

PURCHASE VS. RENT COMPARISON

Purchase Price	200,000
Annual Rate of Appreciation	3.00 %
Down Payment & Costs	60,000
Loan Amount	140,000
Annual Interest Rate	6.000 %
Term of loan in Months	300
Monthly Principal & Interest	902.02
Annual Property Taxes	2,500
Annual Growth Rate on Property Taxes	2.00 %
Annual Common Area Maintenance	198
Annual Growth Rate on CAM	2.00 %
Buyer's Tax Rate	42.00 %
Monthly Rent	1,000.00
Annual Growth Rate on Monthly Rent	3.00 %
Annual Hazard Insurance	250.00
Annual Growth Rate on Hazard Insurance	5.00 %

(End of Year)	Year 1	Year 2	Year 3	Year 4	Year 5
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Property Value	206,000	212,180	218,545	225,102	231,855
Loan Balance	137,508	134,862	132,053	129,071	125,905
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Gross Equity	68,492	77,318	86,492	96,031	105,950

ANNUAL COST COMPARISON

Down Payment	60,000				
+ Principal	2,492	2,646	2,809	2,982	3,166
+ Interest	8,332	8,178	8,015	7,842	7,658
+ Property Tax	2,500	2,550	2,601	2,653	2,706
+ Insurance	198	202	206	210	214
- Tax Savings	4,549	4,506	4,459	4,408	4,353
Annual Buying Cost	68,973	9,070	9,172	9,279	9,392
Annual Rent Cost	12,250	12,623	13,006	13,402	13,810

MONTHLY COST COMPARISON

PITI Payment	1,126.85	1,131.35	1,135.94	1,140.61	1,145.39
- Tax Savings	379.12	375.50	371.57	367.33	362.75
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Monthly Buying Cost	747.73	755.85	764.37	773.28	782.64
Monthly Rental Cost	1,020.83	1,051.88	1,083.87	1,116.84	1,150.83
Difference Per Month	273.10	296.03	319.50	343.56	368.19

ACCUMULATED TOTAL COST

Down Payment & Costs	60,000				
Total PITI Payments	13,522	87,098	100,730	114,417	128,162
- Tax Savings	4,549	9,055	13,514	17,922	22,275
- Gross Equity	68,492	77,318	86,492	96,031	105,950
Sales Cost % 5.00	10,300	10,609	10,927	11,255	11,593
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Net Cost of Buying	10,780	11,334	11,650	11,719	11,529
Cost of Renting	12,250	24,873	37,879	51,281	65,091