

Should I **Rent or Own?**



Council of
Residential
Specialists

Rent vs. Own: What's Right for You?

Owning a home is the American dream. But for some individuals, renting a property can be a wise choice, both financially and personally. Which is right for you? Consider the following:

1. Which offers lower monthly costs?

In many locations, rent is still affordable. In others, it can be higher than a comparable mortgage, especially when you consider that mortgage interest and property taxes are tax deductible. If your potential monthly mortgage payments are lower than your monthly rent, it might be time to buy.

2. Which offers more value?

A home is an investment. A rental property is an expense. Home ownership allows you to build up equity over time, which can make buying a home a better value even though it might seem more expensive in the short-term.

3. Which offers more stability?

As a renter, you're subject not only to rising rents, but also to the sale of your building. As an owner, your home belongs to you until you're ready to move on.

4. Which allows you to benefit from mortgage interest?

You can deduct mortgage interest from your income tax if you buy a home. If you rent, your landlord gets the deductions and uses your rent to make the mortgage payments.



5. Which allows you to deduct real estate tax?

You can deduct real estate taxes on your tax return when you own. If you rent, your landlord takes the tax deduction.

6. Which gives you good credit?

Home ownership is a major indicator of financial responsibility and stability, which gives you the chance to build a strong credit history.

7. Which helps you establish roots?

Unlike home owners, renters are more mobile and often don't establish roots in a community.

8. Which helps you build a retirement nest egg?

Homeowners can enjoy tax-free profits up to \$500,000 from the sale of a primary residence that they have occupied for two of the last five years, if they are married and filing jointly. If an owner is single or married filing separately, he or she can enjoy tax-free profits up to \$250,000.

Home Ownership Pays

No question about it, home ownership is a big investment, maybe the largest you'll ever make. But over time, it's an investment that pays for itself many times over. Here's how:

Tax Advantages

- Mortgage interest is tax deductible
- Real estate taxes are tax deductible.
- Local tax benefits are available in many areas.
- You can enjoy tax-free profits up to \$500,000 from the sale of a primary residence that you have occupied for two of the last five years, if you are married and filing jointly. If you're single or married filing separately, you can enjoy tax-free profits up to \$250,000.

Investment Benefits

- You build equity over time, which you take in cash when you sell your home.
- The profits from home investments are often greater than from many other investments.
- Because you can borrow against it in most states, home equity can be a source of emergency funding.
- Land appreciation adds to the value of your home.
- For many, home owning is an important part of retirement planning.



Personal Satisfaction

- You gain more living space.
- You enjoy the satisfaction and pride of home ownership.
- Home ownership is, for many people, a sign of independence and achievement.

Let a Certified Residential Specialist Help You Achieve Your Dream

It might seem like a long way from renting to owning. But many times, a little expert advice and creativity are all you need to make the leap. If you're ready to own, talk to a Certified Residential Specialist. As an experienced REALTOR® with advanced training in residential sales, a Certified Residential Specialist can introduce you to purchase and financing options you may not have considered, options that can put the home of your dreams within your grasp.

