



# RENTING VS. BUYING

*which is better??*

If you are considering buying a house, one of the first decisions you need to make is whether buying a house instead of renting one is the right direction for you. Since owning a home is the “American Dream,” many people simply assume that it’s always to their advantage to buy a home, and for most, it is. Take a moment to review the following table to see how your situation fits in.



## RENTING

### *advantages*

- More fixed costs for the term of the lease
- Not gaining equity, but not losing it either
- When the lease is up, you can just move
- There is generally less work in maintaining a home or apartment
- Smaller amount of “up-front” cash

### *disadvantages*

- No matter what happens with the value of the home, you will never gain equity
- Limited or no ability to personalize your living quarters
- No tax advantage to renting. Your landlord gets any and all tax breaks that are available

## BUYING

### *advantages*

- Over time, the mortgage balance decreases and equity builds, even if the value of the home does not increase
- The ability to remodel and redecorate the home
- There can be tax advantages attached to home ownership. Consult competent legal and/or accounting advice for details for your situation

### *disadvantages*

- Variable costs
- Equity may go up, down, or stay stagnant
- If you want to move, home generally must be sold
- Work needs to be done by you, or paid for by you
- Generally a larger initial investment, (downpayment)