

Why Rent When You Can Buy?

You probably are comfortable renting because you don't have to worry about maintenance, HOA fees and staying in one place for over a year.

What you don't realize is that you are putting your money down the drain instead of investing it for your future.

Buy vs. Rent Comparison (source: www.ginniema.gov)

The chart below shows a cost comparison for a renter and a homeowner over a seven year period.

The renter starts out paying \$800 per month with annual increases of 5%.

The homeowner purchases a home for \$110,000 and pays a monthly mortgage of \$1,000. After 6 years, the **homeowner's payment** is **lower** than the renter's monthly payment.

With the tax savings of homeownership, the **homeowner's payment** is **less** than the rental payment after 3 years.

Years	Rent Payment	Mortgage Payment	Monthly Difference	After Tax Savings	Yearly Difference	After Tax Savings
1	800	1000	-200	-50	-2400	-600
2	840	1000	-160	-10	-1920	-120
3	882	1000	-118	+32	-1416	+384
4	926	1000	-74	+76	-888	+912
5	972	1000	-28	+122	-336	+1464
6	1021	1000	+21	+171	+252	+2052
7	1072	1000	+72	+222	+864	+2664
8-30	<i>Savings increase every year</i>					

Source: www.ginniema.gov

The key is to know how much you can afford and invest in a home. Consult with your real estate agent for information.

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