



All That Glitters Is Not Gold

In a parallel universe I trade metals with the support of chart-based technical analysis. For those interested, it is almost certain that this year Silver will outperform Gold, largely because silver has an industrial element (especially in the green energy era), as well as the "Safe-Haven" element which gold attracts.

Last October, an ounce of gold was 82 times the price of an ounce of silver. That ratio is now 66. In other words, silver has made ground and I will predict that it makes 62 later this year, and trade at well above \$30 an ounce.

The analogy holds true for real estate. When shopping for a home (or deciding to stay where you are and just 'fix it up') you can be blinded by the glitter.

A new construction property shines the brightest. However, keep in mind that there are significant

additional costs on top of the baseline quote of the builder. New construction buyers almost always end up making upgrades during construction that increase the price. Further, the cost of the home does not include fencing, landscaping, draperies or furnishings.

New construction is the 'gold standard' provided you can afford it. Even shopping for the 'not so new' or 'pre-loved' home can be challenging. You almost never can find 'gold' in them there hills. Perfection is not your goal.

If you obtain 90% of your expectations for location, quality and cosmetics you should be satisfied. In a year of limited choices for homebuyers, listen carefully to the counsel of your Realtor.

You may even consider the 'fixer-upper' with the assistance of an Alaska Housing "Renovation Loan". AHFC will provide an escrow for completion of work up to

50% more than the basic loan being obtained for the property, but not exceeding \$75,000. For further information on a Renovation Loan, contact your lender or check out ahfc.us/buy/renovation-loan-programs.

Gold has forever been the ultimate measure of value (and will survive Bitcoin) - but silver is quite nice too. Take off your sunglasses when shopping for a home and add a realistic and practical element to your calculations.

Dave

Windsor

A stylized, handwritten flourish or signature element, possibly representing the letter 'Z' or a similar shape, written in black ink.

