

SOUND OFF *Patty McManus*

What are the benefits of purchasing compared to renting?



Many people who are renting actually think that it is less expensive than owning. This is not always the case. Interest rates are currently around 4 percent. The most beneficial aspect of low interest rates is that it enables homeownership for almost anyone. In most cases, someone who is renting can become a homeowner and have monthly payments equal to or less than their current rent payment.

In addition, mortgage interest and property taxes are tax de-

ductible, leading to further savings. There are loan programs available that require little or no down payment, further enabling a purchase.

At 4 percent interest, you would repay \$477.42 monthly for principle and interest on every \$100,000 borrowed. For example, a \$250,000 home with a 30-year mortgage and 0 percent down with a 4 percent interest rate would translate in to a monthly mortgage payment of \$1,193.55. If the property taxes are \$4,000 per year, that would

leave a new homeowner with a total monthly payment of \$1,526.88 (this figure does not include PMI and homeowners' insurance). If a buyer does not qualify for a 0 percent down program, there are other programs that require as little as a 3.5 percent down payment.

In my opinion, there are only two types of buyers that should not consider a purchase. Those who are in credit repair, because if your credit is bad, you should be actively trying to repair it; or those who are not certain that

they will be in the area for the next three to five years.

It is still a great time to be a first-time home buyer. Education is key in making the right decision for your future. Consulting with an experienced Realtor and mortgage lender is crucial to a successful outcome. Owning your own home is a sound financial decision and investment in your future.

*Patty McManus,
William Pitt Sotheby's
International Realty, (203) 733-3941
(cell), patty@pattymcmanus.com*