

Renting versus buying: Pros and cons

Start by finding out the average home price in the area where you want to live.

Next, make a list of the pros and cons of owning versus renting to see which option is best for you. Use the following as examples.



Use the **Renting versus buying** worksheet in Step 1 of the workbook.

Renting

Pros	Cons
Less maintenance and repairs	Monthly payments may increase year after year
Lower monthly and upfront costs	The risk that your lease won't be renewed
Shorter-term commitment, making it easier to move to a new home, neighbourhood or city	You are paying someone else's mortgage rather than building equity of your own
Protection from decrease in property values	You can't paint or remodel without the landlord's permission
Possibility to free up cash to invest or to save a larger down payment for a home	

Buying

Pros	Cons
Freedom to renovate or modify your home as you wish	The risk of financial loss if your home has lost value when you sell
You are building up equity in a safe, secure investment as you pay down your mortgage	Responsibility for all ongoing costs including mortgage principal and interest, property taxes, insurance and maintenance
Potential for rental income if you include a secondary suite	Monthly payments can increase significantly if interest rates go up at renewal time
Stability and peace of mind that comes from being in control of your investment and owning the place where you live	Possibility of unexpected and potentially costly repairs

There are advantages to both renting and owning a home. Make sure you understand the benefits and responsibilities of each before you decide what's right for you.