



Hi! My name is Bert.

I'm here to help you with that age old question:

Buy or Rent?

We will look at the advantages of buying a home in the next few pages.

Most people buy homes to have control over where they live. Although investment features are important, the psychological reasons for buying - the satisfaction of owning and freedom from paying rent - are at least as important.

In a survey done by the National Association of REALTORS[®] of 6,000 homeowners and 2,000 renters, perhaps the largest ever of attitudes toward home ownership, showed that 76% of owners and 66% of renters considered pride of ownership - an important reason for buying.

Almost equal portions of owners and renters, close to 7 in 10, said a dislike of paying rent was an important reason to buy. Renting offers a lifestyle that's nearly maintenance-free. That may appeal to you, but consider that renting offers you no equity, no tax benefit, and no protection against regular rent increases. Writing a rent check is just like watching your hard earned money sail away!



Advantages of Ownership

Purchasing a home is one of the most important decisions of your lifetime. It is easy to become overwhelmed at the idea of finding, purchasing and finally owning your own home. You may feel that you are comfortable renting. Following are some good reasons why owning your home can be one of the best investments in your future you will ever make! Instead of paying someone else's mortgage you can build equity in your own future!



⌋ **It will be yours.** The freedom of owning your home cannot compare to the restrictions that renters experience. You can paint the walls any color you like, hammer a nail in any wall, decorate a nursery, landscape the yard, anything you like!

⌋ **Lifestyle.** Homeowners are different from renters. When you live in a neighborhood or complex that is primarily owner-occupied, your neighbors, like you, have invested in and care about their property. Naturally, they are willing to invest time, money and effort to improve their property and community, which in turn, improves the value of your property.

⌋ **Freedom from rent increases.** Over time rents tend to rise. If you have a fixed-rate mortgage, your payments of principal and interest remain the same.

⌋ **Building equity for the future.** Rental payments are gone once you have made them. But, with each mortgage payment you are buying something tangible, building up equity in your home. The longer you own the home typically the larger your equity.

⌋ **Keeping up with inflation.** A home is an investment that helps you keep up with inflation. Real estate has historically kept pace with and usually appreciates faster than the rate of inflation.

⌋ **Stability.** As long as you make your mortgage payments on time, you can live in your home for as long as you wish. Your landlord will not have control over the sale of your home.

⌋ **Security for retirement.** Unlike rent which goes on forever, the mortgage on your home will be paid someday, providing you with rent-free living for your retirement.

⌋ **Income tax benefits.** Interest paid on a mortgage incurred in buying your primary residence is deductible. In the early years of your mortgage, most of your payment is interest. Remember that real estate taxes are also deductible. Later on, should you decide to take advantage of the growing equity in your home by taking out an equity loan, that interest may also be deductible.

⌋ **Leveraging.** When you purchase your home you are leveraging your money. With as little as 5% down you can acquire 100% ownership, a great return on your investment!

⌋ **Pay back on improvements.** A renter typically gets no financial benefit from any of the improvements they make on the property, either to the home or yard. But as a homeowner, you can realize some or even all of the costs (and maybe even a profit) from improvements when you sell your home.

⌋ **Trade-up value.** Even if your first home isn't your dream home, you will be working your way up to it. With appreciation and the possibility of a return on improvements, it may provide you with enough equity to make a down payment on your dream home later.

⌋ **Investment property.** For some, second single-family homes or condominiums are proving to be good income investments and tax shelters. You will be realizing profits and tax benefits from renters who may not know the benefits of owning a home.



The Real Cost of Renting

Based on a 6% Rental Increase Each Year, If You Now Pay ...



	\$300 per month for rent today	\$350 per month for rent today	\$400 per month for rent today	\$450 per month for rent today	\$500 per month for rent today	\$600 per month for rent today	\$700 per month for rent today
	You'll Pay	You'll Pay	You'll Pay	You'll Pay	You'll Pay	You'll Pay	You'll Pay
This year	\$3,600	\$4,200	\$4,800	\$5,400	\$6,000	\$7,200	\$8,400
Next year	\$3,816	\$4,452	\$5,088	\$5,724	\$6,360	\$7,632	\$8,904
3rd year	\$4,045	\$4,719	\$5,393	\$6,067	\$6,742	\$8,088	\$9,438
4th year	\$4,288	\$5,002	\$5,717	\$6,431	\$7,147	\$8,575	\$10,005
5th year	\$4,545	\$5,302	\$6,060	\$6,817	\$7,576	\$9,054	\$10,605
6th year	\$4,818	\$5,620	\$6,424	\$7,226	\$8,031	\$9,635	\$11,241
7th year	\$5,107	\$5,957	\$6,809	\$7,660	\$8,513	\$10,210	\$11,916
8th year	\$5,413	\$6,314	\$7,218	\$8,120	\$9,023	\$10,824	\$12,630
9th year	\$5,738	\$6,693	\$7,651	\$9,023	\$9,564	\$11,472	\$13,388
10th year	\$6,082	\$7,095	\$8,110	\$9,564	\$10,138	\$12,164	\$14,192
Total	\$47,452	\$55,354	\$63,272	\$71,175	\$79,094	\$94,856	\$110,719

You will pay

and pay



and pay

