

Rent vs. Buy -- Home Purchase Analysis

**Macro Run Time:**

Start	44980.99	44980.9893
Finish	44980.99	44980.9893
<b>Elapsed</b>	0	60

**Assumptions**

Annual Housing Inflation Rate for Period of Ownership	6.00%
Down Payment Percentage of Purchase Price	25.00%
Closing Costs (% of Purchase Price amount)	1.63%
Points (% of Loan amount)	2.00%
Annual Interest Rate on Home Loan	0.09125
Term of Loan in Number of Years	30
Number of Payments per Year	12
Holding Period of Home - Yrs	1
Future Sale Costs as a Percentage of Home Price at End of Period	6.00%
Combined (Fed and State) Marginal Tax Rate	41.00%
Investment Pre-Tax Return (Discount Rate)	7.50%

**Cost to Own**

Total Purchase Price of House	\$242,500		
Down Payment Dollar Amount	60625		
Closing Costs in Dollars	3952.75		
Points in Dollars	3637.5		
Downpayment + Upfront Closing Costs + Points	68215.25		
Amount Financed (Total Loan Amount)	181875		
Future Sales Price	257050		
Future Sales Costs	15423		After Tax
		Year	Month
Monthly Loan Payment	17757.5399	1479.795	(approx)
Approximate Property Tax	2425	202.083333	
Approximate Insurance	1212.5	101.041667	
Maintenance Costs/Condo Association Fees	2910	242.5	
Montly Rent Income	-8400	(\$700)	
Cash Flow Out	15905.0399	1325.42	-154.375

Gross Profit on Sale (Future Sales Price			
Less Current Purchase Price + Equity)	Err:508		
Present Value of Gross Profit Less Closing Costs	Err:508		
Present Value of Principle & Interest After Tax for Holding Period	Err:508		
Down Payment Plus Points and Closing Costs	-68215.25		
Present Value of Net Profit and Cash Flows	Err:508	Err:508	
Net After- Tax Monthly Cost to Own		Err:508	

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	<b>Year No.</b>	<b>Year No.</b>	<b>Year No.</b>	<b>Year No.</b>	<b>Year No.</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Principle at Beginning of Period					
Monthly Payment					
Monthly Interest Payment					
Monthly Principle Payment					
Annual Interest Payments					
Annual Principle Payments					
Principle at End of Period					
Equity at End of Period					
Annual After Tax Cash Flow					
Present Value of After-Tax					
Cash Flow	Err:508	Err:508	Err:508	Err:508	Err:508
Total Present Value	Err:508				
Monthly Annuity Equivelent	Err:508	8400			
Loan Equity at End of Holding	7,324.09				