

The Benefits of Buying

courtesy of Capital Title of Texas



Not sure if you should buy a home? The rent you pay could build equity in your own real estate. Do you realize how much you pay in rent over a period of years? The chart below gives you a total picture of what is happening to your money. The rent you pay adds up to a sizeable sum.

RENT	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
\$1,000.00	\$60,000.00	\$120,000.00	\$180,000.00	\$240,000.00	\$300,000.00	\$360,000.00
\$1,200.00	\$72,000.00	\$144,000.00	\$216,000.00	\$288,000.00	\$360,000.00	\$432,000.00
\$1,400.00	\$84,000.00	\$168,000.00	\$252,000.00	\$336,000.00	\$420,000.00	\$504,000.00
\$1,600.00	\$96,000.00	\$192,000.00	\$288,000.00	\$384,000.00	\$480,000.00	\$576,000.00
\$1,800.00	\$108,000.00	\$216,000.00	\$324,000.00	\$432,000.00	\$540,000.00	\$648,000.00
\$2,000.00	\$120,000.00	\$240,000.00	\$360,000.00	\$480,000.00	\$600,000.00	\$720,000.00
\$2,200.00	\$132,000.00	\$264,000.00	\$396,000.00	\$528,000.00	\$660,000.00	\$792,000.00
\$2,400.00	\$144,000.00	\$288,000.00	\$432,000.00	\$576,000.00	\$720,000.00	\$864,000.00
\$2,600.00	\$156,000.00	\$312,000.00	\$468,000.00	\$624,000.00	\$780,000.00	\$936,000.00
\$2,800.00	\$168,000.00	\$336,000.00	\$504,000.00	\$672,000.00	\$840,000.00	\$1,008,000.00
\$3,000.00	\$180,000.00	\$360,000.00	\$540,000.00	\$720,000.00	\$900,000.00	\$1,080,000.00

When you buy your house and pay your monthly mortgage, you can gradually accumulate what lenders call equity. Equity is an ownership interest in the property that you can convert into cash by borrowing against it or by selling your house. As a renter, you lose the opportunity to build equity.

RENT

- No interest payment deductions
- Rental amount may increase at any time
- Landlord approval needed for any changes
- No capitalization; your money disappears forever
- Rental is temporary and is often subject to 30 day's notice

BUY

- Excellent deductions for your mortgage interest paid
- Stable housing costs
- Decorate and make changes, without prior approval
- The value of your property will probably increase in time
- Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord

