

cost of renting vs. owning

Are you still renting and want to explore the path to home ownership? There's more to consider than just the cost of monthly payments. Let's break it down and compare the real costs...

	\$500,000 RENTAL	\$500,000 PURCHASE	
TOP LINE	\$2,500/mo	\$2,879/mo	
BENEFITS GAINED	–	\$659.27 Principal Reduction	\$4,166 Appreciation
VALUE	- \$2,500/mo (Money you spent as a renter)	+ \$1,946/mo (Money you gained as a homeowner)	

BOTTOM LINE: You could lose \$2,500 in rent or gain \$1,946 in equity. That's a net difference of \$4,446 each month!

DEBUNKING COMMON RENTING MYTHS

"Investing in a home is riskier than renting."

The Mark Smith Team says, "No risk, no reward!" Studies conducted by the Federal Reserve show that owning a home can increase your net worth to be hundreds of times higher than that of renters.

"Home values are increasing... I'll wait for them to drop."

The increase is accelerating and won't decrease anytime soon, due to the dramatic shortage of homes for sale and increase of buyers moving from high-priced coastal areas, like CA or NY. Today's prices are the lowest you'll see, possibly in your lifetime – buy now!

"The tax deductions aren't worth it."

Homeowners don't get to deduct as much on mortgage interest and property taxes as they did before the 2017 Tax Cuts and Jobs Act, but the deductions are still helpful – especially combined with the effect of paying down principal and gaining equity each month.

GAIN EQUITY FOR YOURSELF – NOT THE LANDLORD

With monthly rent and mortgage payments about the same cost, owning will always give you a financial advantage. By owning your own home, you're paying down principal and accumulating equity on your own investment – not the landlord's! Give us a call today, and we'll help you make the leap from Renter to Homeowner.

Factors used: \$500,000 purchase price. 20% down. \$400,000 30-yr fixed loan at 3.25% interest rate and 3.30% APR. Principal & interest payment = \$1,740/mo. Taxes = \$1,041.67/mo (2.5% of value). Insurance = \$120.83/mo (2.9% per \$1,000 of loan amount). Maintenance = \$208.33/mo (0.5% of value). Tax deductibility at 28%. Tax savings, principal paid, and appreciation averaged over a 5-year period. Always consult with your tax advisor for tax advice specific to your situation. This is not a Good Faith Estimate or an offer to lend. Rates, prices, taxes, insurance, etc. are subject to change at any time. Appreciation rate of 10% per year. APR calculations are based on APR fees of not more than \$2,800. Actual fees can be less.



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