

## Buying vs. Renting

There are many advantages to buying a home instead of renting. In many cases, the amount of money a person spends on rent can be about the same as or less than the amount a homeowner spends on a mortgage. With the tax benefit available to homeowners, the savings can be significant. There are pitfalls too. The following chart shows you the benefits and drawbacks of both options.

### Buying Pros

- Property usually builds equity over time
- Sense of community, stability, and security
- Free to change the decor and landscaping
- Not dependent on anyone else to maintain the property
- Part of the mortgage interest and real estate taxes are tax-deductible

### Buying Cons

- Responsible for maintenance, even when it's inconvenient
- Responsible for property taxes
- Possibility of foreclosure and loss of equity
- Less mobility than renting

### Renting Pros

- Little or no responsibility for maintenance
- Easier to move
- No closing costs and other home-buying fees

### Renting Cons

- No tax benefits
- No equity builds up, no matter how long you stay
- No control over rent increases
- Possibility of eviction

As you can see, there are numerous pros and cons on each side of the decision. For many, it comes down to emotional considerations as well as financial ones. Do you want to feel that you are part of a community? Do you want stability and the experience of what many consider to be the American dream?

Then again, are you ready to give up the freedom of being able to move to a different neighborhood or city? Only you can decide if buying a home is a smarter decision than renting.