

# Renting vs. Buying In 2022: Which Option Makes The Most Sense For You?



If you rent your apartment or house, you know that rent has been rising across the country at staggering rates.

The average rent in the U.S. was \$1,717 in July, according to the National Multifamily Report from real estate information company Yardi Matrix. That's a 12.6% increase compared to July 2021.

Most people grow up dreaming of owning a home someday, escaping the cloud of rising rents and building wealth through home equity. However, with the recent surge in home prices, you may be wondering if this is the smartest move today. With home prices so high, is it worth buying a home? Or is it safer to continue renting right now?

Deciding whether to rent or buy depends on your financial situation, future plans and lifestyle. Both options have benefits that you need to carefully consider before making your decision.



Let's take a look at the benefits of buying vs. renting a home in 2022.

## The Benefits of Buying In 2022

Buying a home may make sense if you plan to stay in your home for at least five to seven years. Here are a few of the many benefits you could realize by buying a home in 2022.

### Building Equity

Home equity is the difference between how much your home is worth and how much you owe on your mortgage. Equity gains are key to building long-term financial independence.

When you own a home, the money that you're paying every month goes towards your home equity. Equity is used for a number of different things, including home equity loans to finance home renovations, starting a business, saving for retirement, etc.

### Stable Monthly Payment

Owning a home comes with monthly payments that are more stable and predictable. While your property taxes and homeowner's insurance costs may change slightly, your actual loan payments will not change so long as you have a fixed interest rate loan. Steady payments allow you to budget wisely and more easily make plans for the future.

### Freedom to Make Changes

It is hard to put a price on the autonomy that comes with homeownership. As a homeowner, you are free to make changes and decisions about your house that best suit the needs of your family without running them by

make changes and decisions about your house that best suit the needs of your family without running them by a landlord for approval. If you don't like the flooring, you can change it. If you want a new kitchen, you can renovate it. If you want to add a pool, you can do it. Essentially, you can make your house meet your needs.

### Potential Tax Benefits

No one likes doing taxes, but the process could be more rewarding when you own a home as you may be eligible for certain homeowner tax benefits.

For example, you may be able to make deductions based on your mortgage interest payments, your private mortgage insurance (PMI) payments, your mortgage points payment, and your property tax payments.

## The Benefits of Renting In 2022

Compared to owning, renting a home can provide a more flexible option with less risk.

### Less Money Up Front

Although you may miss out on the opportunity to build home equity, renting requires less money up front.

When you rent, you don't have to have as much money on hand to move in. Instead of paying for a down payment and closing costs, you usually only have to pay for your first month's rent and a security deposit that you can get back at the end of your lease. You may also have to pay nominal application fees.

### Flexibility To Move Quickly

Depending on the terms of your lease, you may only have to give one or two months of notice to your landlord about moving, especially if you are renting month-to-month. Instead of feeling like you have to stay somewhere for several years before you can move, you can move at the end of your lease term. Depending on your lease, you may be able to break it even before it ends.

### No Responsibility For Maintenance

As a renter, you aren't responsible for the maintenance of the home or apartment. Instead, the landlord is responsible for both making and paying for the repairs. This gives you the peace of mind that you won't have any additional expenses on top of your rent.

## Let Us Help You Decide!

The decision whether to continue renting or take the leap into homeownership is not an easy one. There are a lot of major factors should be taken into consideration, such as affordability, lifestyle, and location.

Luckily, you do not have to make the decision alone! Our team of mortgage advisors have a deep understanding of housing markets all across the country, as well as the trends that are working to impact home prices and mortgage rates, and they will be able to help you decide if buying a home makes sense for you and your financial goals.

**Want to learn more? Please [schedule a call](#) today!**

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