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Benefits of Owning Your Own Home – IT'S YOUR BEST INVESTMENT

The Best Investment

As a fairly general rule, homes appreciate about five percent a year. Some years will be more, some less. The figure will vary from neighborhood to neighborhood, and region to region.

Five percent may not seem like that much at first. Stocks (at times) appreciate much more, and you could earn over six percent with the safest investment of all, treasury bonds.

But take a second look...

Presumably, if you bought a \$200,000 house, you did not pay cash for the home. You got a mortgage, too. Suppose you put as much as twenty percent down – that would be an investment of \$40,000.

At an appreciation rate of 5% annually, a \$200,000 home would increase in value \$10,000 during the first year. That means you earned \$10,000 with an investment of \$40,000. Your annual "return on investment" would be a whopping twenty-five percent.

Of course, you are making mortgage payments and paying property taxes, along with a couple of other costs. However, since the interest on your mortgage and your property taxes are both tax deductible, the government is essentially subsidizing your home purchase.

Your rate of return when buying a home is higher than most any other investment you could make.

If you are moving to a home for the first time, you are going to be very pleased with all the new space you have available. You may have to even buy more "stuff."