



ARE YOU COMPARING RENT vs BUY?

Do you know that if you rent a freehold townhouse in the suburbs, you will pay a minimum of \$1200 and more likely \$1400 per month plus utilities?

Have you ever wondered how much money you are leaving behind as you build your financial future by renting for a long (5) year period? Imagine over a 30 year period!

I am using conservative assumptions for this comparison.

Renting:

\$15,600 per year x 5: \$78,000.

Utilities over 5 years: \$ 9,000.

Total: \$87,000. (expense)

Total Equity: \$0.00

Buying:

Purchase a freehold Townhouse: \$300,000 (incl. Appliances, fence, window coverings, a/c)

Down Payment: \$15,000 (notice approx. The same as base rent)

Mortgage \$285,000 @ 4% for 5 years, amortized over 30 yrs;

Payment: \$16,280/year plus CMHC premium portion

Taxes & water: \$3,000/year

Utilities: \$1,800/year

Maintenance: \$1,500/year

Total: \$19,880 x 5 = \$99,400

Value of house in 5 years (4% per year increase): \$365,000.

The amount of Mortgage outstanding in 5 years: \$264,200.

Total Equity: \$100,800.

So you spent a little more than what you paid in rent and now have \$100,800 value accumulated from a \$15,000 original investment! That is a “significant gain”, for a small “temporary pain” 😊

...isn't this worth a conversation?

If you are pondering various options, your call is always welcome. I would be more than happy to look at them with you and guide you in your choices. I will be glad to help you build your financial security.

Lysanne Brault,

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This information is believed to be accurate but is not warranted and is for illustration purposes only.