Rent or Buy? You Decide

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 | 1 YR | 3 YRS | 5 YRS | 10 YRS | 15 YRS | RETURN |
|---------|----------|----------|-----------|-----------|-----------|--------|
| \$800 | \$9,600 | \$28,800 | \$48,000 | \$96,000 | \$144,000 | \$0 |
| \$900 | \$10,800 | \$32,400 | \$54,000 | \$108,000 | \$162,000 | \$0 |
| \$1,000 | \$12,000 | \$36,000 | \$60,000 | \$120,000 | \$180,000 | \$0 |
| \$2,000 | \$24,000 | \$72,000 | \$120,000 | \$240,000 | \$360,000 | \$0 |
| \$2,500 | \$30,000 | \$90,000 | \$150,000 | \$300,000 | \$450,000 | \$0 |

Rent

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

Three Rivers Settlement Services, Inc.

Edward F. Voelker, Jr. 3960 Route 8, Suite 200 Allison Park, PA 15101 O: 412-486-2600 edward.voelker@voelkerlaw.com

Buy

- 1 Mortgage interest may be tax deductable
- 2 Decorate and make changes, without prior approval
- **3** The value of your property may increase in time
- 4 Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord

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