

Skills for Living

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Topic 23-2

Renting or Buying Housing

- In this topic, you will learn about different ways of acquiring housing, as well as
 - ❖ **Choosing housing**
 - ❖ **Renting housing**
 - ❖ **Buying housing**

Renting or Buying Housing

Objectives for Topic 23-2

After studying this topic, you will be able to

- discuss the factors to consider when choosing housing
- identify advantages and disadvantages of renting or buying housing
- give examples of what you need to know before you rent or buy housing

Topic 23-2 Terms

❖ rent

❖ lease

❖ sublease

❖ security deposit

❖ eviction

❖ mortgage

Choosing Housing

- The two main factors to consider when choosing housing are
 - ❖ your income
 - ❖ the location of the housing



Renting Housing

- Rental housing is popular with single people, young married couples, older people, and families with low incomes
 - ❖ *Rent* is a fee paid to the owner each month
 - ❖ Rent may or may not include utilities

Advantages and Disadvantages of Renting



- Renting is
 - ❖ convenient
 - ❖ flexible
 - ❖ economical

Advantages and Disadvantages of Renting

■ Responsibilities

- ❖ Sign a *lease*, a contract between a tenant and a property owner
- ❖ Pay a *security deposit*, or a sum of money, before moving into the property
- ❖ If a tenant moves out before the end of the rental period, the owner may allow a *sublease*, or passing the lease to a second tenant

Did You Know

- A history of late payments can negatively impact your credit report, as well as your eligibility for future rentals



Buying Housing

- A large number of people choose to own their own houses instead of renting



Advantages and Disadvantages of Buying

- People buy houses for many different reasons
 - ❖ Emotional security
 - ❖ Houses increase in value
 - ❖ Money paid for real estate can be deducted from taxes
- To buy a house, you pay a down payment and get a *mortgage*, a loan to pay the rest of what you owe

Summary for Topic 23-2

- The decision of buying and renting will be impacted by
 - ❖ income
 - ❖ location
- Buying and renting are both housing alternatives
 - ❖ You need to choose what is best for you