Renting vs. Buying a Residence

There are many pros and cons to both buying and renting your home, and there are many factors that go into making the decision one way or another.

Pros of Buying:

- When you buy a home, it’s yours. Once you’ve paid it off you eliminate the expense.
- Homes appreciate in value over time. If the home appreciates more than you’ve paid on it, you may earn a return or break even when you sell it.
- When you own a home you earn additional tax credits.

Pros of Renting:

- When you own a home, you pay for interest and taxes.
- You don’t have to pay for repairs or maintenance.
- You have the freedom to move around if you’re not sure how long you want to stay in one place.

There are a number of other factors that should be taken into consideration when deciding whether or not renting or buying is right for you. Here are some things to consider:

- How long you will be living in the home. In general, the longer you live in the home the better because you will be spreading out costs over time.
- The cost of housing in your area. Compare the cost of renting vs. buying in your area.
- The opportunity cost of taxes and insurance. What kind of long-term return could you get from investing the money?
- The opportunity cost of your down payment. How much of a return could you get if you invested that lump sum?

When buying a home there are lots of other costs beyond the down payment and mortgage that must be factored into the decision to buy. These include things like insurance, home inspection, and closing costs. 6 Costs to be Aware of When Buying a Home

If you’ve decided to buy it’s also important to shop around for the mortgage lender that is right for you. What to Know When Choosing a Home Mortgage Lender

The most important thing is to explore all options before making a decision about which is right for you.

Is it Better to Rent or Buy Calculator
Should you Rent or Buy your Next Home