

## When Is It Wise to Rent Instead of Buying and What If You Have to Rent and Can't Build Equity

The question of whether to buy or rent housing is one people have struggled with for ages. Salaries go up but so does the cost of housing. Is it ever a wise choice not to buy when that's an option? If it's not an option, how can that be changed?

The initial stopper in purchasing a home for most of us is funds and credit. If you can't swing a down payment or qualify for a loan then renting isn't so much an option as a necessity. Another stopper is the need for the support that renting is supposed to offer. If it breaks, leaks, or falls down it is handy, yet not always effective, to be able to call the landlord. Rental owners come in all sizes and types and some don't respond according to rental agreements. Picking your landlord may be as important as picking the rental itself.

Disabled or retired people who are not able to do regular maintenance and upkeep may look at renting as a wise choice. Apartments come with exterior painting and yard work included. Also, a community may work better for these two groups than single occupancy.

When forced to rent due to a lack of the cash needed for the down payment, it's easy to rent more than is needed and fail to save. The better plan is to see what you could make as a regular monthly mortgage payment and then rent for less than that amount. Usually mortgage payments are more than rent for a similar residence, so it is sometimes possible to rent for less and save the difference.

A case recently came to my attention where the person wanted to rent because she was unwilling to take on homeowner responsibility. She looked very carefully at what her monthly costs would be if she bought including maintenance, upkeep, and taxes. Next she searched for and eventually found a good rental for significantly less than that amount and moved in. She then put her down payment into an interest-bearing account and added the difference every month for thirty years. The amount she saved by being so highly disciplined, though substantial, wasn't what she would have realized in profit from the sale of a well maintained home but she factored in the stress that she had averted and felt her plan had been highly successful.

There isn't any "right" way. Don't decide to buy or rent because that's what others are doing or that's what you're familiar with. Look more closely at yourself and your needs and make a personalized choice that will support you in the future.

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### About the Author

Luise Volta's life has included careers in nursing, teaching pre-school, interior design, Real Estate sales, insurance adjusting, and dairy herd testing. Visit <http://www.momresponds.com/category/personal-advice/free-financial-information/>