



Renting Versus Buying

- Renting Advantages
 - More Fixed Costs for the term of the lease
 - Not gaining equity, but not losing it either
 - When the lease is up you can just move
 - There is generally less work in maintaining a home or apartment
 - Smaller amount of cash up front
- Renting Disadvantages
 - No matter what happens with the value of the home, you will never gain equity
 - Limited or no ability to personalize your living quarters
 - No tax advantages to renting. Your landlord gets any and all tax breaks that are available
- Buying Advantages
 - Over time, the mortgage balance decreases and equity builds.
 - There can be tax advantages attached to home ownership. Consult competent legal and/or accounting advice for details for your specific situation
 - The ability to remodel and redecorate the home to match your needs and desires.
- Buying Disadvantages
 - Variable costs
 - Equity may go up, down, or stay stagnant
 - If you want to move, home generally must be sold
 - Work needs to be done by you or paid for by you
 - Generally a larger initial investment which is the "Down payment"

www.freddiemac.com/corporate/buyown/english/calcs_tools/

www.ginniemae.gov/rent_vs_buy/rent_vs_buy_calc.asp?Section=YPTH

www.moneysbestfriend.com/default.aspx?id=197