PRICE DIFFERENTIATION CHART

Purchase Price	Mortgage Principal (after 20% down)	Interest Rate 5 year closed 25 year amortization	Monthly Payment	Interest Cost to Borrow (paid)	Mortgage Principal (paid)	Amount Owed After 5 years (principal only)
$1,000,000.00	$800,000.00	4%	$4,208.16	$145,445.77	$107,043.93	$692,956.00
$700,000.00	$560,000.00	11%	$5,390.16	$291,393.00	$32,017.00	$527,983.00
DIFFERENCE	$240,000.00 more on $1M	+7%	+$1,182 per month on $700k	+$145,947.23 more interest on $700k	$75,026.93 more principal paid on $1M	$164,973.00

→ Difference in monthly payments over 5 years (60 months) = $70,920.00
→ Difference in interest being paid over 5 years (60 months) = $145,947.23

TOTAL DIFFERENCE = $216,867.23

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At the end of five (5) years, you will owe $164,973.00 more on your purchase at $1,000,000.00 rather than $700,000.00. Although this may seem like a lot if you take into consideration the interest being paid toward your asset @1M rather than @700k, in only 5 years of the 25 you are looking at a difference of $145,947.23. That is $145,947.23 in the bank's account rather than invested in your equity. You will also be paying approximately $70,000.00 more in your monthly payment over the course of 50 years. If you take into account the 20 years left on the amortization table, your amount owed after 5 years differentiation on 1 million vs $700,000 will likely be far less than the interest you will end up paying more of on the $700,000 rather than $1,000,000.00.

The difference in down payment is $60,000. For purchase price of $1,000,000.00 the 20% down is $200,000 - and for a purchase price of $700,000.00 the 20% down is $140,000.00 creating a difference of $60,000.00. If you include the $60,000 in the price differentiation, the difference is still not supportive of waiting for the market to go down, with potential interest rates continuing to rise.

If you refer back to the numbers on the difference column in the chart below you can examine the following:

Mortgage Principal: $240,000.00 more will be paid down as a downpayment on your property. This allows for more equity in your home without a loan, granting you more access to equity and less interest paid against the remaining balance.

Interest Rate: The interest rate difference is 7% which will alter the following numbers in a significant way, regardless of the mortgage loan on the lower purchase ($700,000) price being $240,000 less than the mortgage loan on the higher purchase price ($1,000,000.00)

Monthly Payment: Your monthly payment on a home of $700,000.00 with 20% down with 11% interest will be *$1,182.00 more* than a home purchased for $1,000,000.00 with 20% down and with 4% interest.
Interest Cost to Borrow: Your interest paid toward your monthly mortgage payment, over 5 years (60 months) will be *$145,947.23 more* on a $700,000.00 property with 20% and 11% interest, rather than a home purchased for $1,000,000.00 with 20% down and 4% interest.
Mortgage Principal: Your principal paid toward your monthly mortgage payment, over 5 years (60 months) will be $75,026.93 more on $1,000,000 purchase price, 20% down, 4% interest, than it would be on $700,000.00 purchase price, 20% down, 11% interest. This indicates on a higher purchase price with lower interest rate you will be paying more into your asset, increasing your equity rather than the bank's.
Amount Owed: After 5 years, you will owe $163,973.00 more