

HEDGE AGAINST INFLATION WITH INVESTMENT IN REAL ESTATE

With inflation recently hitting a 40-year high, the health of our economy is on everyone's mind. A surge back to "normalcy" (after a lockdown which hamstrung consumer spending), coupled with large federal stimulus plans, has supercharged demand for goods and services along with the prices attached to them. Making matters worse, supply chain issues seem to be plaguing virtually every industry, further driving up the costs of many materials and products. So, in the face of such economic uncertainty, is there anything that can be done to protect yourself? As any investor worth their salt will tell you, you have to hedge your bets.

Hedging is a vital part of investing, as it helps minimize losses during major market fluctuations that can occur in reaction to events like inflation (don't put all your eggs in one basket!). Hedges are assets that are either less volatile, or tend to behave in ways that are distinct from other assets in your portfolio. Among the most popular hedges against inflation are gold, bonds, and yes, you guessed it... real estate.

Real estate is regarded as a hedge against inflation for a number of reasons. First and foremost is the effect inflation has on debt. As home prices rise over time, it lowers the loan-to-value ratio of any mortgage debt, acting as a natural discount. The equity on your property increases, but your fixed mortgage payments remain the same.

Similarly, inflation can benefit real estate investors who are earning income from rental properties. As market rents increase, so does your income, provided your mortgage payments remain the same. With that being said, other costs associated with operating a rental property, such as maintenance and repairs, may be subject to increases during times of inflation.

Finally, real estate is an attractive hedge in general simply for its tendency to stay on a steady upward trajectory over time. Real estate does experience boom and bust cycles, but even after the market crashed in 2008 (perhaps the worst such crash in US history), Bay Area homes had returned to pre-crash prices in just a few years. Over time, there are few assets that are as reliable, with as high of a potential ROI, as real estate.

Of course, the benefits of homeownership extend far beyond its value as a hedge against inflation. Give me a call any time, and I'd be happy to talk your ear off about it.

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LISTINGS COMING SOON:



