



Pros & Cons of Home Ownership

Home ownership is a big decision. It is important that you evaluate how becoming a home owner would affect you and your family. There are advantages and disadvantages to buying a home that you'll want to consider before you get on the path to home ownership!

An important factor is how long you plan to stay in the home or in the area. Since there are significant costs to selling a home, those costs can erode the appreciation you might achieve if you plan to sell in the short term. The key tradeoff in the decision to rent or own is the stability of home ownership versus flexibility of renting. Here are the key pros and cons:

Pros:

- Pride in home ownership, closer ties to your community
- Your housing payment will be more predictable and stable with a fixed-rate mortgage
- Interest paid on mortgage is tax deductible up to a certain limit
- Home loan payments can be comparable to rent payments
- Potential market appreciation increases the value of your investment
- You can customize or renovate your own home

Cons:

- A long-term financial commitment makes it harder to relocate
- You are responsible for all the maintenance in your home (repairs, insurance, landscape, etc)
- Potential market downturn could negatively impact your investment if you need to sell in the short term
- Upfront costs of purchasing a home: down payment, closing costs, moving expenses, etc.

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