

Home values: a matter of perspective

Though many of us have been trained by the headlines and sound bites to focus on what we're told is the "crumbling" housing market of the last year or so (Figure A), we believe that a more realistic approach is to look at the long view (Figure B), by which we are able to put the most recent decline into perspective. Yes, short-term investing — whether in housing, the stock market or anything else — will always be subject to short-term market forces, but even with the recent downturn, the data supports our contention that investing in real estate is a sound, long-term investment.

Figure A: A short-term view

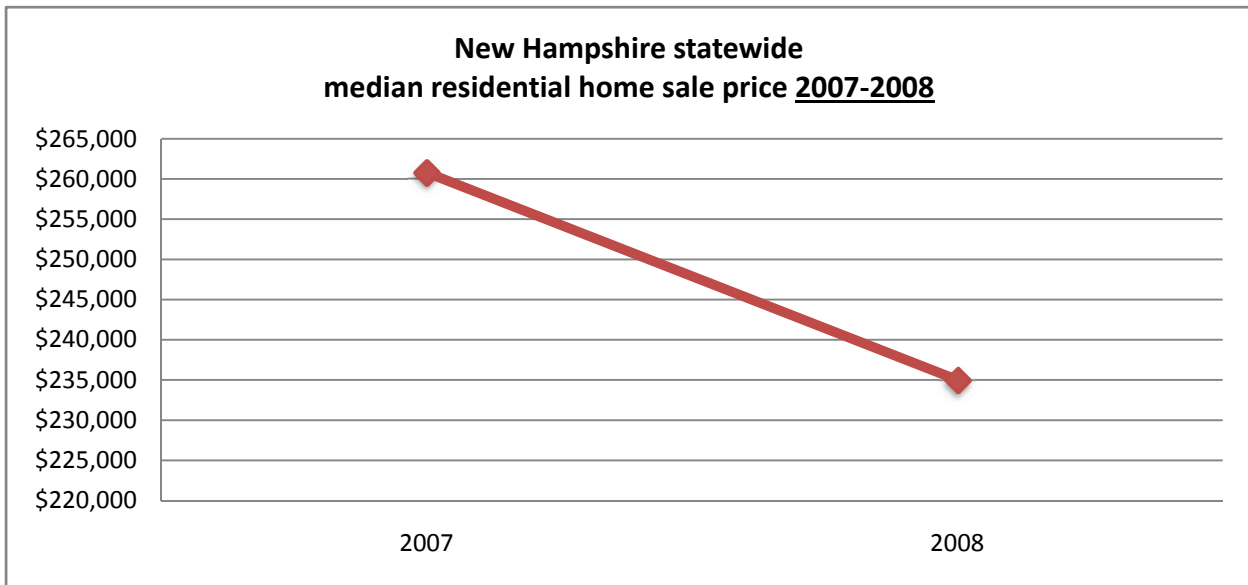


Figure B: A long-term view