BUY & BUILD

1325 BROOKDALE AVE.
4BD/5.5BA - MTN. VIEW



BUY & BUILD

20 CERROS MANOR
5BD/5.5BA - M. PARK



NOW REMODELING

1079 MAYFAIR AVE.
2BD/1BA - DALY CITY

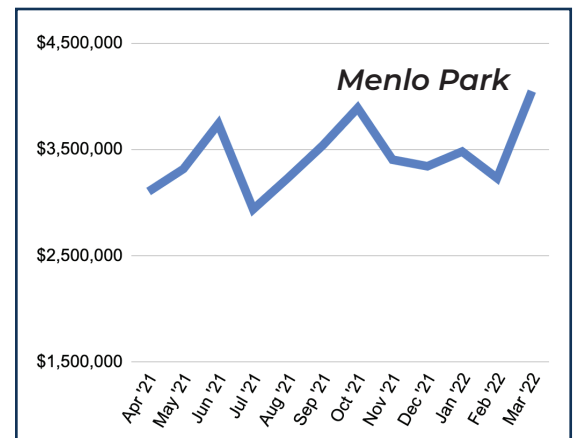
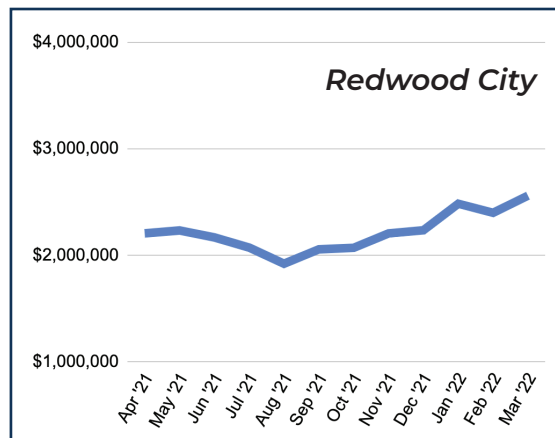
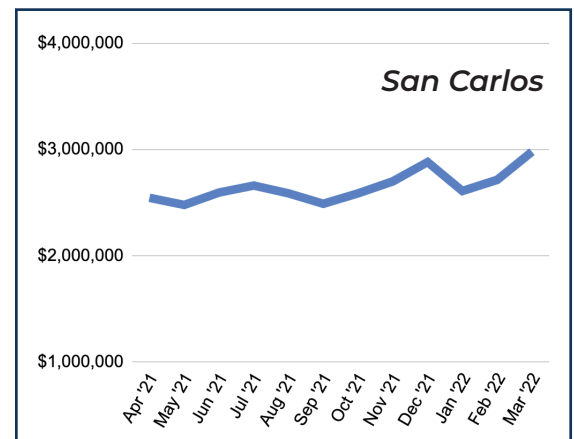
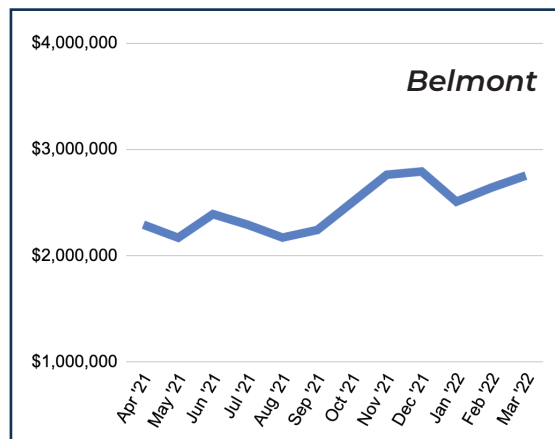
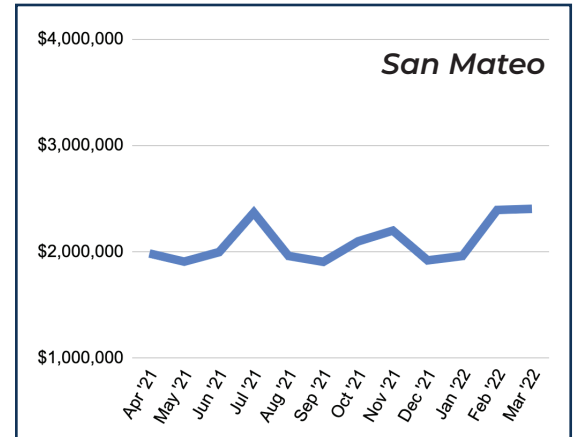
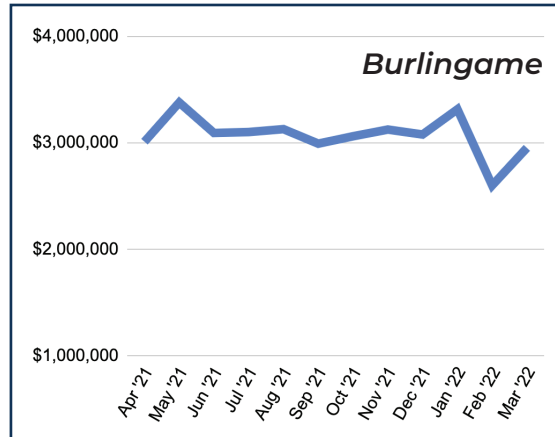


NOW REMODELING

1030 IRIS STREET
4BD/3BA - RWC

THE MARKET AT A GLANCE

Average sales price in mid-peninsula cities, past 12 months



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KEEPING UP WITH REALSMART



IN CASE YOU MISSED IT: WILL CA'S NEW ZONING LAW CHANGE YOUR NEIGHBORHOOD?



Thank you to everyone who joined our recent webinar on SB 9 - California's new zoning law, which opens the door for up to 4 units of housing to be built on a single-family lot. We hosted a panel of real estate experts to provide some context to the bill and offer insights into how it will play out as local governments begin to implement it.

If you have any remaining questions about SB 9, or would like to explore the possibilities this new law affords your property, please feel free to reach out to us - we are happy to set up a free consultation with anyone curious to learn more.

Our next webinar will take place **Thursday, June 2nd @ 5pm**. Stay tuned for a formal announcement!

If you were unable to attend our SB 9 webinar, you can access a full recording of the event by scanning this code →



INTRODUCING: DIANE MARTIN, REALTOR



Meet Diane Martin - the newest member of the RealSmart Properties team!

A lifetime passion for fitness and tennis has instilled a deep competitive drive in Diane - a quality that serves as an immensely valuable asset to the RealSmart Team and our clients. Additionally, Diane has a long history of

Scan for Diane's
Team Intro Video! →



community involvement, volunteering at her children's schools, both the Redwood City and San Carlos Education Foundations, as well as various other community organizations.

Her competitive drive and deep community roots pair with 25 years of sales experience, a combination that makes for a savvy negotiator with a breadth of local knowledge and insights. She's an advocate anyone would want on their side during a real estate transaction, and who we are incredibly fortunate to have on ours.

Welcome to the team, Diane!

RECENT SALES:



2727 WEMBERLY
4BD/2BA - BELMONT



632 COLLEGE DR.
3BD/2BA - SAN JOSE



3300 LOWER LOCK
10+ACRES - BELMONT



681 SKYLINE DR.
3BD/3BA - DALY CITY

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PROPERTY SPOTLIGHT



10 Brand New Luxury Homes in Newark | Scan code for the brochure

