

## **RENTING VS BUYING WHICH IS BETTER?**

One thing is for sure; we all know that we need a roof over our head. In most people's case they end up having to pay either Rent for this roof or a Mortgage payment, unless of course you have a rich family that can offer you FREE or Reduced Rent. The point is, we ALL have to pay for a roof over our heads.

Real Estate has always been considered a Long-Term Investment. The real question you need to ask yourself; do I really want to pay RENT for the rest of my life? Generally, a home makes financial sense if you are going to live in it for a few years. When you buy you need to take into consideration the costs involved in buying and selling a home, from appraisal fees and home inspection to real estate commissions, all must be taken into consideration.

When people lose money in the real estate market it is usually because they sold too quickly. You cannot depend on making any real profit in real estate unless the market value increases 5% or more.

However, between 2003 and 2008 most people can say they have made well over 20% which in many cases works out to well over \$100,000 in profit. Lets see if you can make those kind of returns in a bank or from renting. On the other side, the market may fall after you buy your home. In this case, you will never lose unless you sell at a lower price than when you bought, so just hang on to it until the market increases. Also keep in mind; the longer you own your property, history has shown us, you can be sure it will have increased in value when you come to sell.

Real estate has proven to be one of the most stable long-term investments there is. It is your guarantee of retirement security. Overall, it is far better to own your own home than rent. Not only for the pride of ownership but because it is your only long-term hedge against inflation. With rental rates increase constantly, there is no guarantee you will be able to afford them as the years go by.

**For assistance in buying a home please contact:**

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