

## **INVEST IN YOUR OWN HOME NOT YOUR LANDLORD'S POCKET**

Buy rental (3 bed/ 2bath, 1000 Sq Ft home) for 100K, with 5% down



### ❖ **YOUR INVESTMENT:**

- ***Buy below market value***
- \$5000 down payment + Closing costs of \$3700 (scenario dependent, may vary) but we will try to roll these costs into our total loan to avoid cash outlays at closing = \$8700 “sunk” in property on Day 1 of ownership.

### ❖ **YOUR RETURN:**

- Assuming a conservative national historical average of 3% appreciation, and 30-year mortgage @ 6%, principal and interest is \$ 569.57, rent of \$1000 per month
- End of year one--house value is \$103,000 (appreciation at 3%)
- Debt owed (mortgage balance) is \$93833 (\$1167 paid in equity for yr)
- Total equity in property at end of yr 1 ~ \$3000 + \$1167= \$4167
- The return on the leveraged collateral is additive!
- Walk in equity when you buy below market is additive!
- Ability to write off interest paid and real estate taxes paid (if you don't take a standard deduction) is enabled.

**AN OPPORTUNITY TO BUILD EQUITY IS THERE WHEN YOU OWN—STOP BUILDING YOUR LANDLORD'S EQUITY—IMPROVE YOUR BOTTOMLINE!**

