

# **Gold vs Real Estate**

## **An Investment Comparison**

**Exploring Historic Highs and Untapped Potential**

Gold Silver 4 Security, 2024



# Presenter

## Gunvaldis Ezermanis

Gunvaldis Ezermanis is an adept project leader with a diversified background, showcasing his expertise across a range of business domains. His career has been cultivated through hands-on involvement in various sectors: logistics, international trade, investments into precious metals.

Gunvaldis's managerial prowess has been evident since 2001, where he has held pivotal roles on the boards of two firms specialising in logistics, freight forwarding, and global trade. He is responsible for strategic planning, project management, financial oversight, and shareholder reporting. His unwavering dedication has ensured the smooth operation and expansion of these companies, contributing significantly to their establishment and growth.

Gunvaldis is also a seasoned expert in company development. His contributions have played a vital role in the growth and expansion of various organisations. His strategic insights have been instrumental in enhancing operations at these entities during his tenure.

Education has been a cornerstone of Gunvaldis's professional journey. He holds a specialisation in International Trade from an esteemed institution and has a background in Shipboard Automation. His commitment to continuous learning is evident through the ongoing courses he undertakes, which include topics like marketing, public presentation, modern sales channels, and financial planning.

Gunvaldis Ezermanis possesses exceptional language proficiency, with fluency in his native Latvian, along with impressive proficiency in Russian and English, and a moderate understanding of German.

With a comprehensive skill set, extensive experience, and a commitment to continuous improvement, Gunvaldis Ezermanis exemplifies a visionary project leader who consistently delivers results and propels growth in diverse business landscapes.





# The Dynamic World of Investments

**In this presentation, we will uncover the unique attributes, historical performances, and future potential of these two assets. By examining key metrics, trends, and case studies, we aim to provide a comprehensive understanding of how gold and real estate have shaped and continue to influence the investment landscape.**


**Our journey will highlight the intrigue and intricacies of each asset class, offering insights into their roles as stores of value, hedges against inflation, and instruments for wealth preservation and growth.**

# London's Residential Housing

**Calculated in £**

# London's residential housing

November 1968 - November 2018

Average price by type of property in **London** 



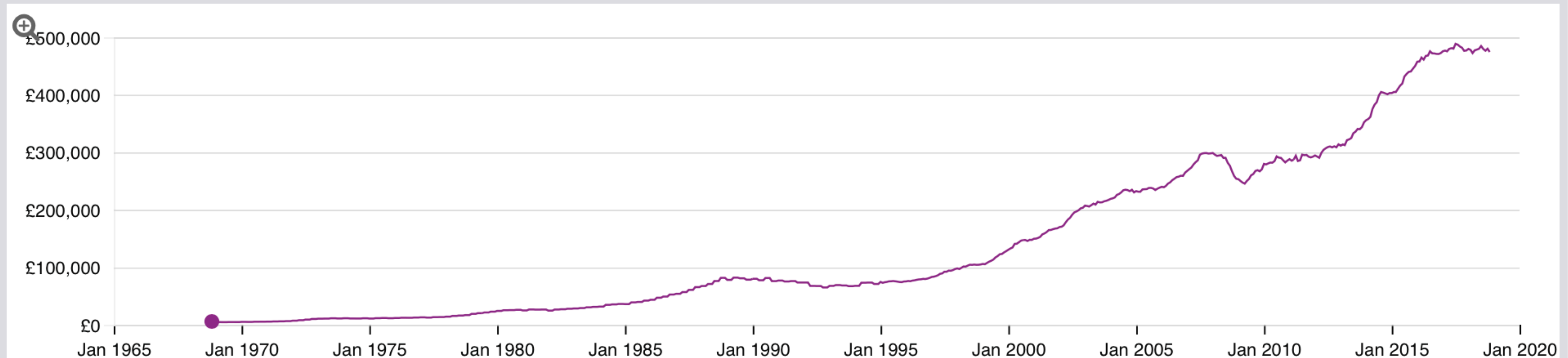
☒ All property types ☐ Detached houses ☐ Semi-detached houses ☐ Terraced houses ☐ Flats and maisonettes

[See data graph](#)

[See data table](#)

[Download this data](#)

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<https://landregistry.data.gov.uk/>

# London's residential housing

## official Government data

In **November 1968**, the average residential house price in London was approximately **£4,300**.

