

**TO BUY OR TO RENT A HOME?
COLDWELL BANKER OFFERS FOUR QUESTIONS TO CONSIDER WHEN DECIDING
WHETHER TO BUY OR RENT A HOME**

“To buy or to rent?” Recent graduates, young couples, relocating professionals and others have all asked themselves this question at one point or another. While each option has its benefits, the decision to purchase an apartment, condominium or house as opposed to renting, is complex and based on a number of factors. According to a recent survey from the National Association of Realtors, nearly eight out of 10 respondents believe buying a home today is a good financial decision. The question that remains is whether or not now is the right time to buy a home for *you*.

For most people, deciding to buy a home is the largest financial decision of their lifetime. Before making the jump into homeownership, potential home buyers should consider the “soft” lifestyle issues as well as the “hard” financial ones. The professionals at Coldwell Banker Real Estate LLC have provided the following four financial and lifestyle questions to consider when determining if buying a home is the right decision for you:

1. **Do you have a steady income?** At or near the top of every potential homebuyer’s mind is whether or not they can afford to buy a home right now. Buying a home remains a sound financial decision for those with documented income and a good credit history, and a steady income can provide a strong backbone for the initial down payment and future mortgage payments. Buy-versus-rent calculators available on websites such as coldwellbanker.com offer a good start, but there are numerous factors beyond straight economics that also need to be considered. Don’t hesitate to speak with a real estate professional even before you’re ready to buy a home. Along with a financial planner, a real estate professional can help you answer and uncover questions about the cost of homeownership.
2. **Do you plan to stay in a home for an extended period of time?** With proper planning, a home purchase has historically proven to be one of the safest investments one can make. Along those lines, it’s imperative to understand that investing in a home is much different than investing in a stock portfolio. Homes typically appreciate in value over time while the owner builds his or her equity through monthly mortgage payments. If you anticipate staying in a home for only one or two years, it doesn’t necessarily mean buying is not for you, but you are less likely to see a significant financial return on your investment.
3. **Do you plan to sell a house in order to buy a house?** A local real estate professional can help you understand current local market conditions and will help you make smart decisions when listing a home on the market. If you do not currently own a home that needs to be sold prior to purchasing a new one, now is a particularly smart time to buy. Even with lenders becoming increasingly more thorough in their approval process, mortgage financing is still widely available for those with a steady income and solid credit. High inventories and low interest rates give first-time homebuyers a tremendous amount of opportunity and flexibility in markets across the U.S.
4. **How do your other options compare?** For renters, calculating month-to-month housing expenses is as easy as inquiring about the monthly rent and average utilities. The calculation gets a bit more complicated when considering the monthly cost of owning a home. A real estate professional can help you understand a range of financial considerations from annual property taxes to the tax incentives for owning a home.