

## Why Rent When You Can Buy?

You probably are comfortable renting because you don't have to worry about maintenance, HOA fees and staying in one place for over a year.

What you don't realize is that you are putting your money down the drain instead of investing it for your future.

### Buy vs. Rent Comparison (source: [www.ginniema.gov](http://www.ginniema.gov))

The chart below shows a cost comparison for a renter and a homeowner over a seven year period.

The renter starts out paying \$800 per month 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.

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	<b>+32</b>	-1416	<b>+384</b>
4	926	1000	-74	<b>+76</b>	-888	<b>+912</b>
5	972	1000	-28	<b>+122</b>	-336	<b>+1464</b>
6	1021	1000	<b>+21</b>	<b>+171</b>	<b>+252</b>	<b>+2052</b>
7	1072	1000	<b>+72</b>	<b>+222</b>	<b>+864</b>	<b>+2664</b>
8-30			<b>Savings increase every year</b>			

*Source: [www.ginniema.gov](http://www.ginniema.gov)*

The key is to know how much you can afford and invest in a home. Consult with your real estate agent for information.

*All information in this report is deemed reliable, but not guaranteed.*

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