

Craig Tashjian

The Highest compliment is the referral of your family & friends.

144 Gould St. Needham, Ma 02494

Tel:(781) 719-4677 Fax:(781) 719-4684

Prepared by
Craig Tashjian

Date prepared
10/24/2006

Rent Vs Own

Neil Armstrong
123 Sunset Lane
Bel Air, CA 90077

FOLLOW THESE 3 SIMPLE STEPS:

- 1 SUMMARY displays a comparison showing your total monthly rent vs a breakdown of a proposed mortgage plan
2. Review and compare the benefits of homeownership over time
3. ASSET ACCUMULATION shows how you can invest x amount of money for your future to increase your net worth

Summary

This summary table displays the benefit opportunity of homeownership. The rent column displays the amount you are currently paying in rent. The buy column reflects the cost and benefits of homeownership.

See the benefits of Homeownership in action. After taxes, your net monthly cost of Homeownership would be:

\$1,335

Offering a monthly Homeowner benefit of:

\$320

Rent		Homeownership	
Rent	\$1,600	P&I	\$1,409
Insurance/Other	\$55	Taxes/Insurance/HOA	\$584
Total Rent	\$1,655	Total PITI	\$1,993
		Tax Benefits	\$389
		Principal Paid	\$269
Net Monthly Cost	\$1,655	Net Monthly Cost	\$1,335

Assumptions		Assumptions	
Rental Increase/Yr	3%	Appreciation	3%
		Tax Bracket	28%
		Purchase Price	\$240,000
		Interest Rate	6.000%
		APR	6.225%
		Down Payment	\$9,600
		Closing Costs	\$5,446
		Total Cash to Close	\$15,046

Ownership Analysis

The benefits of Homeownership can be seen over time. The tables in this analysis reflect the cost savings as well as the equity you will build based on principle reduction and appreciation rates of your property.

Months: 36

The Mortgage Insurance payment cut off month is: 36

Months: 60

Rent		Homeownership	
Total Payment	\$61,325	Total PITI	\$71,741
Principal Paid	\$0	Principal Paid	\$10,546
Tax Benefit	\$0	Tax Benefit	\$13,769
Net Cost	\$61,325	Net Cost	\$47,426
Real Estate Value	\$0	Real Estate Value	\$262,254
Loan Balance	\$0	Loan Balance	\$219,854
Total Home Equity	\$0	Total Home Equity	\$42,401

Rent		Homeownership	
Total Payment	\$105,235	Total PITI	\$116,220
Principal Paid	\$0	Principal Paid	\$18,666
Tax Benefit	\$0	Tax Benefit	\$22,643
Net Cost	\$105,235	Net Cost	\$74,911
Real Estate Value	\$0	Real Estate Value	\$278,226
Loan Balance	\$0	Loan Balance	\$211,734
Total Home Equity	\$0	Total Home Equity	\$66,492

Asset Accumulation

The benefits displayed in asset accumulation show how investing monthly can increase your net worth.

Investment		Investment	
Opening Balance	\$3,000	Opening Balance	\$5,000
Monthly Amount	\$100	Monthly Amount	\$200
Return Avg.	8.000%	Return Avg.	9.000%
Years	Amount	Years	Amount
3 yrs	\$7,864	3 yrs	\$14,774
5 yrs	\$11,817	5 yrs	\$22,913

Benefits		Benefits	
By 5 yrs, your TOTAL NET WORTH will reach \$11,817.		By 5 yrs, your home's equity is \$66,492. Your asset account is \$22,913. Your TOTAL NET WORTH will reach \$89,405.	

NOTICE AND DISCLAIMER: The results above are based on (i) information provided by you, (ii) estimates of interest rates, your ability to save, your tax bracket, closing costs and other amounts, (iii) currently available loan programs and (iv) information and assumptions discussed with your advisor; all of which might change over time. If the information or assumptions are not correct or change, then the results above will change. Your advisor will provide additional information about costs, fees and other information required by state and federal law.



Copyright (c) 2006, WowTools Inc. All Rights Reserved.