



Is it better to rent or buy a house? That's a question virtually all adults ask themselves at one point or another. There are pros and cons to renting, just as there are pros and cons to owning a home. The decision to purchase, as opposed to renting, is complex and based on numerous factors. According to the National Association of Realtors, [nearly 80% of Americans surveyed believe buying a home is a good financial decision.](#)

For most people, deciding to buy a home is the largest financial decision of their lifetime. Before making the jump into homeownership, here are some things you should ask yourself first. The professionals at Higgins Group Real Estate have provided the following financial and lifestyle thoughts to consider when determining if buying a home is the right decision for.

What's your lifestyle? Are you homebodies or party animals? Do you like to entertain? How do you feel about home maintenance— will you be avid do-it-yourselfers or will you hire help? Knowing what you are willing to do to maintain the home is an important part of the decision process. Owning a home means tending the yard, keeping up with repairs, and regular trips to the local hardware store. Making the transition from being a renter whose first call is to the landlord, to a homeowner who needs to troubleshoot the problem, can be startling.

Do you have a steady income? The first question is whether or not you can afford to purchase a home. With good credit, stable income, and documented employment, it could prove to be a good financial decision. However, without them, it may be difficult to qualify for a loan. Often, it is just a matter of timing. Sometimes, the smarter financial choice is to rent, while working to improve your credit and saving for a down payment. Don't hesitate to contact a mortgage professional even before you've decided on buying a home to understand what you can afford.

Do you plan to own the home for an extended time? With good planning, a home purchase is one of the best investments you can make. With that in mind, it's essential to understand that investing in a home is not like investing in a stock portfolio. Homes usually appreciate in value over time, while the homeowner builds their equity through monthly mortgage payments. If you plan on staying in the home for less than two years, it is unlikely to see a substantial financial return on your investment.

Understand the Market where you want to live. Despite the advantages, buying a home is a major financial decision that shouldn't be taken lightly. If you are buying in a market where real estate prices run in cycles, the timing of your purchase will be very important. If you buy during a rising price bubble, the value of your home could plummet when that bubble bursts. Also when there is low inventory and the prices are rising, it can be tempting to pay more for a home because it seems like the market will soon escalate out of your reach. When you are considering buying, take a look at not just where prices are now but where they have been over the past few years.

How do the options compare? When it comes to renting, calculating expenses is as simple as finding out the monthly rent and average utilities. However, when it comes to purchasing a home, the calculation becomes more complicated. Our agents at Higgins Group Real Estate can help you with every aspect of the home purchasing process and will help you answer all your questions.