



Office: 919-782-7827
 Email: Info@4sale4rent.com

How Much Equity Does a 3% Annual Appreciation Rate Yield?

provided by

The Real Estate People
 Raleigh, NC

www.TheRealEstatePeopleNC.com

The example below illustrates Equity Growth over a 30-year timeframe. The example makes the following assumptions:

- Buy a Home for \$200,000
- Make a Down payment of 5% (\$10,000)
- Borrow \$190,000
- At an Interest Rate of 5.5%
- The Home appreciates an Average of 3% a Year

At the end of 10 years the home has \$111,955 equity.
 At the end of 20 years the home has \$261,818 equity.
 At the end of 30 years the home has \$485,452 equity.

End of Year	Total Principle Paid Off	Annual Appreciation	3% Annual Appreciation	Estimated Value of home	Cumulative Owners Equity
1	2,779	\$ 6,000	6,000	206,000	18,779
2	5,263	\$ 6,180	12,180	212,180	27,443
3	8,120	\$ 6,365	18,545	218,545	36,665
4	11,137	\$ 6,556	25,102	225,102	46,239
5	14,325	\$ 6,753	31,855	231,855	56,180
6	17,692	\$ 6,956	38,810	238,810	66,503
7	21,250	\$ 7,164	45,975	245,975	77,225
8	25,008	\$ 7,379	53,354	253,354	88,362
9	28,978	\$ 7,601	60,955	260,955	99,933
10	33,172	\$ 7,829	68,783	268,783	111,955
11	37,603	\$ 8,063	76,847	276,847	124,450
12	42,283	\$ 8,305	85,152	285,152	137,435
13	47,228	\$ 8,555	93,707	293,707	150,935
14	52,451	\$ 8,811	102,518	302,518	164,969
15	57,970	\$ 9,076	111,593	311,593	179,563
16	63,799	\$ 9,348	120,941	320,941	194,740
17	69,957	\$ 9,628	130,570	330,570	210,527

End of Year	Total Principle Paid Off	Annual Appreciation	3% Annual Appreciation	Estimated Value of home	Cumulative Owners Equity
18	76,463	\$ 9,917	140,487	340,487	226,949
19	83,335	\$10,215	150,701	350,701	244,037
20	90,596	\$10,521	161,222	361,222	261,818
21	98,265	\$10,837	172,059	372,059	280,324
22	106,368	\$11,162	183,221	383,221	299,588
23	114,927	\$11,497	194,717	394,717	319,645
24	123,969	\$11,842	206,559	406,559	340,528
25	133,522	\$12,197	218,756	418,756	362,277
26	143,613	\$12,563	231,318	431,318	384,931
27	154,273	\$12,940	244,258	444,258	408,531
28	165,535	\$13,328	257,586	457,586	433,121
29	177,432	\$13,728	271,313	471,313	458,745
30	189,995	\$14,139	285,452	485,452	485,452