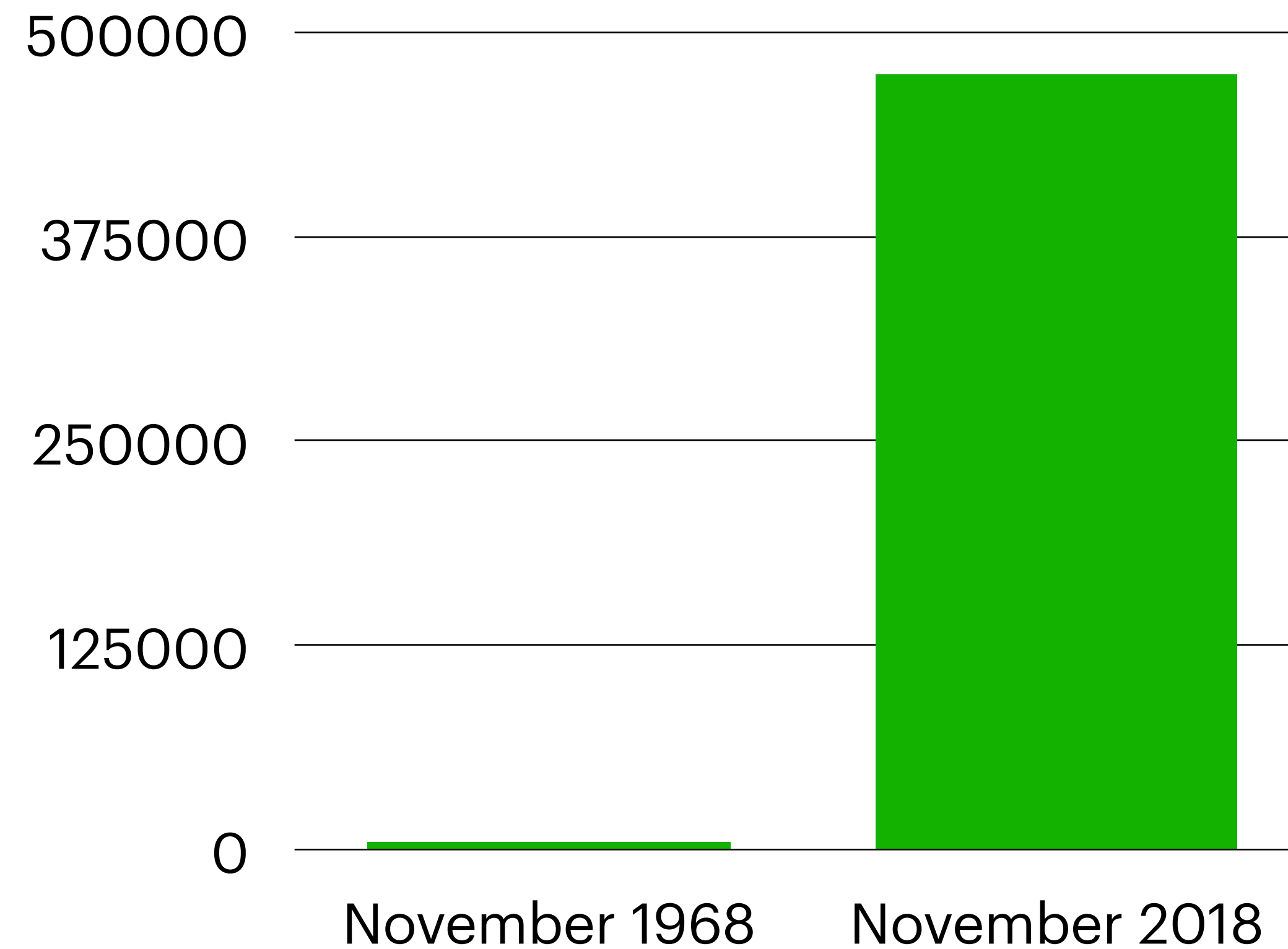
This data reflects the broader trends of that decade, where house prices saw a steady increase from earlier in the 1960s, continuing the upward trajectory that was characteristic of the post-war housing market in the UK

In **November 2018**, the average residential house price in London was approximately **£474,000**.

