

## **Cost of waiting to buy a home can be dangerous to your financial health!**

There's always tomorrow . . . or is there? Compare home prices and monthly payments against "time".

Sales Price	Down Payment	Loan Amount	Total Loan including MIP	PAYMENTS						Closing Costs	Prepaid Items	Total Cash to Close	Minimum Investment (3%)	Can be paid by others
				Including principal, interest, taxes, insurance, monthly MMI & Assoc.										
				5.00%	5.50%	6.00%	6.50%	7.00%	7.50%					
200,000.00	7,000.00	193,000.00	196,377.50	1,369.32	1,430.13	1,492.51	1,556.37	1,621.63	1,688.22	3,775.00	2,332.14	13,107.14	6,000.00	6,107.14
205,000.00	7,200.00	197,800.00	201,261.50	1,403.40	1,465.73	1,529.66	1,595.10	1,661.99	1,730.24	3,823.50	2,390.29	13,413.79	6,150.00	6,213.79
210,000.00	7,350.00	202,650.00	206,196.38	1,437.78	1,501.64	1,567.13	1,634.19	1,702.71	1,772.63	3,872.50	2,448.74	13,671.24	6,300.00	6,321.24
215,000.00	7,550.00	207,450.00	211,080.38	1,471.87	1,537.24	1,604.28	1,672.92	1,743.07	1,814.65	3,921.00	2,506.90	13,977.90	6,450.00	6,427.90
220,000.00	7,700.00	212,300.00	216,015.25	1,506.25	1,573.15	1,641.76	1,712.00	1,783.79	1,857.05	3,970.00	2,565.35	14,235.35	6,600.00	6,535.35
225,000.00	7,900.00	217,100.00	220,899.25	1,540.33	1,608.74	1,678.91	1,750.74	1,824.15	1,899.06	4,018.50	2,623.50	14,542.00	6,750.00	6,642.00
230,000.00	8,050.00	221,950.00	225,834.13	1,574.71	1,644.65	1,716.38	1,789.82	1,864.87	1,941.46	4,067.50	2,681.96	14,799.46	6,900.00	6,749.46
235,000.00	8,250.00	226,750.00	230,718.13	1,608.80	1,680.25	1,753.53	1,828.56	1,905.23	1,983.47	4,116.00	2,740.11	15,106.11	7,050.00	6,856.11
240,000.00	8,400.00	231,600.00	235,653.00	1,643.18	1,716.16	1,791.01	1,867.64	1,945.95	2,025.87	4,165.00	2,798.56	15,363.56	7,200.00	6,963.56
245,000.00	8,600.00	236,400.00	240,537.00	1,677.26	1,751.76	1,828.16	1,906.38	1,986.31	2,067.88	4,213.50	2,856.72	15,670.22	7,350.00	7,070.22
250,000.00	8,750.00	241,250.00	245,471.88	1,711.64	1,787.67	1,865.63	1,945.46	2,027.03	2,110.28	4,262.50	2,915.17	15,927.67	7,500.00	7,177.67
255,000.00	8,950.00	246,050.00	250,355.88	1,745.73	1,823.26	1,902.78	1,984.20	2,067.39	2,152.30	4,311.00	2,973.33	16,234.33	7,650.00	7,284.33
260,000.00	9,100.00	250,900.00	255,290.75	1,780.11	1,859.17	1,940.26	2,023.28	2,108.11	2,194.69	4,360.00	3,031.78	16,491.78	7,800.00	7,391.78
265,000.00	9,300.00	255,700.00	260,174.75	1,814.20	1,894.77	1,977.41	2,062.01	2,148.47	2,236.71	4,408.50	3,089.93	16,798.43	7,950.00	7,498.43
270,000.00	9,450.00	260,550.00	265,109.63	1,848.58	1,930.68	2,014.89	2,101.10	2,189.19	2,279.10	4,457.50	3,148.39	17,055.88	8,100.00	7,605.89

Prepaid Interest Based On 6.00% interest rate.  
Mortgage insurance based on 0.55%.  
Property Tax Based On 1.00%.

Property Insurance Based On 3.60%.  
Association Fee 0.00.  
Payments Based On 30 Year Term  
REALPRO INNOVATIONS

### **The Analysis**

If you're thinking about buying a home in the next 1 year, 2 years, or 3 years you'll want to know how those decisions impact your wallet. In the green highlighted line above, today's home costs \$200,000 and the interest rate is currently 5% which makes for monthly payments of \$1369.00 approximately. You decide to wait till next year to buy and the market conditions have shifted . . . home prices have increased and the economy has begun to rebound with higher interest rates. Now that same home at \$200,000 costs \$210,000 (the light blue line) and the interest rates have risen to 6%, resulting in an increased expense of nearly \$200 per month. Let's assume that you put the home buying process on hold for 3 years. That same home is likely to have escalated in price to nearly \$230,000 and the interest rates are at 7.5%. Looking at the yellow line you'll see that the same home now costs \$230,000 and is \$1941/month, a \$572 per month increase. And what have you been doing for the last 3 years? Likely renting . . . making the landlord rich, not getting a tax write off, and throwing money out the window. So maybe NOW is the time to consider doing something good for YOU. Own your home and let it work for you. You've got to sleep somewhere, it might as well be a home that gives back to you. Now we don't have a crystal ball, but historically investing in your own home is far better for you than making a landlord rich. The numbers just don't lie.