# Build Wealth

## THROUGH HOME OWNERSHIP

*Home Owners'* net worth is **80 times** renters' net worth.*

### BUT WHY?

What makes someone wealthier just by being a homeowner?

Read on to learn how owning a home builds wealth.

* According to the United State Census Bureau for median net worth.

# Owning vs Renting


We all need to live somewhere, right? And that means writing some sort of check every month.

Of course, the amount you pay depends on several factors.

But let's just say for this conversation, for what you can afford to pay in rent, is the same as what you'd pay in mortgage. Even if those amounts are the same, there is a critical difference between those payments.

When you pay rent, you're essentially paying for a service. That service is being permitted to live on someone else's property. You don't own anything in exchange for your payment and, accordingly, your net worth goes down by your rental payment each time you pay it.

Each time you pay your mortgage, on the other hand, you're slowly gaining equity in your home. It's almost like you are paying yourself to live somewhere instead of paying someone else.

Now, let's talk equity and how that comes into the equation.

Equity is the difference between the remaining balance on your mortgage and the current value of your home. So, when you pay a mortgage, it's like you are getting a "two for one special."

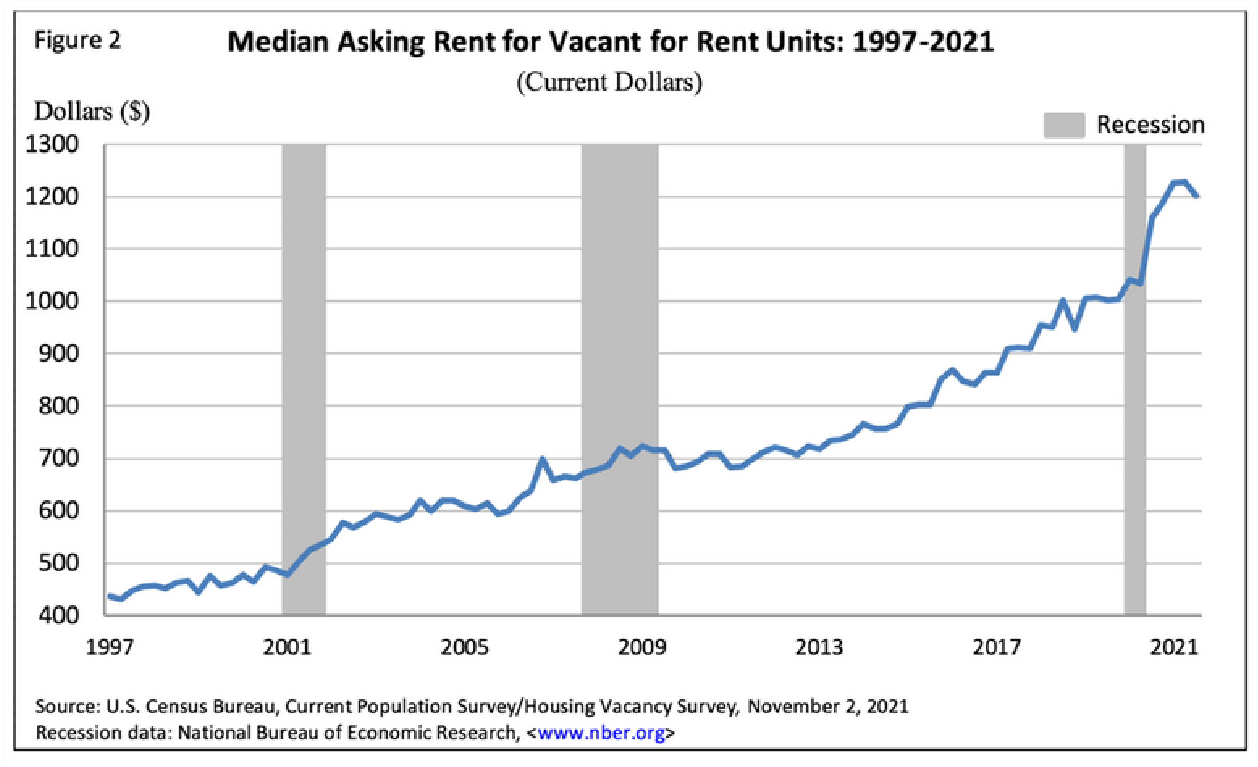
What I mean by that is not only are you are creating equity because you are paying down what you own on your mortgage, but in addition to that, historically, the values of real estate properties continue to rise over time.