This data reflects the continued high property values in the capital, although there was a noted slowdown in price growth during that period. London's property market remained the most expensive in the UK despite this slowdown

# London's residential housing

official Government data, prices in £



# London's residential housing increase factor in £

To calculate the increase in average residential house prices in London from November 1968 to November 2018, we can use the given historical prices:

- **November 1968:** £4,300
- **November 2018:** £474,000

We can use the formula for calculating the price increase factor:

$$\text{Increase factor} = \frac{\text{Price in 2018}}{\text{Price in 1968}}$$

Let's calculate it:

$$\text{Increase factor} = \frac{474,000}{4,300} \approx 110.23$$

So, the average residential house price in London increased by approximately 110 times from November 1968 to November 2018.



# London's residential housing

## nominal vs real gain in £

### Summary

- **Nominal Gain:** £469,700
- **Real Gain (adjusted for inflation):** £79,808.97

So, the actual earnings of the homeowner, when adjusted for the loss of purchasing power due to inflation, are approximately

**£79,808.97**

This means that after accounting for inflation, the real value of the increase in property price is significantly lower than the nominal gain.

# London's Residential Housing

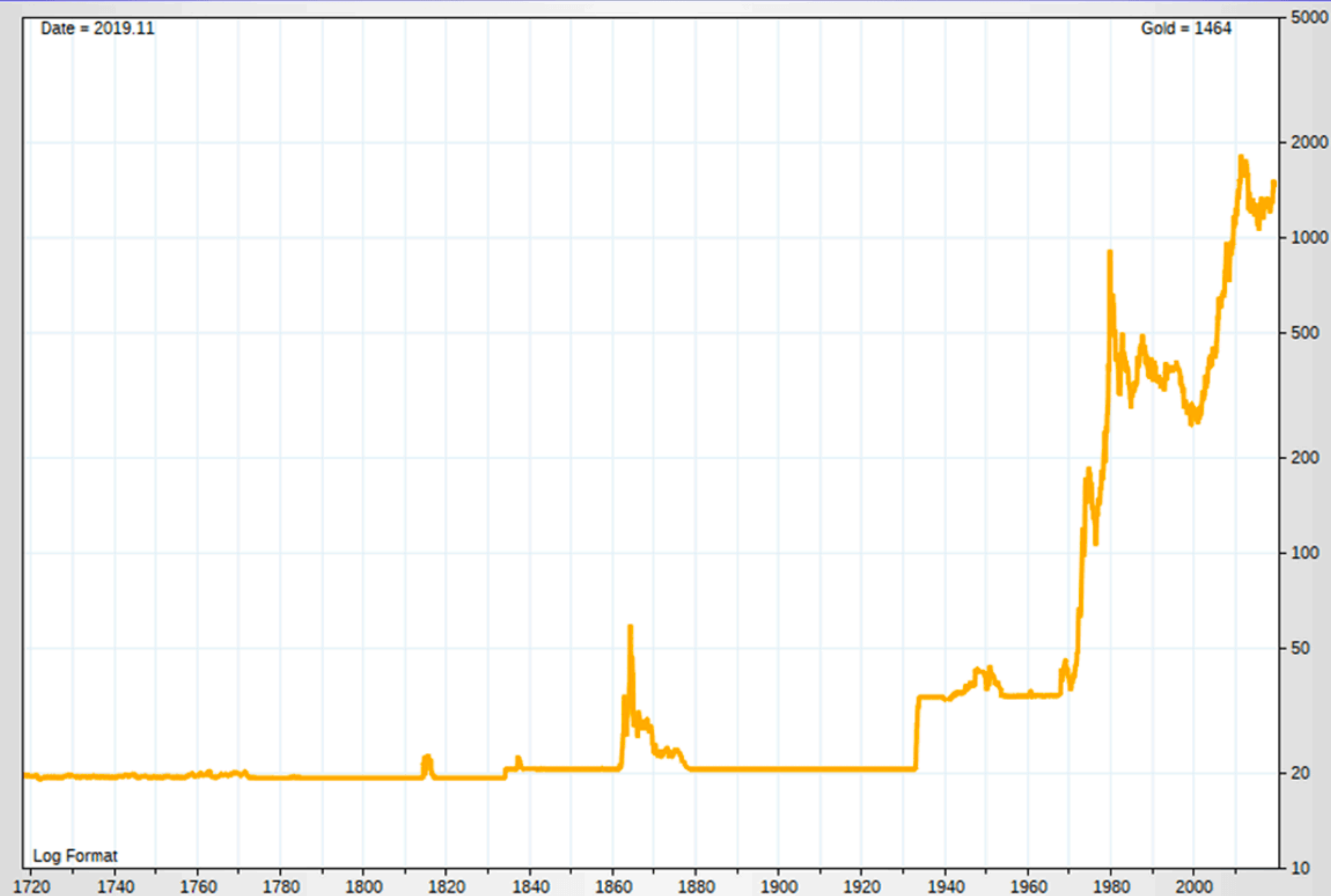
**Calculated in Gold Oz**



## LONG TERM GOLD

Date = 2019.11

Gold = 1464

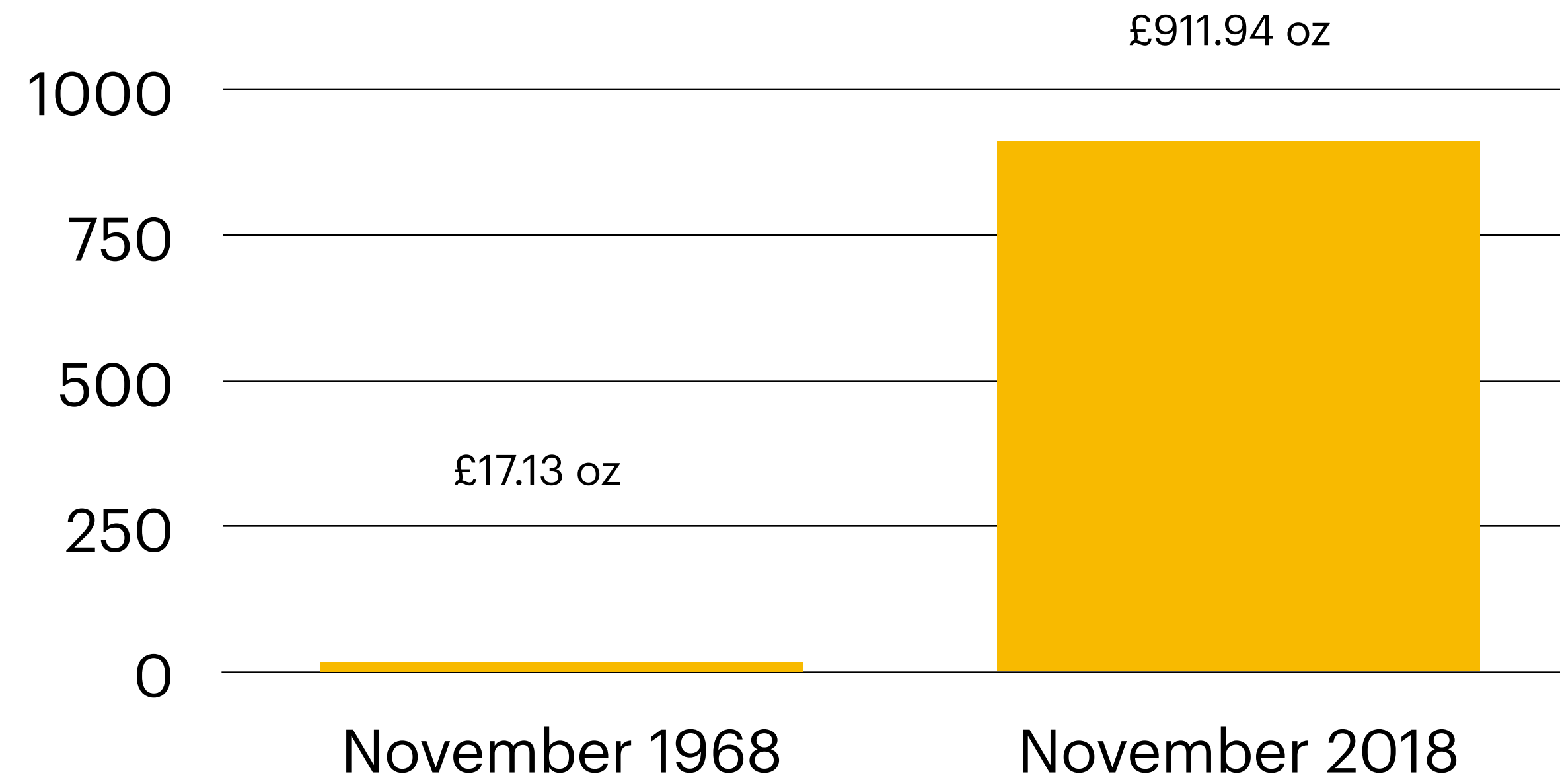


Log Format



# Gold Price

## per Oz in £



# London's residential housing purchasing with Gold

## Summary

- **Ounces of Gold in 1968:** 251 oz
