

RENT vs BUY



RENTING VS. OWNING

THE NUMBERS

To buy or to rent, that is the question. If it's not in the cards for you right now, here are some reasons to start working towards homeownership:

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	+32	-1416	+384
4	926	1000	-74	+76	-888	+912
5	972	1000	-28	+122	-336	+1464
6	1021	1000	+21	+171	+252	+2052
7	1072	1000	+72	+222	+864	+2664
8-30	SAVINGS INCREASE EVERY YEAR					

The chart shows a cost comparison for a renter and a homeowner over a 7 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.

Source: Ginnie Mae

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COST OF RENTING

\$140,777

PAID IN RENT
OVER TEN YEARS

By renting, the \$140,777 you pay could have gone towards equity in your own home.

Homeownership offers many tax advantages. And, as you pay down your mortgage loan, and as home prices rise, the equity you have in the home increases.

YEARS	MONTHLY RENT	ANNUAL RENT
1	1000	12,000
2	1035	12,420
3	1071	12,855
4	1109	13,305
5	1148	13,770
6	1188	14,252
7	1229	14,751
8	1272	15,267
9	1317	15,802
10	1363	16,355

AVG. INCREASE 3.5% PER YEAR
SOURCE: NATIONAL ASSOCIATION OF REALTORS®

MORE QUESTIONS?

I'm always available to help! Shoot me a text or give me a call for the quickest response. There is nothing I love more than helping people find a home they love – here in the beautiful state of Maine.

holly ross

REALTOR

207-701-2013

holly@scoutingmaine.com



McAllister Real Estate

143 Water Street • Hallowell, Maine 04347

 www.scoutingmaine.com