

Rent vs. Buy -- Home Purchase Analysis

Elapsed Time:

Start	44304.419	44304.4185	
Finish	44304.419	44304.4185	0
Elapsed	0		100

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	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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	1990	1995
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
Total Present Value	Err:508	
Monthly Annuity Equivelent	Err:508	8400
Loan Equity at End of Holding Perio	7,324.09	

940 Forest	250
1327 Wilmot	75
7 Carmine	200
95 Horatio	300
2508 Fillmore	350

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