



To Buy a Home: A big decision



Trying to decide
whether to buy or
keep renting?
Consider these
factors:

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7 Reasons to Own Your Own Home

Tax breaks. The U.S. Tax Code lets you deduct the interest you pay on your mortgage, property taxes you pay, and some of the costs involved in buying your home.

Gains. Between 1998 and 2002, national home prices increased at an average of 5.4 percent annually. And while there's no guarantee of appreciation, a 2001 study by the NATIONAL ASSOCIATION OF REALTORS® found that a typical homeowner has approximately \$50,000 of unrealized gain in a home.

Equity. Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

Savings. Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.

Predictability. Unlike rent, your mortgage payments don't go up over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will rise.

Freedom. The home is yours. You can decorate any way you want and be able to benefit from your investment for as long as you own the home.

Stability. Remaining in one neighborhood for several years gives you a chance to participate in community activities, lets you and your family establish lasting friendships, and offers your children the benefit of educational continuity.

To calculate whether renting or buying is the best financial option for you, use this calculator courtesy of Ginnie Mae:

http://www.ginniemae.gov/rent_vs_buy/rent_vs_buy_calc.asp?Section=YPTH

