

# BUYING VS. RENTING



If you're still renting because you don't think you can afford to buy, try this: Take your current rent and multiply that by 12 (months in a year). Then take that number and multiply that by 30 (number of years of a typical mortgage). If the result is greater than the average price of homes in your area, you can afford to buy! By the way, the average home price in your area last month was \$420,000.

## When to buy?

This is a **great** time for Buyers. Home prices are down and record low interest rates make now an affordable time to enter the market.

## The Investment

Build up **your** equity. Don't pay rent and help your landlord build up his equity. Homeowner tax advantages include interest and property tax deductions. Payments to principal put money back in your pocket. Money spent on rent is just gone.

## The Dream

Start Small. Your first house may not be your dream home, but smaller houses typically appreciate considerably faster - about 20% - than larger ones. It's an advantage to become a homeowner sooner rather than later.

RENT FOR	EXAMPLE OF SAVINGS	BUY FOR
NONE	5% INT/30 YR LOAN	\$350,000
NONE	LOAN (P&I PAYMENTS)	\$1,879
NONE	TAXES & INSURANCE	\$325
+\$1,500	RENT	+NONE
\$1,500	MONTHLY PAYMENTS	\$2,204
NONE	MONTHLY INTEREST	\$1,458
<u>NONE</u>	PROPERTY TAX	\$275
NONE	MONTHLY DEDUCTIBLE	\$1,733
<u>x.32%</u>	TAX RATE	<u>x.32%</u>
NONE	MONTHLY TAX SAVINGS	\$485
\$1,500	MONTHLY PAYMENTS	\$2,204
NONE	LESS TAX SAVINGS	\$485
<u>NONE</u>	LESS PRINCIPAL REDUCTION	<u>\$421</u>
\$1,500	NOW COMPARE!	\$1,298

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