



Genworth®
Financial



BUY NOW...OR WAIT AND SAVE?

When Waiting and Saving Makes Sense

Marie and Todd rent a small 3 bedroom house in the suburbs, however would like to move to a bigger house with a backyard for their two children, Patrick and Madison. Todd works long hours as an Accountant, and together with Marie's income as a Registered Nurse they have an annual pre-tax income of \$215,000.

While paying \$450 a week in rent, they have been able to save \$75,000 towards their first home, which they are hoping to find with a budget of \$700,000. Their real estate agent has warned they should expect rental increases of at least 3% over the coming years, and house prices in the area they would ideally like to buy a house are currently increasing at 6% per year.

While Marie would like to move to a bigger house now, Todd

thinks they should wait and save a larger deposit. However he isn't sure how long they will have to continue renting.

Using Genworth's Buy Now or Wait and Save Tool, Marie and Todd discovered that it would take them 2 years and 2 months

Marie & Todd - At a Glance

Ideal Property Value: \$700,000

Deposit: \$75,000

Property Growth Rate: 6%

Current Rent: \$450 per week

Additional Savings: \$1,200pm

Outcome: As they have a high savings rate, it will only take 2 years and 2 months to save a 20% deposit. By this time, they will have accumulated \$194,141 in savings, compared to the \$164,058 of equity that would have been built should they buy now and save a 20% deposit.



When they looked at their spending habits, they determined they could save the equivalent of their mortgage repayments, as well as an additional \$1,200 per month which would rapidly increase their savings.

to save a 20% deposit. With their high income and ability to save, they will have accumulated more in savings than equity they could have built during that time.*

*Based on certain assumptions regarding property growth rates and interest rates.

The right partner makes all the difference

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