

Renting vs. Owning

REAL ESTATE & HOUSING



Deciding to rent or buy depends on your individual circumstances. For markets where housing prices are extremely high and/or inventory is low, it might make sense to rent short-term. If you plan to live in one place long-term, it might make sense to buy a home since you will gain equity over time. The real estate market is always fluctuating, and the current trends can significantly impact your decision. Consider your lifestyle, market conditions, your need for flexibility or stability, and compare rent prices with estimated mortgage payments for homes in your desired neighborhood. This will help you make the decision that is right for you.

Advantages of renting

- Few upfront costs
- Monthly rent may be lower than monthly mortgage payment in certain areas
- The landlord is responsible for maintenance and repairs
- Rent payments may build credit if landlord reports rental payments to the credit bureaus
- Easier to relocate since you can move-out after your lease is up
- You don't have to pay for annual property taxes or homeowner's insurance
- Some utilities may be included in the rent

Disadvantages of renting

- Your rent may increase over time
- There are fewer options for home customizations
- You may not be able to have pets
- You don't get a return investment on the rent payments you make each month
- Might have to relocate if landlord decides to sell the property

Advantages of owning

- Tax write-offs for property taxes and mortgage interest
- You gain equity over time
- No landlord
- Ability to renovate
- You can have pets if you want
- You can build credit when you make your mortgage payments on time

Disadvantages of owning

- Large up-front costs
- Possible decline in home value
- Repair and maintenance costs
- Harder to relocate