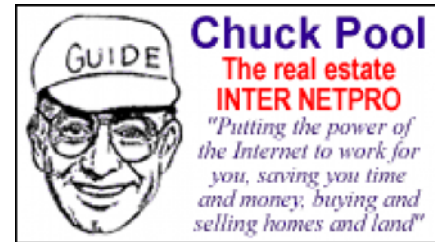


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Home Ownership Advantages

Buy or rent? That is the dilemma facing many potential homeowners today. It seems that buying a home is more costly - and time demanding - than renting a home. However, if you can comfortably afford to do so, and you have plans to stay at your location for a while, buying a home has significant advantages.

Financially, owning a home is often a better choice than renting. Currently, there are significant federal and state tax breaks: homeowners can claim deductions for real estate property taxes and for the interest paid on their mortgage each year. In addition, long-term homeowners build equity both by paying down their mortgage and when their home appreciates in value.

Many savvy homebuyers increase their equity more quickly by buying homes that need cosmetic improvements (such as decorating) rather than structural renovation (walls need moving). These minor improvements can significantly increase the value of a home over a relatively short period of time with a modest investment.

However, there are times when renting a home is the more sound choice to make. For example, if you are only going to be at your place for a short time, it makes no sense to buy the home, as this would be the more expensive endeavor. If you buy or sell in a short period of time, you may actually lose equity.

Also, renting also makes good sense if you've identified the general area in which you want to live but haven't made a final decision as to the specific neighborhood. If you don't know whether you'll feel comfortable in a particular neighborhood, it may be better to rent a house or an apartment there for 6 months or a year, to get more comfortable with it.