



## RENT OR OWN?

When deciding to rent or buy your home, it's best to consider your personal circumstances. You should also keep in mind the economics, flexibility, convenience and simplicity of renting your home.

### Economics:

Housing is the single largest budget item for most people. With low upfront costs and low monthly costs, renting makes economic sense. If you are able to save enough money for a down payment on a house or condo, there are multiple risks associated with such a large responsibility. For instance, during the first years of a mortgage, more of the monthly payments are paying the interest of your loan than paying down the capital. There are legal, real estate and closing fees, property and school taxes that may fluctuate, and money that can be lost if housing prices decline. There are also monthly payments of your utilities such as hydro, heat, and water on top of your monthly mortgage. In addition, interest rates may increase after the initial low rate that leads to payments that are larger than can be afforded.

With rental accommodation, there is a low amount of money up front – just the first month's rent and sometimes a deposit. The extra money saved can be spent on travelling, entertainment, or you can invest part of what you save for retirement. An additional economic benefit to renting is the lower insurance costs (only content insurance is required). In addition to the above economic benefits, your housing costs are predictable so you can budget with ease. Some rentals are "all-inclusive" of utilities and could include condo quality conveniences such as a swimming pool, underground parking and fitness facility.

### Flexibility:

Depending on the contract, most rental accommodation gives you the freedom to move from place to place with a minimum amount of notice. For example, if you move jobs, meet someone special, or need a change of scene, renting gives you this flexibility. Many young profession-

als and new Canadians choose renting for these reasons among others. In addition, rental suites are available for a variety of family sizes. They can range from one, two, three and four bedroom apartments as well as townhouses. This means there are different suite type options for various life stages.

### Convenience:

Rental accommodation is usually more available and/ or cost effective in certain areas of the city. For example, in a particular area of the city with easy transit, shopping and school access, permanent housing might be very costly, whereas rental accommodation might be easily available and cost effective. Children can walk to school and you may have a shorter commute to work. If transit is easily accessible, the money saved in purchasing a car, insurance and parking can be saved or used in other areas.

### Stress Free:

Renting your home is mostly maintenance and stress free. There is no need to worry about an appliance breakdown or electrical repairs and arranging for trades / service people and having money on hand to pay for the cost for labour. In addition, when renting your home, there is no constraint on your personal time for snow shoveling or raking the leaves. Your landlord looks after all of these issues, pays for all major repairs and handles most requests quickly.

With the financial benefits, flexibility and convenient amenities associated with most rental accommodation, renting is a way to simplify your lifestyle. Just lock your door and walk away with no worries. Purchasing is a huge responsibility and renting gives you the personal freedom you deserve!