

Real Estate Wherewithal

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Rent Vs Own

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FOLLOW THESE 3 SIMPLE STEPS:

- 1.SUMMARY displays a comparison showing your total monthly rent vs a breakdown of a proposed mortgage plan
- 2.Review and compare the benefits of homeownership over time
- 3.ASSET ACCUMULATION shows how you can invest x amount of money for your future to increase your net worth

Summary

This summary table displays the benefit opportunity of homeownership. The rent column displays the amount you are currently paying in rent. The buy column reflects the cost and benefits of homeownership.

See the benefits of Homeownership in action. After taxes, your net monthly cost of Homeownership would be:

\$1,495

Offering a monthly Homeowner benefit of:

\$330

Rent		Homeownership	
Rent	\$1,800	P&I	\$1,785
Insurance/Other	\$25	Taxes/Insurance/HOA	\$579
Total Rent	\$1,825	Total PITI	\$2,363
		Tax Benefits	\$605
		Principal Paid	\$263
Net Monthly Cost	\$1,825	Net Monthly Cost	\$1,495
Assumptions		Assumptions	
Rental Increase/Yr	3%	Appreciation	3%
		Tax Bracket	33%
		Purchase Price	\$300,000
		Interest Rate	6.250%
		APR	6.658%
		Down Payment	\$15,000
		Closing Costs	\$10,850
		Total Cash to Close	\$25,850

Ownership Analysis

The benefits of Homeownership can be seen over time. The tables in this analysis reflect the cost savings as well as the equity you will build based on principle reduction and appreciation rates of your property.

Months: 36

Months: 60

Rent		Homeownership	
Total Payment	\$67,663	Total PITI	\$85,075
Principal Paid	\$0	Principal Paid	\$10,398
Tax Benefit	\$0	Tax Benefit	\$21,483
Net Cost	\$67,663	Net Cost	\$53,194
Real Estate Value	\$0	Real Estate Value	\$327,818
Loan Balance	\$0	Loan Balance	\$274,602
Total Home Equity	\$0	Total Home Equity	\$53,216
Rent		Homeownership	
Total Payment	\$116,177	Total PITI	\$141,792
Principal Paid	\$0	Principal Paid	\$18,520
Tax Benefit	\$0	Tax Benefit	\$35,413
Net Cost	\$116,177	Net Cost	\$87,859
Real Estate Value	\$0	Real Estate Value	\$347,782
Loan Balance	\$0	Loan Balance	\$266,480
Total Home Equity	\$0	Total Home Equity	\$81,302

Asset Accumulation

The benefits displayed in asset accumulation show how investing monthly can increase your net worth.

Investment		Investment	
Opening Balance	\$0	Opening Balance	\$0
Monthly Amount	\$0	Monthly Amount	\$0
Return Avg.	0.000%	Return Avg.	0.000%
Years	Amount	Years	Amount
3 yrs	\$0	3 yrs	\$0
5 yrs	\$0	5 yrs	\$0
Benefits		Benefits	
By 5 yrs, your TOTAL NET WORTH will reach \$00.		By 5 yrs, your home's equity is \$81,302. Your asset account is \$00. Your TOTAL NET WORTH will reach \$81,302.	

NOTICE AND DISCLAIMER: The results above are based on (i) information provided by you, (ii) estimates of interest rates, your ability to save, your tax bracket, closing costs and other amounts, (iii) currently available loan programs and (iv) information and assumptions discussed with your advisor; all of which might change over time. If the information or assumptions are not correct or change, then the results above will change. Your advisor will provide additional information about costs, fees and other information required by state and federal law.

