

SOUND OFF *Brian Clarke Jr.*

Why is real estate a sound investment for buyer-occupied properties?



To start, I will quote former President Franklin D. Roosevelt: "Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world." Historically, real estate is a safe and sound investment. Homeownership comes with certain tax benefits that renting

does not. Currently in most markets, monthly rents are higher than what one would pay in a mortgage. As you pay your mortgage down, typically your home's equity increases. On the flip side, while paying rent you have no chance of equity growth. We saw an inflated market during the early part of the 2000s that lowered affordability. The market, in turn, eventually adjusted allowing homeowners

more buying power. During the adjustment period buyers were able to purchase more house for their dollar. During inflated markets, sellers have the ability to sell their house at higher levels versus normal or adjusting markets. Owning a home is not a short-term investment. It should be looked at as a long-term investment. Studies have shown that homeownership helps with one's

net worth. Real estate continues to be less volatile of an investment than most stocks and bonds. Along with the historical data we have and the trends we are seeing, real estate will continue to be a safe investment regardless of market conditions. *Brian Clarke Jr., William P.O. Gatzky's International Realty, 303-346-4774, bclarke@wpg.com*