

# THE COST OF RENTING vs BUYING



## PLANNING ON BUYING A HOUSE?

Here's a list of what to consider:

### ✓ PROS

Your money is definitely going somewhere. Each mortgage payment takes you one step closer to not owing anything on your home.



Tax credits help offset some of the cost of homeownership.



If you decide to sell the house, you will earn a return or break even if the home appreciates more than you've paid in interest, mortgage, taxes, and maintenance over time.



The equity you build can be leveraged for loans like cash-out refinances, home equity loans and lines of credit.



When a house is your own, you can freely decorate it any way you want. Having the chance to change your living environment in a way that suits you and your needs is fun and empowering.



### ✗ CONS

The upfront costs may be quite high. Although home buying costs vary greatly depending on the size of the down payment and the value of the house, expect to pay several thousand dollars before moving in.



On top of your mortgage payment, you would need to pay for maintenance, taxes, and insurance. These are expenses that you have to be well-prepared for before deciding to buy a home.



If something comes up and you would have to move to a different place, it may be a tedious process to sell your house and there is a small chance that you'll experience difficulty in selling it for a good price.



## PLANNING ON RENTING?

Here's a list of what to consider:

### ✓ PROS

Relocating is easier, less time consuming, and less costly. If you suddenly need to move, you'd break your rental lease but you can partially or fully offset the cost of doing so by negotiating with your landlord or subletting your apartment.



You'd have less responsibilities on your plate because you don't have to pay (or worry about) for maintenance and repairs.



There's not much pressure on credit requirements as compared to buying a home. As long as your credit report does not have a history of bankruptcy and judgment, you can have a landlord who'd be willing to rent to you.



If you're a renter, you don't have to worry about fluctuations and decline in home values.



### ✗ CONS

If you're set to stay in a location for more than a few years, it'd be a smarter move to buy a house because as long as you're under a lease agreement, you definitely cannot build equity.



As a renter, you won't be eligible for any housing-related federal tax credits or deductions.



You may be charged nonrefundable deposits in addition to your security deposit depending on rental property laws in your state, living situation, and your landlord's interest.



There's no law that entitles a renter to remain in their rental unit indefinitely.

