

# Renting vs. Buying

RENT	BUY
<p data-bbox="310 485 618 541"><b>Advantages</b></p> <ul data-bbox="167 583 781 1136" style="list-style-type: none"><li data-bbox="167 583 781 667">• Fixed cost (rent) for the term of the lease.</li><li data-bbox="167 751 781 793">• No loss in equity in declining market</li><li data-bbox="167 842 781 926">• When the lease is up, you can just move out.</li><li data-bbox="167 968 781 1052">• Landlord is responsible for maintenance and repairs.</li><li data-bbox="167 1094 781 1136">• Smaller amount of up-front cash</li></ul>	<p data-bbox="967 485 1349 541"><b>Disadvantages</b></p> <ul data-bbox="854 583 1487 1178" style="list-style-type: none"><li data-bbox="854 583 1487 709">• Costs can vary (adjustable mortgage, real estate tax increases, homeowner association assessment)</li><li data-bbox="854 751 1487 793">• Equity may decrease or stagnate</li><li data-bbox="854 842 1487 926">• Must usually sell the home if you want to move.</li><li data-bbox="854 968 1487 1052">• Homeowner is responsible for all maintenance and repairs.</li><li data-bbox="854 1094 1487 1178">• Large initial investment—down payment and closing costs.</li></ul>
<p data-bbox="272 1272 659 1329"><b>Disadvantages</b></p> <ul data-bbox="167 1371 748 1797" style="list-style-type: none"><li data-bbox="167 1371 748 1413">• Never gain any equity</li><li data-bbox="167 1461 748 1587">• Lease is usually short-term (1-2 years), and rent can increase with lease renewal.</li><li data-bbox="167 1629 748 1713">• Limited ability to personalize living space.</li><li data-bbox="167 1755 748 1797">• No tax advantages to renting</li></ul>	<p data-bbox="1000 1272 1312 1329"><b>Advantages</b></p> <ul data-bbox="854 1371 1487 1839" style="list-style-type: none"><li data-bbox="854 1371 1487 1497">• Equity increases as mortgage principal is paid and/or property value appreciates</li><li data-bbox="854 1629 1487 1713">• Can remodel and redecorate home to suit individual needs and tastes.</li><li data-bbox="854 1755 1487 1839">• Tax advantage; mortgage interest is tax deductible</li></ul>