

The Parent Play

The math, the terms, and the conversation that turns a renting parent into a buyer.

THE IDEA IN ONE BREATH

Parents already spend tens of thousands of dollars housing a student at college, and keep nothing for it. Four families usually coordinate that housing anyway. Pooled toward one home near campus, that same money builds equity they own and split, instead of rent they never see again.

THE MATH THAT SELLS IT

\$216,000 3 yrs of rent, 4 families = 68% of a \$320k house	\$72,000 paid for empty months summers + a semester abroad	\$2,077/mo to own the whole house vs \$6,000/mo in rent	\$519 vs \$1,500 cost per bed, own vs rent a third of the cost
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Illustrative: \$1,500/bed premium apartment vs a \$320,000 four-bedroom, 20% down, 7% rate, 3% appreciation, 3-year hold.

WHO TO LOOK FOR

- A client whose student is moving off-campus, usually sophomore year and beyond.
- Parents already writing checks to the nicer student apartments near campus.
- A group of parents trying to sort out housing together for the same friend group.
- Families thinking three-plus years out, or with a second kid headed to college behind the first.

THE FOUR-STEP PITCH

- 1 Spot it**
 Ask where their student is living next year. If the answer is a \$1,500-a-bed apartment, there is a conversation here.
- 2 Name the waste**
 Walk the number out loud: about \$18,000 a year per student, on a 12-month lease for eight months of use. Four families over three years is six figures, gone.
- 3 Flip it**
 The same money can carry a house they own together. Show them the rent-versus-own side by side, and hand them the calculator.
- 4 Hand it off**
 Let them know the financing is the straightforward part. Send them my way and I'll run the own-versus-rent on a real address.

Terms & Objections

TERMS, IN PLAIN ENGLISH

Owner-occupied vs. second home vs. investment

How the lender classifies the purchase, which drives the rate and the down payment. A home a student occupies for the parents usually prices as a second home or investment, which needs more down. This is why the structure matters.

Non-occupant co-borrower

A parent who signs on the loan and helps it qualify but does not live in the home. It lets a parent's income carry a loan a student could not get alone.

Co-ownership / LLC

How several families hold one property together: as joint owners on title (a conventional loan allows up to four borrowers) or through an LLC they own. Either way they sign a written agreement on who pays what and how someone exits.

Down payment & equity

The down payment is cash in up front, instant equity rather than a cost. Equity is what the owners actually own: that down payment, plus principal paid down, plus any appreciation.

Principal vs. interest

Each payment splits in two: principal pays the loan down (money kept) and interest is the cost of borrowing (money gone). Early payments are mostly interest.

Appreciation

How much the home's value rises over time. Not guaranteed, but historically steady near a growing university.

Carrying cost

The monthly cost to own: principal, interest, taxes, insurance. Compare it to the rent they pay now. If the families or roommates cover it, the house can carry itself.

Sunk cost

Money you never get back. All rent is sunk. The clearest example here is a 12-month lease on a room that sits empty four months a year.

THE THREE OBJECTIONS

"Too many people, too complicated."

It is a structure, not a mystery. Conventional loans allow up to four borrowers, and families do this with a simple written agreement. Setting that up is exactly the lender's job.

"What if a student drops out, or they don't get along?"

The co-ownership agreement answers it up front: who can sell, who can buy whom out, how a room gets re-rented. It is handled before anyone signs.

"Isn't this risky?"

Every month of rent is a guaranteed total loss. Owning carries real risk, but it also builds equity and owns an appreciating asset in a supply-tight college town. The honest comparison is risk-with-upside against certain loss.

The financing is the straightforward part.

Reach out whenever it comes up and I'll run the own-versus-rent on a real address.

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