



Buying vs Renting a home

A guide to help you determine when you're ready to buy

Have you ever thought about buying a home?

If you rent your home, you might think that buying isn't an affordable option for you. However, with the necessary information and guidance, you can move from renting to turning the keys to your own home.

CIBC FirstCaribbean's Relationship Managers and Mortgage Specialists are experienced professionals who can guide you through the home buying process.

This guide will help you in deciding whether buying or renting a home makes the most sense for your personal finances. The guide also highlights some of the key factors to consider when making the decision.

Why buy a home?

- ✓ As you make monthly payments toward your mortgage you can build equity in your home, especially when property values increase. You can use these funds to finance educational expenses, home-improvement projects, start a small business or other needs.
- ✓ If your home increases in value, you have the option of selling it to make a profit.
- ✓ You can personalize décor and landscaping or make dramatic modifications to the property at will.
- ✓ Your home could be passed on to your children or other family members.
- ✓ A landlord can't decide to sell your house and force you to move.



When to buy a home

There are some key factors you should consider before buying a home.

Market conditions

- ✓ What is the price of real estate in your market? Is it a buyers' or sellers' market? Consider the local factors affecting prices before you decide. These factors can influence how much you pay for your home and your mortgage.

Savings

- ✓ Put aside funds for your down payment. Also consider saving enough money for legal fees, closing costs, property taxes and insurance. Be prepared for the costs associated with buying before making the investment.

Job stability

- ✓ Do you have a stable job and a strong commitment to your community? If your plan is to continue living in your community for the foreseeable future, start putting plans in place for home ownership as this may be the best option for you instead of long term renting.

Life stage

- ✓ What stage of life are you in? If you have a family and are committed to staying in the same place for five years or longer, then home ownership can provide a stable living situation without some of the uncertainties that are associated with renting.

Some key things to consider before owning a home

- ✓ Making a down payment and investing in a home could be considered a lost opportunity. Why? Because if you invest your down payment, it could grow in value faster than a property.
- ✓ You have on-going responsibility and must add home maintenance costs and property taxes to your list of regular expenses. This may mean adjusting your lifestyle (e.g., vacations, eating out, etc.), at least in the short term.

There are some situations where renting may be a better option in the short term:

- ✓ If you are not ready to settle down and don't know what your long-term plans are (e.g. you might take a job promotion in another country, your job situation isn't stable, you might go back to school full time, etc.) then renting may be the best option for you.
- ✓ If you can't afford the monthly costs of home ownership (e.g., maintenance costs, taxes, insurance, etc.) then renting may be the better option for you until your situation improves.
- ✓ If you have a lot of debt to repay, it may make more sense to focus on repaying this first before taking on the responsibility of a mortgage. Speak to a CIBC FirstCaribbean Relationship Manager who can assist you in developing a financial plan to reach your homeownership goals faster.



To get started on the journey to home ownership, call **1-866-743-2257** and speak with a Relationship Manager.

For a checklist of the documents required for your mortgage discussion with us, please [click here](#).