

# Advantages of Renting

By JOE SZYNKOWSKI | Green Shoot Media

If you're looking for a new place to call home, it may be in your best interest to sign a lease rather than take on a mortgage.

Renting is not right for everyone, but it carries significant advantages for those looking for flexibility.

According to the National Multifamily Housing Council, 37 percent of American households are occupied by renters. Many of these citizens enjoy amenities offered by property management.

Consider these other benefits when deciding whether to buy or rent.

## LOW-MAINTENANCE COSTS

In most cases, landlords are directly responsible for maintenance of a rental property. Having the peace of mind that major home repairs won't come out of their pockets grants renters more financial freedom.

It's not only high-cost emergencies that renters avoid. General maintenance including lawn care and pest treatments are typically financed by the property owner.

Since each lease has different clauses pertaining to the responsibility a landlord has over maintenance, make sure to have a solid understanding before signing.



## FLEXIBILITY

Whether your career keeps you on the move or you just prefer to not be tied down to one area, renting is a flexible option. Preparing to move is much more difficult when you are tied to a mortgage as a homeowner. Sometimes, you might even be required to pay

for two homes at once in order to pull off a necessary move.

Another aspect to consider when signing your lease is the termination clause. Some landlords allow early termination due to job transfer or other special circumstances. However, ending a lease before the agreed term usually carries

a termination fee.

## AVOID HOMEOWNER'S INSURANCE

One big expense that comes with purchasing a home is homeowner's insurance. Policies will likely fluctuate in price and amount of coverage.

While renting, you have the

option of purchasing low-cost renter's insurance. Fees for this type of coverage are typically much more inexpensive and cover the belongings you bring to the property. It is important to consider this type of insurance, as a landlord will typically only insure the actual structure.





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## REAL ESTATE 101



### Who Are Renters?

"Rental housing serves a large and diverse population of nearly 39 million households," writes the Harvard Joint Center for Housing Studies. "Although renting is most common among young adults, nearly everyone rents at some point in their lives — whether by choice or by necessity." Renters young and old share a common reason for renting, according to the Center: independence. "Renting plays several roles over the lifecycle of the average householder." About 78 percent of people under age 25 are renters, according to the Center. Around the age of 40, about two-thirds of people own their homes. By the age of 55, a fifth of households are renters.

## HOMESWISE GLOSSARY

**Cooperative (co-op) project:** A project in which a corporation holds title to a residential property and sells shares to individual buyers, who receive a proprietary lease as their title.  
**Lease-purchase option:** An option sometimes used by sellers to rent a property to a consumer, who has the option to buy the home within a specified period of time.

SOURCE: Federal Trade Commission

# AD SPACE