

the benefits of buying vs. renting *



Start Paying Yourself

Stop making someone else money and start paying yourself! Simply put, when you own a home, your money is working for you instead of someone else. We often think we can't afford to own our own home, and the fear of being responsible for repairs can seem overwhelming. But if you take all the emotion out of it and look at the numbers – homeownership can be far less scary than renting.

Here is an example: The average monthly rent payment for a two-bedroom apartment in Grand Rapids is \$1,200. With the same \$1,200 monthly payment, you can afford a \$205,000 home with as little as 3% down.

Tax Breaks

Homeowners can deduct both mortgage interest* and property taxes from their annual income taxes.

Steady Payments

Rent prices typically increase over time. Your mortgage payment is tied to a fixed interest rate, which means your monthly mortgage payment will not change.**

Equity Builds Wealth

Equity is the difference between what your home is worth and what you owe. Over time your home's value appreciates while you pay down your mortgage, which increases your equity and personal wealth simultaneously! That's the beauty of homeownership!

The equity you earn from your first home helps you move up to a second home with even more purchase power. Real estate in the US, on average, grows by 3.5% per year in value. This means a \$200,000 house purchased in 2021 could be worth \$280,000 in 2031.

In 2020, real estate value grew by 9% in Kent County. At that rate, that \$200,000 house could be worth \$473,000 in 2031!

Increased Quality of Life

Homeownership has significant benefits besides just the financial ones – it can impact your overall quality of life. According to research, 93% of homeowners said owning a home made them happier. Homeowners also tend to build stronger family units, have higher self-esteem and life satisfaction, and are more involved in charitable and civic activity.

*up to \$1 million **taxes and insurance may go up slightly.

Down payment requirements, closing costs, loan amounts, and tax savings are for illustrative purposes only, and should not be considered accounting or tax advice. Subject to credit qualification, not all applicants may qualify, not a commitment to lend. Please contact us for an exact quote and for more information.

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