

BUYING YOUR *home*



THE BENEFITS OF HOME OWNERSHIP

Trends in home prices, personal income and mortgage rates, combined with certain financial advantages of home ownership, make this an excellent time to consider purchasing a home. You may be wondering, “Can I afford to buy?” — but an equally important question to ask is, “Can I afford to continue renting?” No matter what you’re currently paying for rent, you may be surprised to see how much of your total cash outlay over time could be building equity in your own home. The chart on the right shows how the rent payments you’re making add up by calculating what this money would earn if invested at 5 percent interest.

MORTGAGE RATES

A decrease in mortgage rates means that more families will qualify for affordable financing. Yours could be one of them! Rates for conventional 30-year fixed rate mortgages remain at historically low levels, and increasingly popular alternate forms of financing may make your loan even more affordable.

HOMEOWNER TAX ADVANTAGES

When you’re calculating how much you can afford in monthly mortgage payments, don’t forget the tax advantages of home ownership. In most cases, both property taxes actually paid to the taxing authority and interest payments on a mortgage for an owner-occupied property are currently tax-deductible. In the early years of a standard mortgage, all but a small percentage of each monthly payment is used to pay off the interest on the loan. This means that a homeowner’s annual taxable income could be substantially reduced by deducting payments on property taxes and yearly mortgage interest. Ask your attorney or tax professional how buying a home now could affect your taxes at the next annual filing deadline.

Rent Per Month	Rent Payment 10 Years*	Rent Payment 20 Years*	Rent Payment 30 Years*
\$400	\$62,115	\$164,416	\$332,908
\$500	\$77,643	\$205,520	\$416,134
\$600	\$97,171	\$246,623	\$499,360
\$700	\$108,699	\$287,726	\$582,586
\$800	\$124,227	\$328,830	\$665,811
\$900	\$122,440	\$369,933	\$749,037
\$1,000	\$155,284	\$411,036	\$832,263
\$1,100	\$170,812	\$452,140	\$915,489
\$1,200	\$186,340	\$493,243	\$998,715
\$1,500	\$232,925	\$616,553	\$1,248,392
\$2,000	\$310,566	\$822,070	\$1,664,522
\$2,500	\$388,207	\$1,027,587	\$2,080,651

*The chart above is for illustrative purposes only. The results shown are purely hypothetical and not meant to reflect any actual investment. Source: bankrate.com/calculators/savings/simple-savings-calculator.aspx

HOME VALUE APPRECIATION

Homeowners can also benefit from increases in the value of their home through appreciation and improvements they make for their own comfort and enjoyment.

GETTING STARTED

The first step in becoming a homeowner is to take a good look at your finances, and compare it to housing price trends and mortgage plans available. You could be closer to home ownership than you think. The next step is to find a local real estate professional who has the experience and expertise to help you find and purchase the home of your dreams.