

Buy vs. Rent



Renting will always pay someone else's mortgage. Admit it – isn't it silly when you could be putting it into your own pocket, possibly a ½ Million dollars.

Let's talk about that ½ Million dollars...

First of all, when I said ½ Million dollars, I should have said "at least a ½ Million dollars." By buying a home most people will realize benefits significantly greater. Where did I come up with this number? Simple, I calculated it as follows:

Money Wasted on Rent In Your Lifetime:			
Monthly Rent	\$1,500	\$1,800	\$2,200
Months in Year	<u>x 12</u>	<u>x 12</u>	<u>x 12</u>
Rent per Year	\$18,000	\$21,600	\$26,400
Years Left to Live	<u>x 45</u>	<u>x 45</u>	<u>x 45</u>
Total Spent on Rent	\$810,000	\$972,000	\$1,188,000

Note: These are representative amounts based on today's rents – how much higher will they be in 5 – 10 – 20 – 30 years?

If you bought a home with monthly payments comparable to the corresponding rent, it would look like this:

Loan Amount (6%)	\$300,000	\$350,000	\$400,000
P & I Mo. Payment	\$1,798	\$2,098	\$2,398
Month in Year	<u>x 12</u>	<u>x 12</u>	<u>x 12</u>
	\$21,576	\$25,176	\$28,776
Years of Loan	<u>x 30</u>	<u>x 30</u>	<u>x 30</u>
	\$647,280	\$755,280	\$863,280

At the end of these terms you no longer have payments. You own your home free and clear!

So assuming 0% appreciation, you own a home worth \$300,000 to \$400,000 and you will save between \$163,000 and \$325,000 in rent.



SAVE MORE!

If you really want to save tens of thousands of dollars for your retirement, you can repay your loan on an accelerated payment plan, as simple as this:

Loan Amount	\$300,000	\$350,000	\$400,000
Annual Investment	\$5,000	\$6,600	\$7,600
Increase Savings	\$285,912	\$302,112	\$345,312

You can have your home paid off in 18 years!

START SAVING NOW...

Buying a home not only provides you with a place to live today, but a place to live virtually free in your later years. With a little budgeting, you can accomplish the task of paying off your home in 15-18 years.

Buy a home today and you will realize the benefit for years to come!

Call Dale Politte

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