

Benefits of Owning a Home



When you consider owning a home instead of renting, what is best for you may depend on current market conditions, your income and credit score along with other variables. Why does owning a home matter? Various studies have shown that homeownership has a significant impact on a person's long term assets and wealth, educational achievement, mental health, community participation and overall quality of life in addition to helping create local jobs. Through careful planning with your REALTOR® and finding the right home, you can enjoy the benefits of homeownership too!



Personal Wealth

- **Build Equity Each Month:** There are some up front expenses when purchasing, but your overall mortgage payment (including taxes) may be less than the cost of renting. The equity in your home is the price for which you can sell it minus what you still owe on the mortgage. Every month you make a mortgage payment, and every month a portion of what you pay reduces the principal amount you owe. That reduction of your mortgage every month increases your equity like a forced savings plan. Some people will use the equity in their home for a home equity loan or line of credit for remodeling projects in the future.
- **Tax Deductions:** Your accounting professional can provide details regarding tax deductions that may apply. The most common deductions involve mortgage interest, property tax, and some closing costs. If you buy a home to live in as your primary residence and sell it for a profit, your accounting professional can determine if you meet the requirements for the capital gains tax exclusion on that profit.



Pride in Ownership

When you own your home, you are more likely to spend time taking care of it. You have the freedom to make changes in your home and coordinate repairs without having to wait for or get permission from a landlord. Homeowners tend to build longer, stronger relationships with their neighbors, as well as be more involved in their community in an effort to protect the value of their investment. This added participation often leads to reduced crime rates in these areas.



Stability and Health

Social benefits of owning a home are another important consideration. Studies have shown that improved mental health and stable housing go hand-in-hand. Homeowners tend not to move as often which offers children more security in knowing that they won't have to make new friends moving from school to school. Poor living conditions in some rentals also contribute to health issues like allergies and asthma. Other studies have also shown better performance in school, lower teenage pregnancy rates and higher lifetime annual income from children whose parents own their homes.



More Jobs

According to HouseLogic, one job is created in the United States for every two homes sold on average. Each home sale tends to generate additional economic activity over time based on construction and decorating needs of homeowners.

Contact a REALTOR® to start the conversation today!



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