

SHOULD I KEEP RENTING UNTIL PRICES GO EVEN LOWER?

The best way to “play it safe” is to actually buy a home. Here’s why: studies show that owning a home is the best way to build household wealth. The sooner a person owns a home, the faster they begin to build up equity and wealth.

When you buy a home, you are also purchasing price stability, knowing that you will pay the same monthly payment for the life of your 30-year, fixed-rate mortgage.

Now consider the current rental market. While home prices have been moderating, rents continue to rise. Where is the economic security in not knowing how much your rent will increase in the next three years? You don’t receive any tax benefits from paying rent, nor do you accumulate any price appreciation, as you would if you owned a home of your own.

All of the economic fundamentals show that this is a good time to buy a home. And continuing strength in rental demand signals that there is upward pressure on rental apartments. The real risk isn’t in buying a home, it’s continuing to rent.