

## Buying Real Estate Creates Wealth, Offers Additional Benefits

Springtime flowers are appearing in gardens, just as "for sale" signs are popping up on lawns around the neighborhood. Warmer weather beckons prospective buyers and sellers out from winter hibernation. Households with children commonly choose to buy a home in the late spring to avoid a move during the school year. With or without children, home buyers and sellers often choose to move during the warmer months, making now the most popular time to buy a home.

As local REALTORS® hustle to meet this season's surge in real estate activity, they are also educating consumers about the numerous benefits of home ownership. With June being National Home Ownership Month, the Montgomery County Association of REALTORS® (MCAR) offers this list of reasons why consumers should consider buying a home instead of renting.

- ♦ **Tax breaks.** The U.S. Tax Code lets you deduct the interest you pay on your mortgage, the property taxes you pay, and some of the costs involved in buying your home. Additionally, home buyers who obtain a mortgage in 2007 will be allowed by law to deduct the cost of mortgage insurance premiums on their federal tax returns.
- ♦ **Equity.** Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home. The buildup of home equity provides both financial resources and security.
- ♦ **Gains.** While there's no guarantee of a home's value appreciating, the majority of homes do increase in value over time. The capital gains people realize from the sale of their home is a significant source of down payment funds for most repeat buyers, but can be used for other purposes as well.
- ♦ **Savings.** Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.

"While the long-term financial rewards of owning a home are what make homeownership one of the greatest wealth-generating investments," said MCAR President Kathy Opperman, of CENTURY 21 Alliance, "there are several, non-financial benefits that make home ownership desirable as well."

- ♦ **Predictability.** Unlike rent which generally increases annually, mortgage payments, depending on your specific mortgage terms, may not go up over time. However, keep in mind that property taxes and insurance costs will rise.
- ♦ **Freedom.** The home is yours. You can decorate any way you want and be able to benefit from your investment for as long as you own the home.
- ♦ **Stability.** Remaining in one neighborhood for several years gives you a chance to participate in community activities, lets you and your family establish lasting friendships, and offers your children the continuity of remaining in one school district for their primary and secondary education.

Take advantage of the many benefits home ownership has to offer. When you're ready to achieve the American dream, be sure to utilize the knowledge, experience and professionalism of a Montgomery County REALTOR® - your best resource for buying or selling real estate.



Information furnished by the Montgomery County Association of REALTORS® and the National Association of REALTORS®.

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