



Student Rentals vs. House Purchase Investment

Student Rent \$600/month

Year 1
\$7,200
(0%) \$600

Year 2
\$7,416
(3%) \$618

Year 3
\$7,632
(3%) \$636

Year 4
\$7,860
(3%) \$655

\$30,108

Student Rent \$800/month

Year 1
\$9,600
(0%) \$800

Year 2
\$9,888
(3%) \$824

Year 3
\$10,188
(3%) \$849

Year 4
\$10,488
(3%) \$874

\$40,164

Student Rent \$1,000/month

Year 1
\$12,000
(0%) \$1,000

Year 2
\$12,360
(3%) \$1,030

Year 3
\$12,732
(3%) 1,061

Year 4
\$13,104
(3%) \$1,092

\$50,196

Purchase Price (Percentages Down)

\$150,000

25% down
= \$37,500

20% down
= \$30,000

10% down
= \$15,000

\$175,000

25% down
= \$43,750

20% down
= \$35,000

10% down
= \$17,500

\$200,000

25% down
= \$50,000

20% down
= \$40,000

10% down
= \$20,000



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Purchase Price (Monthly Payment)

	<u>\$150,000</u>	<u>\$175,000</u>	<u>\$200,000</u>
25% down =	\$570	\$665	\$460
T+I = +	\$162	\$180	\$190
Repairs =	\$60	\$60	\$60
	\$792	\$905	\$1,010
20% down =	\$608	\$709	\$810
T+I = +	\$162	\$180	\$190
Repairs =	\$60	\$60	\$60
	\$830	\$949	\$1,060
10% down =	\$684	\$798	\$912
T+I = +	\$162	\$180	\$190
Repairs =	\$60	\$60	\$60
	\$906	\$1,038	\$1,162

Owning vs. Renting

Monthly Payments (x 4 Years and Down Payment at 25% down)

Purchase Price	<u>\$150,000</u>	<u>\$175,000</u>	<u>\$200,000</u>
4 Years of Rent	\$38,016	\$43,440	\$48,480
25% Down Payment	\$37,500	\$43,750	\$50,000
	\$75,516	\$87,190	\$98,480



Renting

\$600/month 1 Bedroom	\$30,108	\$57,082	\$68,372
\$800/month 2 Bedroom	\$40,164	\$47,026	\$58,316

Total Investment at 2.3% Forecasted Appreciation at 25% down

	<u>\$150,000</u>	<u>\$175,000</u>	<u>\$200,000</u>
	2.3% x 4 yrs	2.3% x 4 yrs	2.3% x 4 yrs
	_____	_____	_____
	\$163,800	\$191,100	\$218,400
Cost of Sales	(6%) \$9,828	(6%) \$11,466	(6%) \$13,104
	_____	_____	_____
	\$153,972	\$179,634	\$205,296

Original Loan Amount

\$112,500	\$131,250	\$150,000
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**Amortized Gain (New Loan)*

\$104,725	\$122,179	\$139,633
\$153,972	\$179,634	\$205,296
-	-	-
\$104,725	\$122,179	\$139,633
_____	_____	_____
\$49,247	\$57,455	\$65,663



**Back at Closing Estimated*

-	-	-
\$35,352	\$47,026	\$58,316
_____	_____	_____

**4 year investment with \$800 extra rent added*

\$13,895	\$10,429	\$7,347
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Cost Difference 4 Years

<u>Rent Amount</u>		<u>Buying Amount</u>	
\$600 =	(Lost) \$30,108	(Gained) \$13,895	= \$150,000
\$800 =	(Lost) \$40,164	(Gained) \$10,429	= \$175,000
\$1,000 =	(Lost) \$50,196	(Gained) \$7,347	= \$200,000
\$600	vs	\$150,000	= \$44,003 of savings
\$800	vs	\$175,000	= \$50,593 of savings
\$1,000	vs	\$200,000	= \$57,543 of savings

***All numbers and calculations above are based on estimated values and projections.**



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