

Buying a Home: a Sound Investment In Your Future

Why use your hard-earned cash to pay the landlord's mortgage when you could be using the rent money to buy a home of your own? That's a question many people ask themselves when they start thinking about moving out of the rental market to home ownership.

It's a big step. For most people, taking out a mortgage is the biggest financial commitment they will ever make. But buying your own home has always made sound financial sense. Here are some facts to think over when considering home ownership as opposed to renting.

- If you are 35 now and just buying your first home, you will likely be mortgage-free when you are 60 and sitting comfortably on a considerable asset.
- It's highly likely your investment will appreciate considerably in 25 years. It's important, however, not to buy with the intention of making a quick fortune. Think of home buying as a sound, long-term investment.
- Buying a home is a very effective way of saving regularly over many years. Even if you never buy into another retirement or investment plan, you are effectively putting money away for the future.
- Owning a home of your own means you and your family can set down roots, get to know your community and involve yourselves in it.
- Discover the pride of home ownership. You can fix the place to suit your particular needs. You can also have pets in your home.
- As your family grows and moves on to homes of their own, you will have the option of earning extra income by renting out spare rooms or floors, if local bylaws allow.
- If you are planning to borrow money from a bank or other financial institution, owning your own home is a definite plus when it comes time to negotiate.
- You may not need as much money as you think to get into the home market. Qualified buyers can buy a house with as little as five per cent down through the Canada Mortgage and Housing Corporation's (CMHC) mortgage insurance scheme. You may also be able to use RRSP funds as part of your down payment.
- With many kinds of investments, you have to pay a capital gains tax on profit you make. If your home is your principal residence, this tax does not apply.

After you have carefully considered all of the aspects of home ownership and are ready to begin your search, it's time to contact your REALTOR®. He or she has access to the Multiple Listing Service® (MLS®), a co-operative marketing system through which properties are bought and sold. Using the MLS®, your REALTOR® can prepare a customized list of properties for sale that best meet your needs, wants and budget. Your REALTOR® will also provide valuable assistance and guidance to you throughout the buying process

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