



# Should I Buy or Rent?

There are many factors to consider when deciding whether to buy or rent a house in San Diego. These factors may include interest rates, financial situation, location, duration of occupancy, and responsibility. Although interest rates are at an all time low and government assistance programs continue to provide relief to homeowners, the homebuyer is advised to examine their current situation before making this decision.

## Buying

### ■ Advantages

- Property Builds Equity
- Sense of Community, Stability, and Security
- Free to Change Decor and Landscaping
- Not Dependent on Landlord to Maintain Property

### ■ Considerations

- Responsible for Maintenance
- Responsible for Property Taxes
- Possibility of Foreclosure and Loss of Equity
- Less Mobility than Renting

## Renting

### ■ Advantages

- Little or No Responsibility for Maintenance
- Easier to Move

### ■ Considerations

- No Tax Benefits
- No Equity is Built Up
- No Control over Rent Increases
- Possibility of Eviction

The **Rent vs. Mortgage Comparison Chart** below illustrates that over a 6 year period, a homeowner's payment is lower than the renter's payment on a \$110,000 house. And with the tax savings of homeownership, the homeowner's payment is less than the rental payment after 3 years.

Years	Rent Payment	Mortgage Payment	Monthly Difference	After Tax Savings	Yearly Difference	After Tax Savings
1	\$800	\$1000	-\$200	-\$50	-\$2400	-\$600
2	\$840	\$1000	-\$160	-\$10	-\$1920	-\$120
3	\$882	\$1000	-\$118	+\$32	-\$1416	+\$384
4	\$926	\$1000	-\$74	+\$76	-\$888	+\$912
5	\$972	\$1000	-\$28	+\$122	-\$336	+\$1464
6	\$1021	\$1000	+\$21	+\$171	+\$252	+\$2052
7	\$1072	\$1000	+\$72	+\$222	+\$864	+\$2664

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