. Mind you, the good ol' U. S. of A., I hear, was attacked not because of anything it has *done*, but because of its...

Mindset!

Isn't *that* just dandy. A number in excess of 2,500 Americans blown away because a handful of diabolically insane fanatics happens to not like us. I'm sorry, but what manner of reasoning or fairness would ever appease that?

It doesn't exist.

As for priorities, I say it's time we suspend talk about bonus money for national vote buying, and start serious talks about resurrecting our neutered intelligence mechanism. This country has failed its CIA, just as surely as it has failed its airport security. Not enough Americans get this,

but soon they will, especially now that a new and improved "Evil Empire" has finally penetrated their consciousness, let alone their everyday lives and sanity.

As for what this means for DFW real estate, with so much pain and human suffering around, I have trouble focusing on that at the moment. I'm thankful just to see the sun come up and to hear American Airlines jets once again soar over my rooftop. And, I am especially thankful that my son Matt and his girlfriend Fiona made it home safely from Ireland, back to Boston.

Matt's flight, you see, departed Boston Logan Airport just one day before the attack.

I count my blessings.

Sincerely,



Mike Heatley
"Proud to be of a Nation
Who Still Stomps Its Own Snakes"

P. S. RE: the DFW outlook, all I can say is, it's too soon to tell. I have learned that nothing is ever as good as it seems, nor is it ever as bad as it seems. No doubt certain sectors are in for a rough ride, but overall I still believe the DFW economy is positioned to fare better than most, and maybe even will rebound faster than seems possible at the moment. However, as I underscored in my last letter, to make money will take looking in places we've never looked before. Anyone who doesn't get this should get and read immediately "Who Moved My Cheese?" by Spencer Johnson, M. D.

You can thank me for it later.

P. P. S. "We will not falter, we will not fail." Now *that* moved me.

Peace.

Special Bulletin

Many in real estate are aware that September 11th will reshape our industry in ways we cannot yet fathom. Take high rise offices, for example. How we build them, and even where... won't be the same. (Who knows, 20 years from now we may not be building them at all!) Housing could be in the same boat. It could mean the crash of suburbia, the dawn of penturbia. But whatever it means, one thing is for sure: change is on its way, and change means opportunity.

Such is the new subject of our Discussion Round-Table at LandPlayers.com. To join in, click the link just below this bulletin, then answer this:

**"In What Ways Do You Believe
the Events of September 11th
Will Change Your Business?"**

Etc... many of you are asking "what now?" I asked myself that same question, only back when I thought the market was topping out late last year. So February I began a report entitled "The Next Big Thing in Real Estate," but got so busy hunting "the next big thing" I never finished the report. But I can tell you now that it is NOT Million Dollar Homes, it is NOT 500,000 square foot offices, and it is NOT REITS. What it IS... is the subject of the next DFW Land Advisory.