

Save for a deposit on a house

What if you could easily put down a deposit on your dream house when you find it?

By saving early, from your very first paycheck, you can turn your home-buying dream into reality.

Example

To ensure you get a good deal on your loan, you often need a large deposit.

David plans to buy a house when he turns 30.

At the age of 23, he starts saving R1 000 every month in an Investo Endowment from Momentum Savings, increasing it by 10% per year, which can yield R135 000.

If he puts down the R135 000 as a 10% deposit on a R1,35 million house:

- 1 It may decrease the **interest rate** on the loan (by 1% for this example) **AND** the **capital amount** of the loan.
- 2 It also has a secondary effect of the **monthly instalment being reduced** by more than R2 000, from R12 800 to R10 700.
- 3 The total fees on the endowment over the 7 years are R15 800 but he **can save** R360 000 on interest on the bond.
- 4 Paying a deposit from his investment can be **tax efficient**, utilising his **personal tax exemptions**.

Start saving early.

Speak to your financial adviser.

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