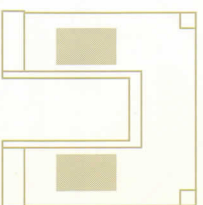


## The Dream

**Home ownership has many economic as well as psychological benefits.**



**Inflation hedge.** Real estate has been a solid investment especially

over the last few inflationary decades. If the value of your home increases, you benefit—not your landlord, and the house you can just squeeze into now may be the ticket to the home you'll grow into later.

**Tax shelter.** There are tax advantages to home ownership as well. The massive tax reform of the 1980s curtailed the tax advantages of many investments—but not primary residences. Interest on a first mortgage remains deductible on your federal income tax return and so do property taxes. Within certain limits, interest on home equity loans is also deductible, which may come in handy in the future—when you need money to pay for children's college tuition, for example.

**More enjoyable retirement.** Buying a house at a relatively young age can be a potential help at retirement. More and more retirees are choosing to stay in their homes, which, by retirement age, are either entirely paid off or have very low mortgage payments. They're able to use their retirement income to enjoy life rather than to make ever-increasing rent payments. Other retired persons opt to sell their homes, thereby unlocking substantial equity that can be used to purchase a less expensive home outright and/or to provide additional funds to assure a comfortable retirement.

**Control over housing costs.** A high monthly mortgage payment now may turn out to be a bargain in the future because as your earnings increase, your mortgage payment usually doesn't. If you doubt this, just ask someone who has owned a home for 20 years about their mortgage payments. Rent increases, on the other hand, are expected to continue to outpace inflation.\* Even homeowners with adjustable rate mortgages (ARMs) who have experienced periodic increases in their mortgage payments find that, over time, their housing costs have risen much less than they would have if they were still renting. Furthermore, many people have enjoyed decreases in their ARM payments as a result of declining interest rates.

*\*Source: Personal Financial Planning Handbook*

# H

**HOME OWNERSHIP** has always been a part of the American dream. A home is more than a house. It's a place to settle, to raise a family, to tend your garden. Whether you're considering a single family home, condominium, cooperative, duplex or townhouse, owning your own home can give you a sense of pride and proprietorship you may never have imagined. While your desire to own a home may be only a dream right now, there is no reason why you can't make the dream come true.