This means that your home will likely be worth more the longer you live there. In other words, the money you put into buying a home will be working for you. It will be growing in the background while you go about your daily life as usual. Who doesn't want that?

Each mortgage payment is working to build your overall wealth, unlike a rental payment that drains it. That's not the only wealth advantage of owning rather than renting, though.

STEADY
# Payments

If you've been renting for a while, you've no doubt noticed that your rent is not static over time.  And from this graph, increases in rent are getting steeper every year:




After your lease expires, your rent will generally increase to keep up with inflation and other costs for the property owner. You'll be paying more for the same living situation.

A mortgage is different. The average homebuyer takes on a 30-year fixed-rate mortgage. They pay a consistent payment of the same amount each month for thirty years and that's it.

The only increase you'll see is if and when your property taxes or homeowners insurance rises, but that's minimal compared to rental increases.

There will still be some costs for the homeowner to take care of like repairs, maintenance, but the bulk of their living costs will remain the same over time. Think about how nice it would be never to have to worry about rent increases again. That's just one of the wealth-building benefits of owning a home.

# TAX *Benefits*

### Believe it or not, owning a home can also come with some fairly substantial tax benefits.

Many homeowners can deduct their mortgage interest, state and local real estate taxes, or both. These deductions reduce the taxes you owe and can add up to thousands of dollars in savings.

Those deductions are simply not available to renters because they don't apply to them. Homeowning sounds much more expensive than renting at first but, when you add in the tax benefits, you may actually be paying less if you were paying a mortgage vs. paying rent.  Of course, everyone's tax situation is different and you should talk to a licensed accountant to see what your tax savings could be as a homeowner. If you need a good recommendation, let me know.  All in all, the tax benefits from homeownership are just yet another reason why owning can help build wealth.

# HOME *Free*

### The other great thing about being a homeowner is that if you live in your home long enough, you'll pay off your mortgage completely and be able to live "free" other than property taxes and maintenance costs.

And, depending on your age and/or income when you pay off your home, you likely can qualify for a property tax deduction.


BUT WHAT IF

# You Need to Move?

*That's when the fun comes in!*

You can either sell your home and take the equity you earned from paying down your mortgage and your home appreciating in value to help make your next home more affordable.

Or, you might decide to make it a rental property and have someone else pay down your mortgage for you so that one day you can have passive income or a huge windfall from selling a property that someone else paid off for you.

Over the last year, in our area, homeowners gained over $50K in equity. In some neighborhoods, it was much more!

That's passive wealth-building just by owning the home.

We can help you make even more (if its an investment property or second home) through our property management program.

# BUT, CAN I AFFORD TO BE A *Homeowner?*

One of the reasons I became a real estate agent is because I truly believe that being a homeowner is more attainable than most people think.

There are first-time home buying programs that help with down payment and lower interest rates and even things like reducing closings costs and property taxes.

Most people just don't know about these programs, but I do, and I make sure all my clients know about them and take full advantage of them to make their first home more affordable, sometimes even more affordable than renting.

Another reason I became a real estate agent is because I believe in the power that real estate has to build wealth not only for ourselves, but in the process, we create stability and a legacy for generations to come.

That said, not everyone should be homeowners right at this moment. But, at the very least, they should know if it IS possible for them now or what steps they need to take to become one in the future.

# How Can We Help?

If you or anyone you know has been thinking or should be thinking about owning a home, we'd love to talk and see if we can help you decide if it's the right move. The answer is not always yes, even though we own a real estate agency.

Let's see what is possible and put together a plan that might just change the trajectory of your life and your future for the better.

*P.S. If it's affordability that is stopping you from moving forward, regardless of what you have in a savings account, regardless of how much debt you have, regardless of how much prices rose over the last year, if you want to become a homeowner, you can. Maybe not today, but soon.*

Let's put a plan together.

*Let's put a plan together for you to make those homeownership dreams become a reality. You've got nothing to loose (except passive wealth building, gaining equity, stabilizing your monthly payments and tax savings!).*

***Let us or one of our trusted agents help you navigate the current real estate market.***

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