



Still Makes Sense to Buy vs. Rent...

Essential Information on the Benefits of Homeownership

Who's Renting?

**Nearly One Third of
All Households Rent**

**Baby Boomer Children –
Echo Boomers**

“Shhhhh”

“Listening for Bubble to POP!”

There is NO BUBBLE

As Jobs Go...So Goes Housing

**Low Unemployment
+ Beefy Job Growth
= Vibrant Housing Market**

**Home Price Appreciation to Moderate
to 3-5% Range...But Not Decline**

**If Local Job Market is Weak –
Local Area Prices May Under Perform**

Renting Costs a Lot – A Whole Lot!

Assumptions:

\$1,500 Monthly Rent Payments

Landlord Increases Rent 5% Yearly

Five Year Costs...Nearly \$100,000!

Costs to Improve...GONE!

Oh yeah, your landlord thanks you for making his mortgage payment

Overall Costs...Too Painful to Look At

Show Your Landlord The Money

Assuming a 5% increase per year:

<u>Year</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1	\$1,500	\$18,000
2	\$1,575	\$18,900
3	\$1,654	\$19,848
4	\$1,737	\$20,844
5	\$1,824	<u>\$21,888</u>
	Total	\$99,480

Average monthly rent over five years \$1,658

Getting In Is Easy

Easy Down Payment Options Today

No Down Payment –

Low Down Payment

\$300,000 Mortgage – PITI \$2,200+/-

After Tax Breaks –

Payments Similar to

Average Rent over 5-years

Assumes 25% Tax Bracket

Now For The Good Part!

After 5 years:

**Mortgage Balance
Declines to \$279,000**

**Home Value Increases to
\$383,000 @ 5% Appreciation**

Net Worth Up \$104,000!

**3.5% Home Appreciation
Still Yields \$77,000 Net Worth**

Your \$ Works For You

After 5 years:

Home appreciation (assuming 3% per year):

1	\$309,000
2	\$318,270
3	\$327,818
4	\$337,653
5	\$347,782

Appreciation	\$47,782
Mortgage balance (\$279,163)	<u>\$20,837</u>
Total	\$68,619

Your \$ Works For You

After 5 years:

Home appreciation (assuming 5% per year):

1	\$315,000
2	\$330,750
3	\$347,288
4	\$364,652
5	\$382,885

Appreciation	\$82,885
Mortgage balance (\$279,163)	<u>\$20,837</u>
Total	\$103,722

Your Uncle Wants to Help

If Cash Is Tight –
Uncle Sam Can Help Now

Don't Wait For Refund Bucks:
Increase Your Take Home Pay

Quit Lending Money to
Uncle Sam Interest Free

Check Out [IRS Calculator](#)
To Do It Right

Tax Advantage

Assuming a \$300,000 loan:

P&I	\$1,798.65
Taxes	312.50
Insurance	<u>100.00</u>
Total	\$2,211.15

Tax deduction for five years:

Interest \$87,082 + Taxes \$18,750 = \$105,832

Using a 25% tax bracket \$26,458

Monthly \$ 441

Mortgage Payment \$2211 – 441 = \$1,770

Average Rent (five years) \$1,658

Payment difference \$ 112

Got Rent?

**Your Landlord Loves You
If Jobs Healthy – Don't Wait**

**Wealth Created by
Home Ownership**

**Buying is a Big Step...But a
Step in the Right Direction!**