

Is Renting Better Than Buying?

Being a homeowner has its perks and privileges but it also comes with a lot of responsibilities, all of which involve money. You need to think of repairs, taxes, insurance and maintenance. You must also consider city maintenance and repairs for streets, sewers, curbs and sidewalks near your home. If your house is on the corner of the block, these costs are sometimes doubled.

Don't let these costs discourage you from becoming a homeowner, however. If you have the desire and adequate funding to purchase a home, you should continue exploring this option. Know what it takes to become a homeowner. Your responsibility is to own and maintain your property. You need to team up with people you can trust who can help you ensure your home's value will increase. This team should be able to guide you in making prompt payments, tax assessments, insurance, maintenance, (H.O.A. requirements, when applicable), upgrades and necessary repairs or maintenance. If this sounds too overwhelming, you might want to continue renting.

Through renting, you are giving business to the owners. You are also helping them to pay down their mortgage loan. Being a renter, you don't need to come up with a large amount of money and no need for taxes.

Think about these things:

- How much is my income?
- How much is my rent?
- What is your credit rating?
- How much do you spend and how much do you save?
- How well do you handle your money?

You need to think about these things to determine if you're ready to be a homeowner. You should also consider the economy. Do you know the current market climate? Do you believe it's looking up? Are you knowledgeable when it comes to government regulations.

So if you want to buy a property and work towards increasing the value, you as homeowner needs to be knowledgeable about finances, real estate, taxes, government policies and regulation, city building codes and restrictions and have a good credit rating. If you know these things, you can make your investment grow and start other investments for your family's future.

After some time, the value of the home you invested in will increase. This is the measure of your success as a financial wizard. You were able to take advantage of the government tax system and policies and borrow against it. The money you borrowed is tax free and your earnings from it is tax-deductible.



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People who used this method are able to finance other things like school tuition, payment for a new home or a new investment.

If you bought a home for \$600,000 and you sell that same home for \$800,000, you can have the gain tax-free for up to \$500,000 for a married couple. To learn more about capital gains, talk to your financial adviser.

When it comes to investing, no time is better than now, however, don't do it in haste. Careful planning is required. Surround yourself with a team of professionals who can help you with real estate, financial and legal matters.

Renting versus Buying

Renting	Buying
no tax deduction	tax write -off
rental fee can go up anytime	house payment will not go up (fixed rate)
not free to make changes	you can make physical changes as you please
you can be evicted	home value increases over time
temporary	your home for as long as you want



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