- **Ounces of Gold in 2018:** 519 oz
- **Gold Gain:** 268 oz

So, if the homeowner bought a house in 1968 with gold and sold it in 2018 for gold, the actual earnings would be **268** ounces of gold

# London's residential housing increase factor in Gold

To calculate the increase factor measured in gold, we use the number of ounces of gold required to buy a house in 1968 and 2018.

Given:

- In 1968, you needed 251 ounces of gold to buy a house.
- In 2018, you needed 519 ounces of gold to buy a house.

The increase factor is calculated as:

$$\text{Increase Factor} = \frac{\text{Number of ounces in 2018}}{\text{Number of ounces in 1968}}$$

$$\text{Increase Factor} = \frac{519}{251}$$

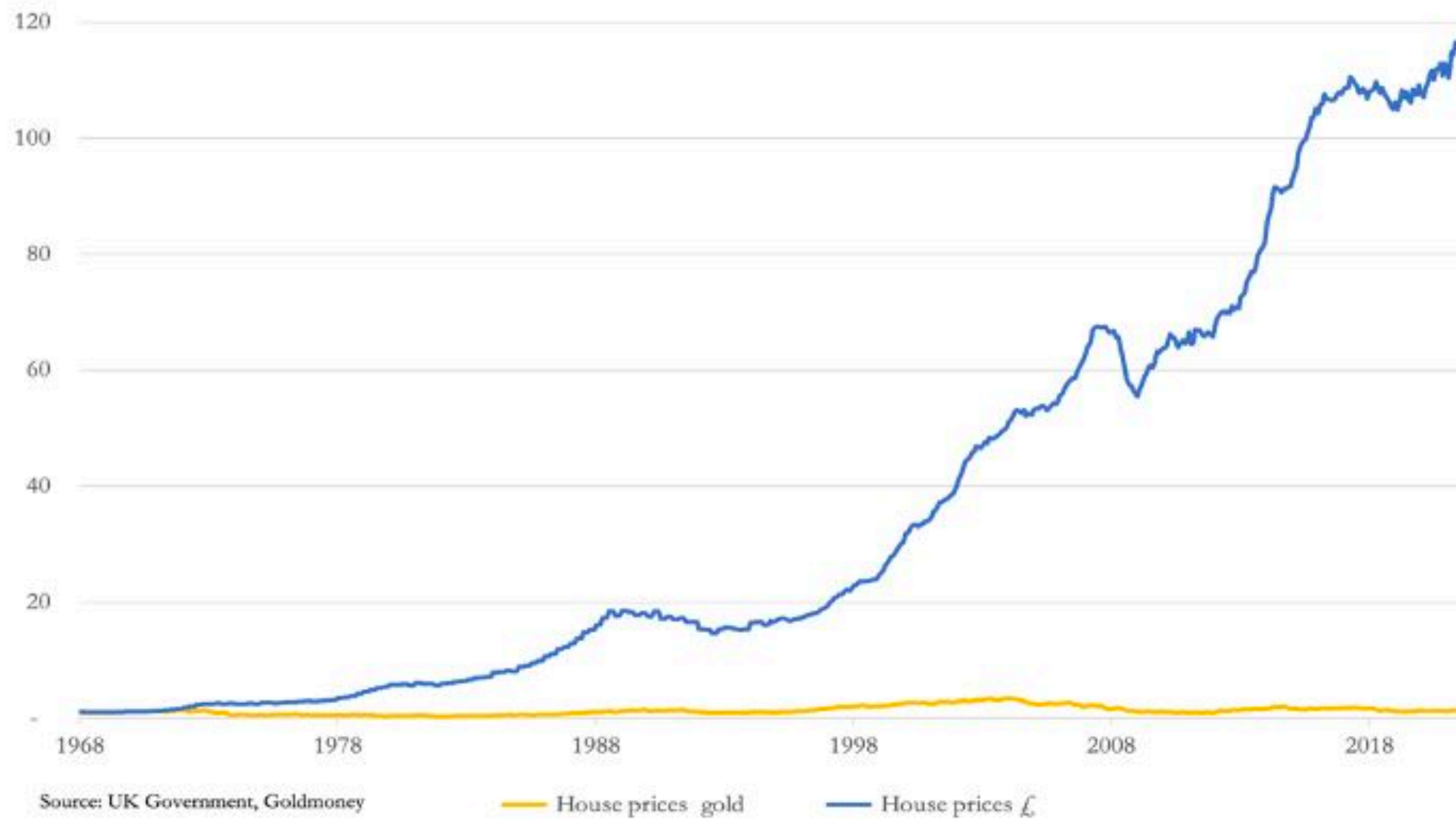
Let's calculate it:

