

# THE ALPINE Advisor



Alpine Mortgage Planning  
Your Dreams. Our Expertise.

## A NEW LEASE ON LIFE

RENTING, BUYING  
AND FINANCIAL  
FREEDOM!

*A place of your own. Sounds great, right?*

*During the last several years of recession and slow recovery, plenty of Americans have had to make sacrifices. For some, that has meant renting in a less-than-ideal location, compromising on space or moving in with roommates or family members. But thanks to a recovering economy, more and more people are finding jobs, getting raises and enjoying their newfound financial flexibility.*

*Maybe you're one of those people. How can you make sure your hard-earned income is put to good use — saving for the future while still maintaining an enjoyable life now? When it comes to living arrangements, finding a good balance between saving money and preserving quality of life can be nerve-racking.*

*Choosing whether to rent or buy a home can be puzzling, because recommendations from financial gurus don't take into account all your specific personal considerations, from your full financial profile to your location to your goals and dreams. Whether it makes sense for you to buy or rent — not if it makes sense for someone else, or even for most people — is what matters when it comes to your money and your future.*

### WE'RE ALL IN THIS MARKET TOGETHER

Today's housing market climate is marked by two factors: low supply and high demand. As people gain financial stability and seek out more desirable living arrangements, demand for homes and apartments increases, and that tends to drive up both home prices and rents. But while the cost of living is increasing, incomes aren't growing quite as quickly.

Most experts recommend budgeting 25 percent of your income toward living expenses, but a recent Harvard study reported that these costs ate up more than 30 percent of take-home pay for 38 percent of American renters in 2000 – and that rose to a full one-half of renters by 2013. Such grim statistics about renting raise the question: If you can afford to buy a home, should you?



### RENT OR BUY?

A decision as personal and significant as buying a home takes a lot of planning and careful consideration. The best choice for you will depend on many factors, but we've outlined a few to get you started:

**CHECK OUT PRICE-TO-RENT RATIOS.** Right now, most experts recommend buying over renting. According to residential real estate site Trulia, buying is still 38 percent cheaper nationwide, despite this year's home-price increases. But financial indexes such as Trulia's use averages — so it's always a good idea to look at actual numbers in your own neighborhood. Typically, if the price of a home is less than 15 to 20 times the annual rent of a very similar home, buying is less expensive.

**CONSIDER RISING HOME PRICES AND RENT INCREASES.** The cost of housing is going up quickly in some areas and more slowly in others — but either way, it's on the rise. If you decide to buy, you'll get a better home for your money if you take the plunge sooner rather than later. And speaking of increasing housing costs: Those higher home prices are directly reflected in area rents. If you choose to rent, you'll need to consider that as your income increases over the years, your rent amount will, too. A fixed-rate mortgage might protect you from market fluctuations. You'll pay the same amount every month for the life of your loan, freeing up any extra income for savings, investments and fun things.

**FOLLOW YOUR HEART.** Ultimately, buying isn't only a numbers game. If you've considered all the financial factors and you're still on the fence, you'll need to think about your own values. People who choose to keep renting often do so because it gives them flexibility in case they need to move. People who buy frequently make their decisions because they value the feelings of security, permanence and community that homeownership can bring.

### SET YOURSELF FREE

It's liberating to finally have breathing room in your budget. But that freedom can also invite anxieties about the best way to use your money to create the life you want. After all, the decisions you make about money now don't just affect your finances today; they can also affect the future you secure for yourself and your loved ones.

If you have questions about homeownership, talk with an Alpine mortgage advisor. Our advisors can help you identify your priorities and decide on a plan of action that fits with your goals, so you can rest easy knowing you've made the decision that's best for you — now and for the future.

