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Five Great Things about Homeownership

by Carla Hill

If you've been on the fence about homeownership, now is the time to take a leap! Don't let the negative press deter you from one of life's greatest joys.

Take a look at five short and sweet reasons that homeownership is great!

1. **Equity.** When you pay rent, you never see that money again. It is lining the landlord's pocket. Yes, buying a home may come with some hefty initial costs (downpayment, closing costs, inspections), but you will make that money back over time in equity built in the home. Historically, homes appreciate by about 4 to 6 percent a year. Some areas are still experiencing normal appreciation rates. For the areas that have seen harder times since the recession, experts feel that the housing market will recover. Homeownership is about building long-term wealth. A home bought for \$10,000 in 1960 is most likely worth 10 times that in today's market.

2. **Relationships:** Renters tend to see their neighbors come and go quickly. Some people sign year leases while others are in the community for much shorter terms. Apartment complexes also tend to have less common shared space for people to meet, greet, and socialize. Homeowners, however, have yards, walking trails, or community pools and clubhouses where they can get to know each other. Neighbors stay put much longer (at least three to five years if they hope to recoup their closing costs). This means more time to develop relationships. Research has shown that people with healthy relationships have more happiness and less stress.

3. **Predictability:** Well, as long as you have a fixed-rate term on your mortgage it's predictable. Most people buying homes today know that a fixed-rate is the way to go. This means your payment amount is fixed for the life of the term. If your mortgage payment is \$500 today, then it will still be \$500 a month in 10 years. This allows for people to budget and make solid financial plans. The sub-prime crisis meant many homeowners with adjustable rate mortgages saw their monthly payments rise and then rise some more. Homeownership, though, generally comes with a predictable table of expenditures. Even the big purchases are predictable. You know most roofs last just 15 years (or so). You know that each year you'll need to pay for the gutters to be cleaned, and so on.

4. **Ownership:** Okay, this is a given. Homeownership means you "own" your home. That comes with some incredible perks, though! You can renovate, update, paint, and decorate to your heart's desire. You can plant trees, install a pool, expand the patio, or do holiday decorating that would rival the Kranks (if the HOA allows!). The bottom line is this is your home and you can personalize it to your taste. Most renters are stuck with the same beige walls and beige carpet that has been standard apartment decor for 20 years. Now is your chance to let your home speak!

5. Great Deals: It's a great time to buy. Interest rates are at historic lows. We're talking 4.0 percent instead of 6.0 or higher. This means big savings for today's buyers. Home prices have also taken a dip since the recession, which means homes are more affordable than ever. If you have steady income and cash for a downpayment, then be sure to talk to your local real estate agent about what homes in your area could be a fit for you.

Homeownership can be a real joy. It's time to get off the fence and into a home that is right for you!

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