$$\text{Increase Factor} = \frac{519}{251} \approx 2.07$$

So, the increase factor measured in gold is approximately 2.07.



Figure 1. London house prices in sterling and gold: 1968 = 1





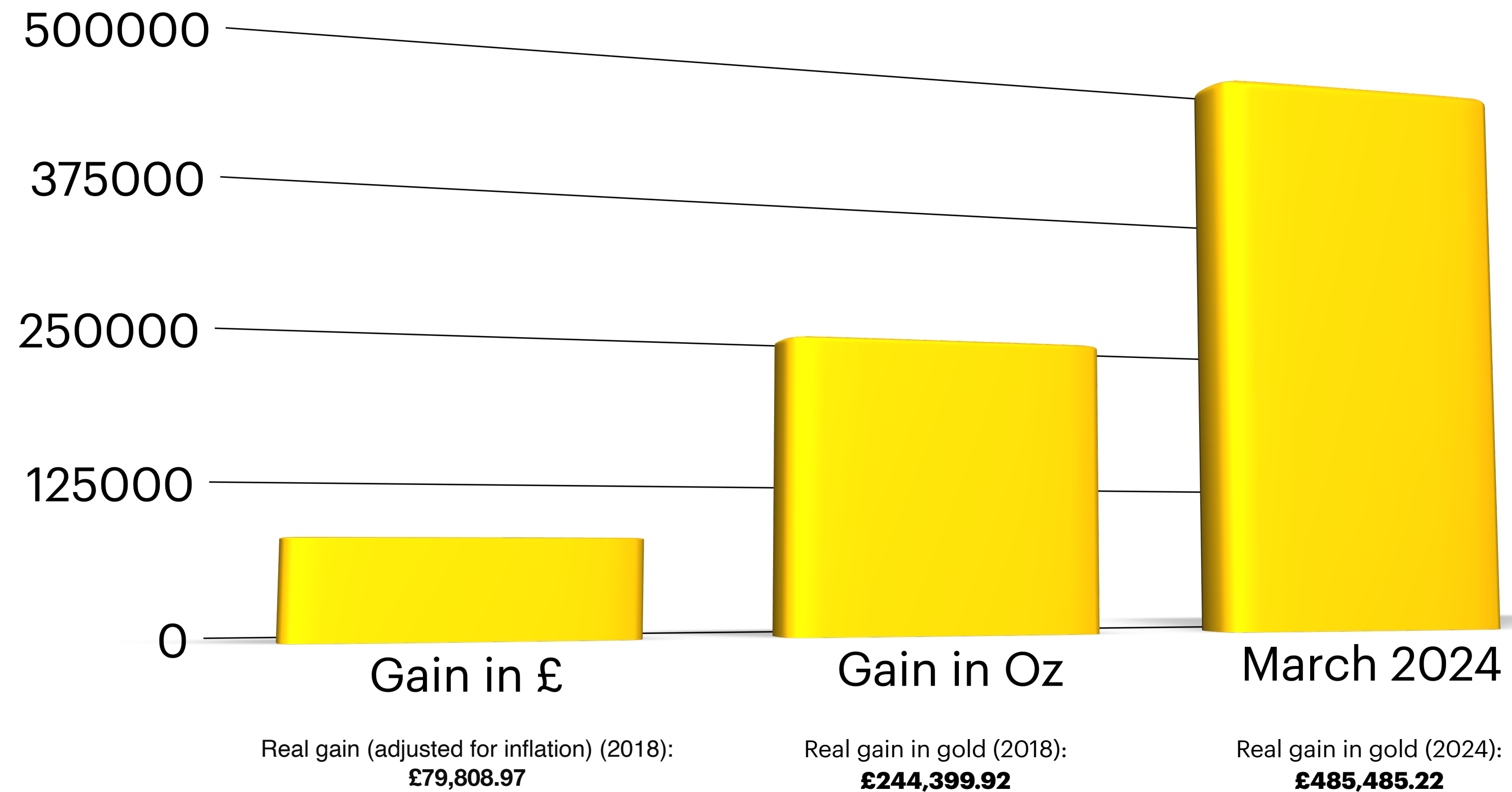
# London's residential housing real gain with Gold

