

Buying verses Renting: What to do in 2012



When it comes to homes, the [buying vs. renting](#) decision seems to be constantly on everyone's mind. And, since the real estate and mortgage markets are constantly changing, it's important to revisit this choice often. Here are some of the things to consider when trying deciding, *whether to buy or rent your home in 2012*.



- **Mortgage Rates:** Mortgage rates are hitting all-time lows, which can be quite an incentive for potential homeowners. If you have good credit, and understand the financial responsibilities of owning a home, now may be a great time for you to buy a house.
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- **Home Prices:** Even in places where home prices have remained fairly steady, it's still a buyer's market. Sometimes, your mortgage will end up cheaper than the price of renting. Be sure to weigh all the costs, though, including home maintenance, when deciding whether renting or buying is right for you.
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- **Your 5-Year Plan:** Are you planning to stay in the same place for at least the next 5 years? If so, buying a home is probably your best bet. If, however, you're pretty sure you'll be moving in the next few years, it may be more cost-effective to rent until you've settled on a more permanent location.
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- **Tax and Financial Incentives:** Looking to get some money back from Uncle Sam? Mortgage interest is tax-deductible, which can help you get a nice refund every year. Owning a home also helps to build equity, which can increase your overall net worth – that's, if you consider your home a long-term investment and not something to flip in the next year or two.

- **Rent Ratios:** Take a look around your area – is it cheaper overall to rent or to buy? To find your rent ratio, take the sale price of a house and divide it by the annual cost of renting an equivalent house. If your rent ratio is 15 or less, it's typically better to buy. The breakeven point on buying vs. renting is about 20, but you need to consider closing costs and maintenance fees in your overall calculations.

Buying a home isn't necessarily for everyone, and it's important to look at all sides of the situation and decide on a solution that you're comfortable with. But **2012 has a fairly good combination of factors that make buying a home very attractive to many people.** If you'd like more information on [buying vs. renting](#)

click on  () a house, **give me and Weichert Realtors® 1st Choice a call**, and we'll help you sort through everything, to come up with the solution that's **Right for You.**



Call or email me to go over the numbers which may help you find out, if it is truly for you and your family to Buy or Rent! If you are single, male or female, your options or broad and wide selecting mortgage plan. We have qualified and professional Mortgage originators who will work tirelessly with you, finding the plan to fit your very own needs!

Ron

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