Buying Vs. Renting

BUYING	RENTING
ADVANTAGES:	*ADVANTAGES:*
BUILD EQUITY OVER TIME Every dollar paid toward a mortgages principle represents equity. When you reach 20% equity you have the ability to refinance your mortgage to secure a lower interest rate or longer repayment. **TAX BENEFITS** Federal Tax Deductions: As a home owner, you can deduct your property taxes and interest paid on your mortgage, reducing your overall taxes. **CREATIVE FREEDOM** As a homeowner, you make the call on updates you wish to see throughout your home. You can paint walls, update kitchen, or finish your basement.	**NO RESPONSIBILITY FOR MAINTENANCE OR REPAIRS** As a renter, you're not responsible for home maintenance or repair costs. If a toilet backs up, an appliance stops working, or a pipe bursts, you just have to call your landlord. **SOME UTILITIES MAY BE INCLUDED** In many multi-unit apartments, some or all utilities, such as water, gas, electric, internet, and cable are included. **CREDIT REQUIREMENTS ARE LESS STRICT** Renting is much easier than securing a good mortgage rate. Most landlords will rent to you even if your credit score is low.
DISADVANTAGES:	*DISADVANTAGES:*
HIGH UPFRONT COSTS You can expect to pay no less than 5.5% of your home's value before moving in. **POTENTIAL FOR FINANCIAL LOSS** Although homeownership builds equity over time, home values can still decrease or remain flat. **RESPONSIBILITY FOR MAINTENANCE AND REPAIRS** As a homeowner, you're responsible for covering the costs of all uninsured maintenance and repair work on your home.	**NO EQUITY BUILDING** As a renter, every dollar you pay in rent is gone forever; you can't build equity. For this reason, if you plan to stay in the same area for more than a few years, buying may be a smarter financial choice. **NO TAX BENEFITS** Renters aren't eligible for any housing-related federal tax credits or deductions.