



Thank you for visiting our community.



We know that the decision of where you choose to make your home is a large one and we take our responsibilities seriously. Of course, we would like you to live with us, but most importantly, we want you to be informed about the decision you are making. If you are wondering if it might make sense to purchase a home instead of rent, consider the following perspective:

DOES OWNING ALWAYS BEAT RENTING? THE ANSWER MIGHT SURPRISE YOU

Traditionally, owning a home was assumed to be a solid investment, virtually guaranteeing equity and return. Renters, on the other hand, have been assumed to be “throwing their money away.” While the proposed benefits of owning a home – stability, earning equity, a tangible possession to pass on or eventually sell for profit down the road – can be real, in many cases, the advantages of home ownership are exaggerated.

The recent market environment demonstrates that home ownership is no longer a guarantee of financial or community stability and is not protection against financial upheaval. Mortgage payments are mostly interest for the first 20 years or so, money that does not build equity and will never be recovered – no different than the monthly cost that renters are assumed to be “throwing away.” The monthly costs of owning often exceed the cost of renting.

And the basic economics of housing do not point to perpetual price growth. Though ownership certainly offers advantages in certain situations (buying in an area not prone to tremendous fluctuations or the owner plans to remain in the home for an extended period of time, for instance) it is a mistake to always expect a home to offer a regular rise in price.

Renters can build equity as well, in the form of cash. When you own a home, you pay a mortgage payment, but are still responsible for down payments, closing costs, taxes, insurance, maintenance, and utilities. The cost of most of these items is covered by a renter’s monthly payment – not so with a mortgage. Renting not only saves you thousands of dollars a year, but if you take the cash you save as a result of this difference and invest it, you can create equity in the form of cash.

Also, renters will never be “underwater” due to market fluctuations and having the ability to easily relocate – as you do when renting versus buying – increases your prospects in a down job market – enabling you to follow opportunity, rather than being tied down to an asset that requires virtually constant investment to maintain.

While buying a home can offer stability over the long run if you know you plan to stay put for an extended time and you live in an area with lower market fluctuation, the financial realities of the past few years have illustrated that owning is not always a superior choice, and renting offers many advantages, including financial ones, that should be seriously considered when looking for a new place to call home.