

Affordability checklist: can I afford to buy a house?

Summary of the most important requirements for owner-occupied home ownership.



Do I have enough equity capital?

Total purchase price

The 20:80 rule normally applies to equity capital:

at least 20% equity capital

Your equity capital

50% "genuine" equity capital

Savings

Securities

Advance against inheritance

Private loans

Pillar 3

Other

Pillar 2

Advance withdrawal or pension fund pledge

Total equity capital available

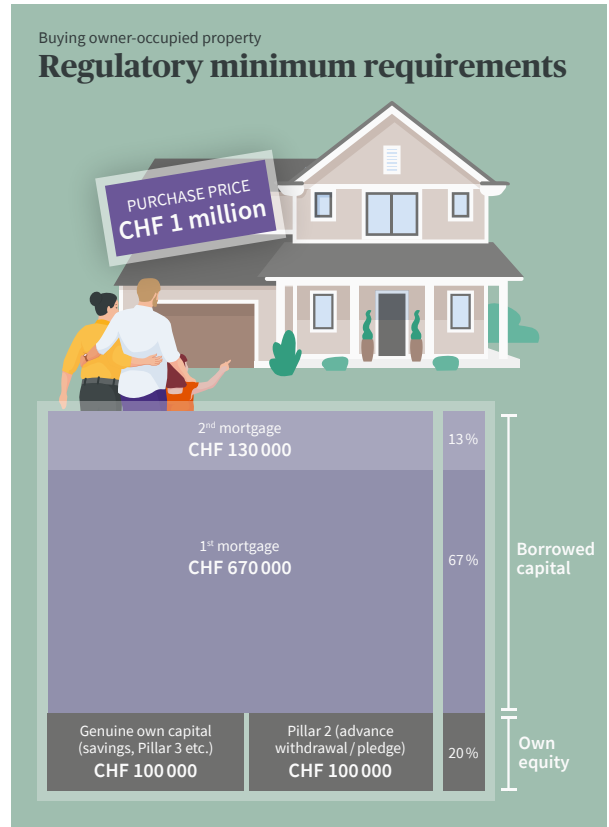
Your maximum borrowings (mortgages)

First mortgage:

maximum 65% of the property value

Second mortgage:

maximum 15% of the property value



Can I fund the living costs?

Living costs should not exceed 1/3 of gross income

Basis of calculation

Your starting value

Your costs

5% mortgage interest

Value of mortgage:

=

0.7 – 2.5% maintenance and ancillary costs

Value of property:

=

Repayment of second mortgage

Value of second mortgage:

=

Your living costs:

=

Your gross salary

=

%

(less than 33.3% produced)

Advance withdrawal or pension fund pledge: what's best for me?

Up to half of equity capital can come from Pillar 2.
Here you choose between advance withdrawal and pledge.

Advance withdrawal	Pledging
Lower mortgage interest	Higher mortgage interest
Lower repayment contributions	Higher repayment contributions
Lower retirement pension	Higher retirement pension
Benefit reduction in the event of disability/death	Full benefits in the event of disability/death

■ Advantage ■ Disadvantage

Second mortgage: should I opt for direct or indirect repayment?

The second mortgage must be repaid within 15 years, or at the latest by the time you reach retirement age.
You decide whether to repay directly or indirectly.

Do you want to reduce your tax bill through mortgage debts?			
Yes	Direct repayment		Indirect repayment
	Reducing mortgage debt	No	Constant mortgage debt
Should the interest burden decrease over the term?			
Yes	Direct repayment		Indirect repayment
	Lower interest burden	No	Constant interest burden
Do you want to reduce your tax bill through mortgage debts?			
No	Direct repayment		Indirect repayment
	Rising tax burden	Yes	Constant tax burden
Do you need insurance protection against disability or death?			
No	Direct repayment		Indirect repayment
	No income protection in the event of disability/death	Yes	Income protection in the event of disability/death
Are you taking account of inflation?			
No	Direct repayment		Indirect repayment
	Negative for inflation	Yes	Positive for inflation

■ Advantage ■ Neutral ■ Disadvantage