



# Five Reasons Buying is Better than Renting

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## 1. Introduction

It's difficult being a millennial these days. Costs of basically everything are going up, and wages aren't down per se, but comparatively speaking they're not doing so well, not even keeping up with inflation levels. As a result, millennials are accidentally killing off slews of industries that it turns out they simply can't really afford to support. Thankfully real estate is one industry that appears to be murder-proof when it comes to millennials, but the end result is simply that the younger generation is renting more so than buying. That doesn't mean it's impossible; in fact, owning a home rather than renting an apartment is more important than ever.

### 1.1 Appreciating Value

Property appreciates in value. That means that as time goes on, the value of the property goes up, especially if it's well-maintained or if its surrounding area is taken up for development. A nearby mall or successful commercial area would greatly affect its appreciation value. That's a stark difference from cars, for example, which will never be sold for more than they're purchased for and oftentimes, car owners let their cars go at a huge loss. Therefore, if one is looking to invest, they should look at House and Land Packages, instead of eyeing up a brand new car.

### 1.2 Something to Give Your Kids – or the Community

If you rent an apartment, when you die, someone will come pick up your body (assuming you didn't die somewhere else), some combination of your family, and movers hired by the landlord will come take away all your stuff, and then the apartment will be jazzed up a bit and someone

else will move in. You'll probably live on in an urn on someone's fireplace, but those aren't exactly high in demand these days. What your kids, or nieces or nephews, really need is a place to live. If you own a house you can leave it to your next of kin so that they can maintain your memory or just stay warm in the winter. If you don't have kids or really hate your family, you can specify for your house to be turned into a tiny library or a museum or an orphanage or whatever else suits your fancy.

### 1.3 Stability

Many landlords are awesome, agreeable people. Some aren't. Either way, why risk it? Paying property taxes is no fun, and neither is being liable to clean up your own section of the sidewalk in front of your house. But it's better than unpredictable rent hikes, and when your leaky pipes need fixing, you get to decide when they get taken care of.

### 1.4 Control

It can be hard to make an apartment feel like a home, and sometimes you're not even really allowed to. It takes all the fun out of putting up posters and fun wall-hanging decoration pieces when you're spending all your time wondering how much of your security deposit you'll get back after you finish filling in the holes yourself. And how does the landlord feel about paint? If you own your own home, you get to make it your own.

### 1.5 Opportunities

Okay, so now you own a house, but you've decided you want to travel the world or move back in with your parents or something that

leaves you not so much in need of a house. That's okay; you can rent your house out and pull in a steady income, or turn the land into a nice community garden. If you're thinking in the opposite direction, you can try to pick up some of the property surrounding yours and build additions to your house. There are a lot of new opportunities for income (or expenditure) that wouldn't have been available to you otherwise.

## 2. Why Better than Renting?

The complications of owning a home with a non-spouse can be endless, and it's just one more reason why couples who aren't married should consider renting. As an alternative, they can also draw up the necessary legal documents to protect each other in case of a break-up.

### 2.1 *It's hard to sell a house*

Mortgage advisor and author of "The Loan Guide: How to Get the Best Mortgage Possible," Casey Fleming said there are parts of the country where renting is especially better than buying a home. That's because selling a house in certain areas is difficult – and only getting worse. In those circumstances, renting allows you to move frequently without the burden of a home.

To determine if you live in an area where homes sell in a few days or a few years, Fleming says to look at a few key factors—such as net migration into the area, increasing jobs, and average salaries for the middle class. "Note that sometimes the average wage is increasing, but distribution is changing and the money is all going to the top earners," he said. "That does not bode well for strong economic conditions for the region in the future." Those circumstances could also make it difficult for you to rent out your home if it fails to sell. Even if you can afford to buy a home and want the freedom of homeownership, it's wise to know if you'll be able to offload the property when you decide to sell.

### 2.2 *It's less expensive*

Some financial experts will tell you it's more expensive to rent than to buy, even after including

maintenance, repairs and HOA fees. Others will insist that renting is the cheaper decision and only committed home buyers should consider getting a mortgage.

The truth is somewhere in the middle. Whether or not renting is cheaper depends on where you live, the housing market and rental prices. For example, cities such as San Francisco and Seattle are better for renters while Omaha and Rhode Island are more favorable to homebuyers.

Before making a decision, look up the average rent and mortgage prices for your location. You can find these on sites like City Data or Zillow. Those figures will determine what makes most sense for you. Remember that it usually takes at least five years to break even on your mortgage. This is because you'll be paying more interest during the first few years.

### 2.3 *How to decide what's right for you*

If you're older, are getting married or have children, home ownership can seem like the obvious choice. It's the next "adulting" thing to do, even if you don't feel ready for the burdens of homeownership.

No matter what the numbers say, always think about whether you're ready to give up the ease of renting. Yes, it's hard not being able to paint the walls whatever color you want. But it's also harder to get rid of a house that's infested with termites or cracks in the foundation than it is to just bail on a lease.

## 3. Summary

Sometimes it's better to rent than to buy a home. When you buy a home, you're tied to one place. It can also be difficult to sell your home if you get a career opportunity elsewhere. Renting can offer you a nice home, but with more flexibility.

## References

1. <https://en.wikipedia.org/wiki/Purchasing>