

RENTING versus BUYING

How to make the decision that is **BEST** for you

Use this worksheet to help determine the advantages of home ownership versus renting.

| | Worksheet | | Example | |
|---|-----------|-------|-------------|--------|
| | Buy | Rent | Buy | Rent |
| Monthly Housing Expense | | | | |
| Rent/Loan Payment (P&I) | _____ | _____ | \$1834.41 | \$2300 |
| Property Tax | + _____ | none | +260.42* | none |
| Homeowner's Assoc. | + _____ | none | + 185.00* | none |
| Mortgage Insurance | + _____ | none | + 200.00* | none |
| <hr/> | | | | |
| <i>Total Monthly Payment</i> | = _____ | _____ | =\$2479.83* | \$2300 |
| Income Tax Consideration | | | | |
| Monthly Interest Payment** | _____ | none | \$1639.55** | none |
| Monthly Property Tax | + _____ | none | +260.42** | none |
| Total Deductible Payment | = _____ | none | = 1899.97 | none |
| <hr/> | | | | |
| <i>Monthly Tax Deduction/Savings (28% of Total Deductible Payment)†</i> | _____ | none | \$531.99* | none |
| Actual Housing Expense | | | | |
| Rent/Loan Payment | _____ | _____ | \$2479.83 | \$2300 |
| Less Monthly Tax Savings | - _____ | none | - 531.99 | none |
| <hr/> | | | | |
| <i>Actual Housing Expense</i> | = _____ | _____ | =\$1925.21 | \$2300 |

Not only do you pay less, you also get a home, which is usually an appreciating asset!

NOTE: This example is based upon a \$265,000 home purchase, 5% down payment and \$3,496 in closing costs, a loan amount of \$250,000, with an interest rate of 8.0% (A.P.R. 9.338%). Total of 359 payments of \$1834.41 (principal, interest, private mortgage insurance, estimated property tax, and estimated property insurance), and one payment of \$1837.03. Chart provided for comparison only.

*Estimated

**Estimated first-year mortgage interest divided by 12 †Based upon 28% tax bracket

For more information contact:
www.SanDiegosFinestRealEstate.com
 (858) 755-2111 Telephone • (858) 630-2120 Facsimile