

# Renting vs. Buying

## THE PROS

- ✓ **Flexibility:** You can make a quick decision to move out or relocate for work, especially if your lease is month-to-month.
- ✓ **Less responsibility:** The landlord is generally financially responsible for major repairs and maintenance.
- ✓ **Low upfront costs:** Aside from the security deposit, there are typically no other fees.
- ✓ **Set monthly costs:** You know what your rent will be each month, so you can budget accordingly.
- ✓ **No additional taxes or fees:** No surprise costs, other than what is stated in your lease, to worry about.
- ✓ **Stability:** Owning a house provides security.
- ✓ **Freedom:** Ability to renovate and make any desired upgrades.
- ✓ **Building equity:** Buying a house can serve as an investment. You may even choose to rent the property for monthly income.
- ✓ **Federal tax benefits:** If you itemize, mortgage interest is tax-deductible, along with property taxes and certain closing costs (subject to limits).
- ✓ **Stable monthly payments:** A fixed-rate mortgage means you'll pay the same monthly amount for principal and interest until the mortgage is paid off.

## THE CONS

- ✗ **Rent may increase:** Your landlord may increase the rent, which is out of your control.
- ✗ **No equity:** You are not building equity while you rent.
- ✗ **No tax benefits** for renting a property.
- ✗ **No customization:** You cannot renovate your home to your liking.
- ✗ **Pet policies:** Subject to pet policies and fees.
- ✗ **Lack of stability:** Your landlord can put the property up for sale at any time, forcing you to move once your lease is up.
- ✗ **More responsibility:** House projects and maintenance take time and are costly.
- ✗ **High upfront costs:** Down payment, closing costs, fees, etc.
- ✗ **Less mobility:** If and when you sell the property, the process takes time.
- ✗ **Property taxes:** Will increase over time.
- ✗ **Valuation:** There are no guarantees that your property will appreciate.
- ✗ **Maintenance costs:** There are always unexpected maintenance costs that will stress your savings.