If the homeowner sold 268 ounces of gold in 2018, they would earn approximately **£244,399.92**

If the homeowner sold 268 ounces of gold in March 2024, they would earn approximately **£485,485.22**, given the gold price of £1,811.51 per ounce

# London's residential housing

## real gain: Gold vs £





# London's residential housing real gain with Gold

## **Gold and Inflation Adjustment:**

### **1. Intrinsic Value of Gold:**

- Gold has intrinsic value and is often considered a hedge against inflation. Unlike fiat currencies, gold's value tends to remain relatively stable over time in terms of purchasing power.
- Therefore, gold is often seen as a real asset whose value adjusts naturally with inflation.

### **2. Comparing Real Gains:**

- When comparing gains in gold, it's crucial to recognise that gold itself reflects changes in economic conditions, including inflation. Thus, its value in GBP or any other fiat currency over time inherently accounts for inflationary pressures.

# Market Trends and Predictions

In 2024, the silver market experienced significant upward momentum, reflecting growing investor interest and industrial demand. On May 19, 2024, silver prices peaked at \$32.33 per ounce, marking one of the highest points in recent history. This surge was driven by various factors, including economic uncertainties, a weakening dollar, and increasing industrial applications for silver in technology and renewable energy sectors.

Similarly, gold prices have also seen a substantial increase in 2024. The demand for gold as a safe-haven asset intensified amidst global economic instability and inflation concerns, leading to a notable rise in its value. As investors sought to protect their wealth, the price of gold climbed steadily, reinforcing its position as a reliable store of value.

**These trends underscore the ongoing relevance and attractiveness of precious metals as part of a diversified investment strategy, offering both security and growth potential in uncertain times.**



# Learn more...

**We invite you to join us for an in-depth presentation where we will delve deeper into the fascinating world of gold and real estate investments. Discover detailed insights, comprehensive analyses, and expert predictions that can help shape your investment strategies.**

**Don't miss this opportunity to enhance your understanding and make informed decisions about your portfolio. Contact us today to schedule a detailed discussion and unlock the full potential of these timeless investment vehicles.**

**To request full presentation write an e-mail to:**

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