

BUYING VS. RENTING

There are many advantages to buying a home versus renting one. Check out the chart below shows a cost comparison for a renter and a homeowner over a seven year period.

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	savings increase every year!					

SAVINGS

- The renter starts out paying \$800 per mo. 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

EXPENSES

Your rental company takes part of your rent payment to cover certain housing expenses. When you decide to purchase a home, you accept responsibility for paying for these expenses (listed below). They are additional costs to your monthly mortgage payment and should be included in your budget:

- Property Taxes and Special Assessments
- Home/Hazard Insurance
- Maintenance
- Home Owner Association (HOA) Fee

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	ADVANTAGES	CONSIDERATIONS
BUY	Property builds equity	Responsible for maintenance
	Sense of community, stability and security	Responsible for property taxes
	Free to change decor and landscaping	Possibility of foreclosure and loss of equity
	Not dependent on landlord to maintain property	Less mobility than renting
RENT	Little or no responsibility for maintenance	No tax benefits
	Easier to move	No equity is built up
		No equity is built up
		Possibility of eviction

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