

Buying versus Renting a Home in Northern Virginia?



Is home ownership the right path for you?

Should you rent instead?

How fast will your family grow and how much space is needed for your family and their activities?

How much money do you have to pay for housing?

When is the best time to buy a house?

Buying and owning your own home is more complicated than just having the money for the down payment and monthly mortgage payments. Owning a home requires a tremendous commitment of funds, time, and attention. The following topics should help make your decision a little easier:

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Advantages and Disadvantages of Renting a Home

For some, renting can be the best option. Considering the high cost of a down payment on a home, financial considerations are of top priority. Renting can be viewed as a temporary solution while you plan your future.

ADVANTAGES of Renting are:

You are excused from the bulk of home ownership responsibilities such as:

- Landscaping
- Snow removal
- Trash & recycling pickup
- Appliance repairs
- Remodeling
- Home Improvements
- Property taxes
- Your rental many include amenities such as:
 - Pool
 - Tennis courts
 - Social/activity rooms
 - Laundry facilities
 - Security
 - Parking
- There is no large down payment, only a security deposit.

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- Many of your monthly expenditures (rent, utilities) are fixed making budgeting easy.
- Close proximity of neighbors often create a sense of security.
- If you do not like where you live, moving is relatively simple.
- It is easier, especially if you travel/commute often.

DISADVANTAGES of Renting are:

- No special tax deductions, no equity gains in the rising value of property.
- Space and storage is usually less than a home.
- Changes to accommodate your life or growing family cannot be made or are
- limited in scope.
- Rents can rise with inflation and or supply and demand in the rental market.
- You will probably have restrictions on noise level, pet ownership, or children.



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Advantages and Disadvantages of Buying a Home

ADVANTAGES of Buying a Home:

- The home may increase in value, resulting in a significant gain in net worth.
- Home ownership and the sense of status created both at home and in the community.
- Homeowner's tend to have better credit ratings.
- The longer you live in a home, the more equity you build that can be leveraged for the future.
- Mortgage payments contribute to an investment, particularly if the property increases in value over a period of years.
- If you have a fixed loan, your payment will remain relatively constant for the life of the loan.
- The interest paid on your loan and taxes are legitimate income tax deductions. Ownership may contribute to security, especially in retirement years when income normally decreases.
- A homeowner can borrow against his/her equity, as the value of the home increases.
- More space may be available for family members and their activities.
- As a homeowner you have the freedom to make improvements and changes to the home and surroundings as desired. Home ownership can contribute to the general well-being and sense of "roots" of the family.

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- Homeowners generally are concerned about community affairs and how they may affect their property.

DISADVANTAGES of Owning a Home:

- A substantial down payment is needed. Owning a home requires a substantial commitment in time, emotions, and money.
- The initial expense of buying a home. Financial resources may be limited or reduced for other purchases or activities.
- Maintenance and repairs are inevitable and could be costly. Budgeting is cumbersome and a must in preparation for maintenance, repairs, home improvements, and/or home ownership/association dues.
- Depending on where you live property taxes could increase. The cost of buying a home could also include the cost of moving into it and furnishing it.
- Security is an issue if you are not home often due to travel. Unexpected loss of income due to job termination or unemployment may limit money available for home ownership costs.

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