



# ADVANTAGES

## *to Home Ownership*

Whether you are looking for more space to raise a family or the perfect place to make your own, there are many advantages to owning your own home, ranging from the purely personal to the very practical.

For many people, the motivation for home ownership is primarily financial. Owning your own home is a first-rate investment for a number of reasons:

### **Scheduled Savings**

When you buy a house, your monthly mortgage payments serve as a type of scheduled savings plan. Over time you gradually accumulate what lenders call “equity,” an ownership interest in the property that you can often borrow against or convert into cash by selling the house. In contrast, renters must continue paying rent to a landlord for as long as they rent, without the opportunity to build equity.

### **Stable Housing Costs**

Another advantage to home ownership is that while rent typically increases year after year, mortgage payments can remain unchanged throughout the entire repayment period. In fact, because of the effect of inflation, over the years you pay the same amount but with devalued dollars. So, what may seem like a substantial payment now will become very affordable after cost-of-living increases.

### **Increased Value**

Houses typically increase in value, or “appreciate,” over time. It’s not unusual to find a house that sold for \$150,000 fifteen years ago to be valued at much more than that amount today. This increased value is as good as money in the bank to the homeowner.

### **Tax Benefits**

Homeowners also get significant tax breaks that are not available to renters. Most importantly, interest paid on a home mortgage is usually deductible. This factor alone can save you a substantial amount each year in federal income taxes.