

How Owning Works for You

By Jeff Cooper

Most owners who will stay in their house for years pay off their home loan over time. Doing so frees up funds which used to go to mortgage payments.

Paying off your home loan makes retirement financially easier. An owner who doesn't have a mortgage essentially is living rent-free.

On the other hand, renters see their earnings reduced by income taxes before writing a check to the landlord. Rent also tends to rise as the years go by.

Someone with \$1,000 per month rent today will be paying more than \$1,200 monthly just four years later, if their rent goes up five percent a year.

Most homeowners will spend less on housing over their lifetimes than renters do. In addition, rapid home price appreciation in recent years has rewarded owners.

Homeowners with fixed-rate mortgages will never see their payments increase. Once their loan is paid off, they can enjoy greater financial freedom.

Continued appreciation of their property's value then is just icing on the cake. For homeowners, life truly is sweet.