

OWN YOUR HOME, CUT FIXED COSTS

Core Principle:

A home is a sanctuary, not a sinkhole. Buy the home you need, not the home you can barely afford.

THE TRUE COST OF OWNERSHIP

Your mortgage is the **minimum** you will pay. Add these to get the real cost:

- **Property Taxes:** Can rise every year.
- **Insurance:** More expensive than renters insurance.
- **Maintenance:** Budget 1% of home value/year for repairs.
- **Opportunity Cost:** Money in the down payment isn't in the stock market.

THE 30% RULE

Total Housing Cost / Gross Monthly Income < 30%

If you are over 30%, you are limiting your ability to build wealth.

If you are over 40%, you are "House Poor."

RENT VS. BUY: KEY DIFFERENCES

Feature	Renting	Buying
Flexibility	High (Move easily)	Low (Selling takes time)
Upfront Cost	Low (Deposit)	High (Down Payment + Closing)
Maintenance	Landlord's Problem	Your Problem & Cost
Equity	None	Builds Over Time
Risk	Low	Market & Repair Risks

ACTION STEPS

1. **Calculate Your Ratio:** Is housing < 30% of income?
2. **Budget for Repairs:** Save 1% of home value/year.
3. **Don't Over-Improve:** Renovations rarely return full cost.
4. **Invest the Difference:** If renting, invest what you save vs. buying.

Remember:

Freedom comes from low fixed costs.

Don't trade your future for a bigger lawn.