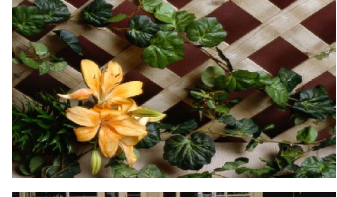


Why Renting Makes Sense



Why rentwhen you can buy?

You've probably been told that renting instead of buying a home just doesn't make sense!

Let's take a closer look at that...

We'll show you the simple economics, freedom and conveniences in renting an apartment home and why it makes sense to rent!

The advantages of renting vs. buying are about to become a whole lot clearer!



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Convenience

In comparison to those buying a house, you can enjoy a number of distinct benefits by renting an apartment home:

- ◆ Cost & Time Saved! No shoveling, mowing or pulling weeds!
- ◆ Maintenance free living!!
- ◆ No paying the Plumber! Call the office and it's taken care of!
- ◆ 24 Hour Maintenance - your problem is taken care of!
- ◆ NO EXTRA COSTS for Maintenance Repairs!
- ◆ SAVE TIME by not having to do the repairs—just make a phone call and it's taken care of!

Economics

As indicated by the chart on the reverse side you'll enjoy monthly savings by renting as opposed to buying at a comparable quality and location. These numbers are estimates, however, they clearly reflect the bottom-line realities of the current real estate market.

You Don't Have to Buy to Enjoy Luxury Living

Why rent when you can buy? The truth is, not everyone is cut out to be a homeowner. Renting makes good economic sense while enabling a combination of a luxurious lifestyle and economic freedom. Consider that renting may be just the right choice for you!

Cost Associated With Ownership Compared to Renting a 2 Bedroom / 2 Bath Apartment

This chart demonstrates the monthly savings enjoyed by renting as opposed to buying a house of comparable quality and location.

Purchase

CAPITAL COSTS

Purchase of a 2 bedroom house of comparable quality and location	\$250,000
Estimated Down Payment at 20%	\$50,000
Amount to be financed	\$200,000
Monthly Payment (assume a mortgage interest rate of 7% for 30 years)	\$1,332
Lost earnings on down payment (assume 10 year US Treasury bond at 5% would earn \$2,500/year)	\$208
Total Monthly Capital Costs	\$1,540

OWNERSHIP COSTS

Real estate taxes, based on 1% standard of market value, annual tax bill estimated at \$3,000	\$250
Insurance - annual property coverage and liability estimated at \$600	\$50
Total Monthly Ownership Costs	\$300

OPERATING COSTS

Pool maintenance, lawn care, snow removal, refuse	\$150
Utilities — Cable, Gas, Water, Electric	\$250
Repairs and Replacements	\$150
Total Monthly Operating Costs	\$550
Total Monthly Costs before income tax benefits	\$2,390

Less probable income tax savings at 35% of real estate taxes and mortgage interest	- \$190
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NET MONTHLY COST OF BUYING **\$2,200**

Rent

Renting Average Monthly Rent Rate for West Michigan for 2 Bed / 2 Bath **\$705**

MONTHLY SAVINGS BY RENTING VS. BUYING **\$1495**



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