

# OWNING *vs.* RENTING

## A Comparison of Benefits

### FLEXIBILITY

**RENTING** A tenant has the option of walking away at the end of a lease.

**OWNING** A home is an investment that builds value over time and is not easy to part with. Selling a property is not often a quick process. With the help of an experienced Real Estate professional, the process can be quicker.

### STABILITY

**RENTING** There is less security. A landlord can decide to terminate a lease at the end of a term or evict a tenant due to term violation.

**OWNING** A home is an opportunity to plant some roots, build a family, and feel secure in an investment. Over time, a homeowner can take pride in their fostering investment growth.

### CUSTOMIZATION

**RENTING** While some landlords allow paint or other small customizations to a property, big renovation projects are rarely within a rental agreement.

**OWNING** Has the freedom to personalize their home as much as they please without landlord restrictions.

### MAINTENANCE

**RENTING** A renter is typically not responsible for upgrading or repairing broken household items. When notifying a property manager of needed repairs, there may be a question of speed and quality of completion. Check local landlord/tenant laws for more details

**OWNING** You have to prepare yourself for the possibility to coordinate updates and fix the problems that arise around your house on an annual basis. This includes paying for them. For example: Leaky roof, broken air conditioner, or mold.

### RENTING *vs.* OWNING

Median Rental Price of  
Homes in Travis County

**\$2,250** per month

Source: Real Estate Center at  
Texas A&M University, March 2022

Median Sale Price of  
Homes Sold in Travis County

**\$600,500**

Source: Real Estate Center at  
Texas A&M University, March 2022

### DOWN PAYMENT

**RENTING** Usually requires a deposit equal to the first and last months rent payment. While this may be returned at the end of the lease, any damages to the property could mean a forfeit of that deposit.

**OWNING** As a general rule, the down payment is 20% of the home purchase value.  
For example: 20% down payment on a \$250,000 home is \$50,000.

### MONTHLY PAYMENTS

**RENTING** landlords can change the rental and utility rates at the end of a lease agreement.

**OWNING** A fixed rate mortgage is a reliable way for homeowners to know exactly what their monthly payment will be until they payoff the house.

### INSURANCE & TAXES

**RENTING** Renters don't pay property taxes. Renter insurance is usually not required, but is an option and the cost is low.

**OWNING** Property tax is based upon location, size, and condition of a home. The amount is decided by a county tax accessor annually.

Most lenders won't provide a mortgage without homeowners insurance coverage. This is often a monthly payment protecting the structure of your home, your belongings, and legal liability.