

# RENT VS. BUY

*The Rent You Pay...Could Build Equity In Your Own Real Estate!*

RENT ACCUMULATION CHART					
Per Month	10 Years	15 Years	20 Years	25 Years	30 Years
\$700.00	\$143,391.00	\$290,129.00	\$531,558.00	\$928,783.00	\$1,582,341.00
\$750.00	\$153,634.00	\$310,853.00	\$569,527.00	\$995,125.00	\$1,695,366.00
\$800.00	\$163,876.00	\$331,576.00	\$607,495.00	\$1,061,467.00	\$1,808,390.00
\$850.00	\$174,118.00	\$352,280.00	\$645,464.00	\$1,127,808.00	\$1,921,415.00
\$900.00	\$184,360.00	\$373,023.00	\$683,432.00	\$1,194,150.00	\$2,034,439.00
\$1,000.00	\$194,603.00	\$393,369.00	\$759,369.00	\$1,326,833.00	\$2,260,488.00
\$1,100.00	\$225,329.00	\$455,917.00	\$835,306.00	\$1,459,517.00	\$2,486,537.00
\$1,200.00	\$245,814.00	\$497,364.00	\$911,242.00	\$1,592,200.00	\$2,712,585.00
\$1,300.00	\$266,298.00	\$538,811.00	\$987,179.00	\$1,724,883.00	\$2,938,634.00
\$1,400.00	\$286,783.00	\$580,259.00	\$1,063,116.00	\$1,857,567.00	\$3,164,863.00
\$1,500.00	\$307,267.00	\$621,705.00	\$1,139,053.00	\$1,990,250.00	\$3,390,731.00
\$1,600.00	\$327,752.00	\$663,152.00	\$1,214,990.00	\$2,122,933.00	\$3,616,780.00
\$1,700.00	\$348,236.00	\$704,599.00	\$1,290,927.00	\$2,255,616.00	\$3,842,828.00

*Information above deemed reliable but not guaranteed.*

*The following is a comparison of \$1,200.00 per month in rent versus a \$200,000.00 purchase, with a 5% down payment, an annual gross income of \$60,000 per year, filling married joint, for a period of 5 years.*

#### Assumptions used in this calculation:

- > Annual inflation rate = 3%
- > Annual property appreciation rate = 4%
- > Annual rental increase = 5%
- > Alternative investment rate = 6%
- > Annual property tax rate = 1.5% of the purchase price
- > Annual hazard insurance = .325 of the purchase price
- > Annual cost of general maintenance and repairs = 1% of the purchase price

SHORT TERM - MONTHLY SAVINGS		
	Rent	Buy
Monthly payment	\$1,200	\$1,528
Average tax savings	\$0	\$403
After-tax monthly payment	\$1,200	\$1,125

LONG TERM - TIME IN THE HOUSE		
	Rent	Buy
Total cost over the next 5 years	\$88,627	\$42,625