



Brigantino's San Benito Realty

Family Owned and Operated Since 1959

Is It Better To Rent or Buy?

At some point, this question comes up in everyone's life. Maybe you've been thinking about buying a home. Maybe you've even created a buy vs. rent list.

Deciding between buying and renting can be hard, but it is an exciting decision that many people make at some point in their lives. So what's the right answer? The good news is that the answer is up to you.

The bad news is that it's easy to imagine yourself looking back and wishing you hadn't spent so many years as a renter, or that you hadn't bought your house.

Here is San Benito Realty's buying vs. renting a home list:

Mortgage Rates

The low mortgage rates we saw last year during the pandemic are still present. Although not as low as last year, these low mortgage rates make it a great time to buy a house. Take a look at our current residential [listings here](#).

Low Down Payments

Currently, down payment on a home purchase in California is extremely low. First time home buyers can get in at a 3% down payment. And seasoned homebuyers on conventional loans are looking at a 5% down payment.

Why rent when you can own?

With low mortgage rates and low down payments, becoming a home-owner in 2021 is entirely achievable. The California housing market took a major hit in 2008. Even though real estate prices have been recovering, there are many areas of California where housing values have not yet recovered from pre-real estate collapse values and still have upside value.

The pros of owning a house are generally:

- More space.
- More freedom to do what you want, without criticism from your landlord, like being able to remodel an outdated bathroom.

- It's an investment. You don't make money on rental payments.

Yes, owning a home comes with additional costs and fees that renters don't see; property taxes, maintenance costs, etc. But all of these pay off in the long run when you do decide to sell.

Additional Upsides to Purchasing a Home

Owning a home means you can build equity if you hold the property long enough and it appreciates in value. Paying a mortgage will increase your degree of ownership in your home with every single payment. When you pay rent, you don't own anything.

You can also borrow against your ownership (or equity) in your home to pay for major purchases like a second home or your child's education. You can refinance your home at favorable rates.

Reasons to Buy

You can deduct mortgage interest as well as your property taxes. As a renter, you don't have this bonus. Additionally, if you meet certain requirements, the IRS won't apply a capital gains tax on your profits from the sale of your home.

When you own a home, you control everything from the color of your home's exterior to the fixtures you install. Owning a home allows you to add a patio, swimming pool or outdoor fireplace in your yard, something you likely won't be able to do as a renter.

A home is one of the safest and most lucrative investments you can buy

When you're a tenant, you will probably never see your rent money again. But as a home-owner, you're steadily building up home equity, month after month, year after year. And when you sell your home, all that paper wealth will become actual wealth.

When it comes to buying vs. renting a home your best bet is to look at your long term plans. Are you looking to settle down? How long do you plan on staying in a certain area?

Homeownership can provide emotional satisfaction that you might not experience when renting. Owning a home means you're investing in a neighborhood and you can feel a closer connection to your community because of your commitment.

Buying vs. Renting a Home

If you're only going to live in a place for a year or two, renting makes more sense. But, if you're looking to stay somewhere long-term, two year or more, then buying would be a better idea and it becomes a better idea the longer you stay.

Check out this handy Buying vs. Renting a home calculator [here](#).

If you're ready to settle into the Northern California area or the Central Coast, or if there's a home you've had your eyes on, there's no better partner for your home buying journey than an experienced [local real estate agent](#).

Buying, in the long-run, is your best financial investment.

San Benito Realty

150 San
Felipe Rd.
Hollister, CA
95023

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