

Buy Versus Rent Comparison Analysis Instructions

Show first-time buyers the money!

Market got you down? Don't just passively wait for referrals or walk-ins these days — find buyer-clients by FARMing **tenants** and converting them into **first-time homebuyers**.

Many tenants have never considered buying, assuming homeownership is financially unfeasible. These negative assumptions are built on ignorance about the economy of ownership and the financing they qualify to borrow. Preparing a **Buy Versus Rent Comparison Analysis** for review with potential first-time homebuyers gives a picture of the approximate monthly costs of homeownership.

Comparing today's home prices, interest rates and utilities with the rent and utilities they now pay as tenants, will likely encourage tenants to reconsider homeownership. This analysis will show potential first-time homebuyers how **ownership** clearly creates savings over renting.

Reviving the “standard practice” of yesteryear

As a matter of **standard practice** up until 1972, the back of an agent's business cards commonly had a dollar comparison between the monthly rent and monthly ownership expenditures for a typical first-time homebuyer's low-tier home.

The math demonstrated the savings to be had by buying comparable or better replacement housing instead of continuing to rent. These cards essentially told a tenant: *if you are renting instead of owning, you are mathematically challenged.*

Today's *standard practice* of withholding disclosures until in escrow does not include this tactic — but **good practice** does. Buyer's agents who make a home expense comparison part of their up-front practice will reap the benefits of happier, better-informed clients — translating into sales and referrals.

How it works

In **first tuesday's Buy Versus Rent Comparison Analysis** below, enter the approximate values for the monthly costs associated with the ownership of a suitable property in the left column. In the right column, enter the costs associated with renting a similar property.

Sample default numbers are provided, but may be overridden by entering a different amount. Both columns are programmed to calculate and display the **total monthly costs** incurred in ownership versus renting a comparable property. With the math in-hand, discuss the figures with your client. Show them the **cost-savings analysis** of buying versus renting and review the conclusions.

After making the buy versus rent presentation, take your first-time buyers to a lender to exhibit how easy and straightforward it is to get approved for purchase-assist financing. Homeownership is more than a lifestyle preference — it's the financially smart thing to do.

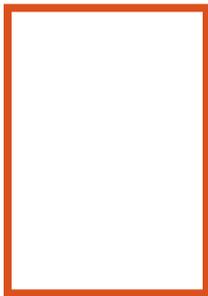


Buy Versus Rent Comparison Analysis

If you are considering buying a house, now is the time to act. In today's real estate market, homeownership is more than a lifestyle preference — it's the financially smart thing to do. If you're currently renting your home, your rent is likely more than the monthly mortgage payment and ownership cost for the same home! With a minimum down payment, you can upgrade from renting to owning, and save money on your monthly costs.*

1. Purchase price \$ _____
2. Down payment \$ _____
3. Loan amount \$ _____
4. Interest rate _____ %
5. Closing costs \$ _____
6. **Total cost of acquisition** \$ _____

Want more information about buying a home? Call me today for a free consultation! Together, we can figure out what's right for you.



Costs	Buy	Rent
Monthly Rent	\$ NA	\$
Monthly Principal and Interest	\$	\$ NA
Monthly Mortgage Insurance	\$	\$ NA
Monthly Taxes	\$	\$ NA
Homeowners' Insurance/ Renters' Insurance	\$	\$
Monthly Maintenance/ Landscaping/Pool	\$	\$
Utilities	\$	\$
Homeowners' Association (HOA) Dues	\$	\$
Monthly Income Tax Savings	\$(-)	\$ NA
Monthly Cost	\$	\$

*These figures are based on estimates. Actual amounts may vary.