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RENT VS OWN

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MONTHLY HOME OWNERSHIP ANALYSIS

MONTHLY ANALYSIS	Rent	Ownership
	Payment	\$800
Taxes, Insurance & Other	\$15	\$141
Total Payment	\$815	\$587
Tax Benefit	\$0	\$121
Principal Paid	\$0	\$86
Net Monthly Payment	\$815	\$380

Rent Assumptions	Ownership Assumptions
Rental Increase/yr: 2.000 %	Appreciation: 2.900 % *
	Tax Bracket: 28.000 %
	Purchase Price: \$80,000
	Interest Rate: 5.500 %
	APR: 5.686 %
	Down Payment: \$1,449
	Closing Costs: \$1,626
	Total Cash to Close: \$3,075

This analysis was designed to display the benefit opportunity of homeownership. The rent column shows the amount of rent you are currently paying and the homeownership column reflects the proposed purchase of a new home.

Net Cost of Home Ownership is \$380/mo. The net monthly cost number reflects the actual cost of owning after considering the tax deduction and backing out the principal portion of your payment.

OWNERSHIP ANALYSIS

84 MONTHS ANALYSIS	Rent	Ownership
	Total Payment	\$72,629
Principal Paid	\$0	\$8,785
Tax Benefit	\$0	\$9,747
Net Cost	\$72,629	\$30,791
Real Estate Value	\$0	\$80,000
Loan Balance	\$0	\$69,766
Total Equity	\$0	\$10,234

120 MONTHS ANALYSIS	Rent	Ownership
	Total Payment	\$106,917
Principal Paid	\$0	\$13,714
Tax Benefit	\$0	\$13,599
Net Cost	\$106,917	\$43,148
Real Estate Value	\$0	\$80,000
Loan Balance	\$0	\$64,837
Total Equity	\$0	\$15,163

OVERALL	Rent	Ownership
	Total Investment in 84 Months	\$0
Total Investment in 120 Months	\$0	\$0
Total NetWorth in 120 Months	\$0	\$15,163

By 10 yrs, Your asset account is \$0.	By 10 yrs, your home's equity is \$15,163. Your asset account is \$0. Your TOTAL NET WORTH will reach \$15,163.
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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 principal reduction and appreciation rates of your property.

Rent Investment Assumptions	
Opening Balance:	\$0
Monthly Amount:	\$0
Return Average:	0.000 %

Ownership Investment Assumptions	
Opening Balance:	\$0
Monthly Amount:	\$0
Return Average:	0.000 %

After 120 months, you will be \$15,163 wealthier as a homeowner.

