

Rent vs. Buy Guide

This analysis of the benefits of homeownership is updated annually. This handout is intended to start a discussion with your clients about the general benefits of homeownership. Individual finances and tax brackets vary—the handout is intended as a general example only, not as personal financial advice.

How did we come up with the numbers? Below is a guide to how the figures were calculated.

1. Annual Monthly Payments: Homeowner costs are based on the median home price in the Columbia County area, 3.5% downpayment, 30 year fixed mortgage at a 4% interest rate. Rent is calculated by searching for the average rent in the Columbia County area on a two-bedroom residence.
2. Real Estate Taxes: Conducted a search on RMLSweb for homes listed at the area's median home price; averaged a representative sample of property taxes to obtain average tax.
3. Mortgage Interest Deduction: Used a mortgage amortization calculator to determine total interest payments on the mortgage loan. Assumed 30% combined (state and federal) income tax rate for the homeowner.
4. Deduction for Property Taxes: Used the average property tax rate. Assumed 30% combined (state and federal) income tax rate for the homeowner.
5. Mortgage Principal Accumulation: Determined through mortgage amortization calculator.
6. Appreciation: Averaged annual appreciation from last ten years of year-end RMLS™ Market Action reports.