

# Renting vs. buying: both have advantages

By George Halasi, CA  
Owning a home used to be like motherhood — no one questioned its value. But today, many families are choosing to rent when they could afford to buy. On the other hand, many single men and women, who might be expected to rent apartments, are now home owners.

If you're trying to decide whether to rent or buy, there are a number of factors to consider — and not all of them are financial. Your preferred lifestyle and your personal expectations are as important as questions of down payment and the necessary income to cover carrying charges. On the financial side, one rule usually holds true: in the short run it's

cheaper to rent; in the long run, tax advantages, growth of equity, and increased market value make buying a home a better deal.

If you rent, you have no capital tied up in your housing. Your money can be invested in other ways, for a continuing return, while your principal remains intact. On the other hand, you have no equity in your home, and your rent increases regularly.

When you buy your home, you do build up equity and, when it comes time to sell, any profit you make is exempt from capital gains tax. But, of course, the capital tied up in your home isn't free for other uses. On the other hand,

the federal government plan to make mortgage payments tax-deductible could be an encouragement to prospective home buyers.

Maintenance and repairs have to be considered in making the decision. While some costs are predictable, others aren't: you never know when the furnace will balk, or the roof will start leaking, and these can be costly items. A tenant doesn't have to worry about such things; they are the landlord's responsibility.

When you've considered all other factors, you should think about the length of time you're likely to stay in your

home. There are a lot of expenses every time you buy and sell a house — commissions, fees, and so on. So if you move fairly often, renting is probably your best bet.

The decision is very much a personal one. Some people find that the only savings they can accumulate over a period of years is equity in their home. Others can build firm financial security during a lifetime of living in rented homes. It's your decision — based on your knowledge of your own needs and expectations.

Mr. Halasi is with Coopers & Lybrand, Toronto, and represents the Institute of Chartered Accountants of Ontario.

## Credit ratings ...

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closer look at your situation. Are you really credit worthy? Do you have a financial problem? Could you have been refused credit because you moved or recently started a new job? Or are you fresh out of school with little work experience?

In order to improve your credit qualifications, it's important for you to find out why you've been refused credit. Lenders are legally required to give you their reasons, but you must be sure to inquire within sixty days of receiving notification that your application has been denied.

the Consumer Information Centre at 555 Yonge Street, Toronto, Ontario M7A 2H6. A thorough knowledge of credit will ensure that you are able to use its advantages wisely.

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The Ministry of Consumer and Commercial Relations can also help with information about credit and credit granting, available through

## Bring garden inside

Jack Frost will soon be nipping at garden plants, but there's no need to lose all of them to his icy touch. Bob Fleming, Ontario Ministry of Agriculture and Food horticulturist, suggests that you snip a few cuttings or dig some hardy herbs for winter life indoors.

"Geranium cuttings as well as cuttings of coleus and begonias should be taken now and rooted in a 50-50 mixture of moist sand and peat moss," says Fleming. "Choose healthy cuttings, breaking them at the joints, and remove any damaged or diseased foliage."

Place the cuttings firmly in the sand-peat mixture. Thoroughly moisten the medium but avoid soaking.

The cuttings should root in three or four weeks if they are in a sunny location. Once fibrous roots appear, the plants should be potted permanently. Place them in cool, bright windowsills.

Chives, parsley and dwarf herbs can also adapt to indoor life, providing tasty accents to salads and meat dishes.

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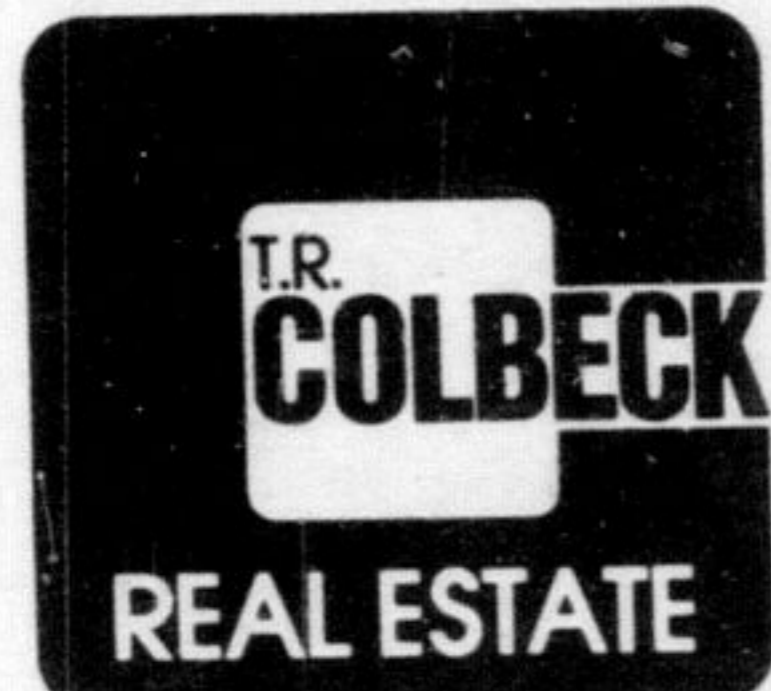
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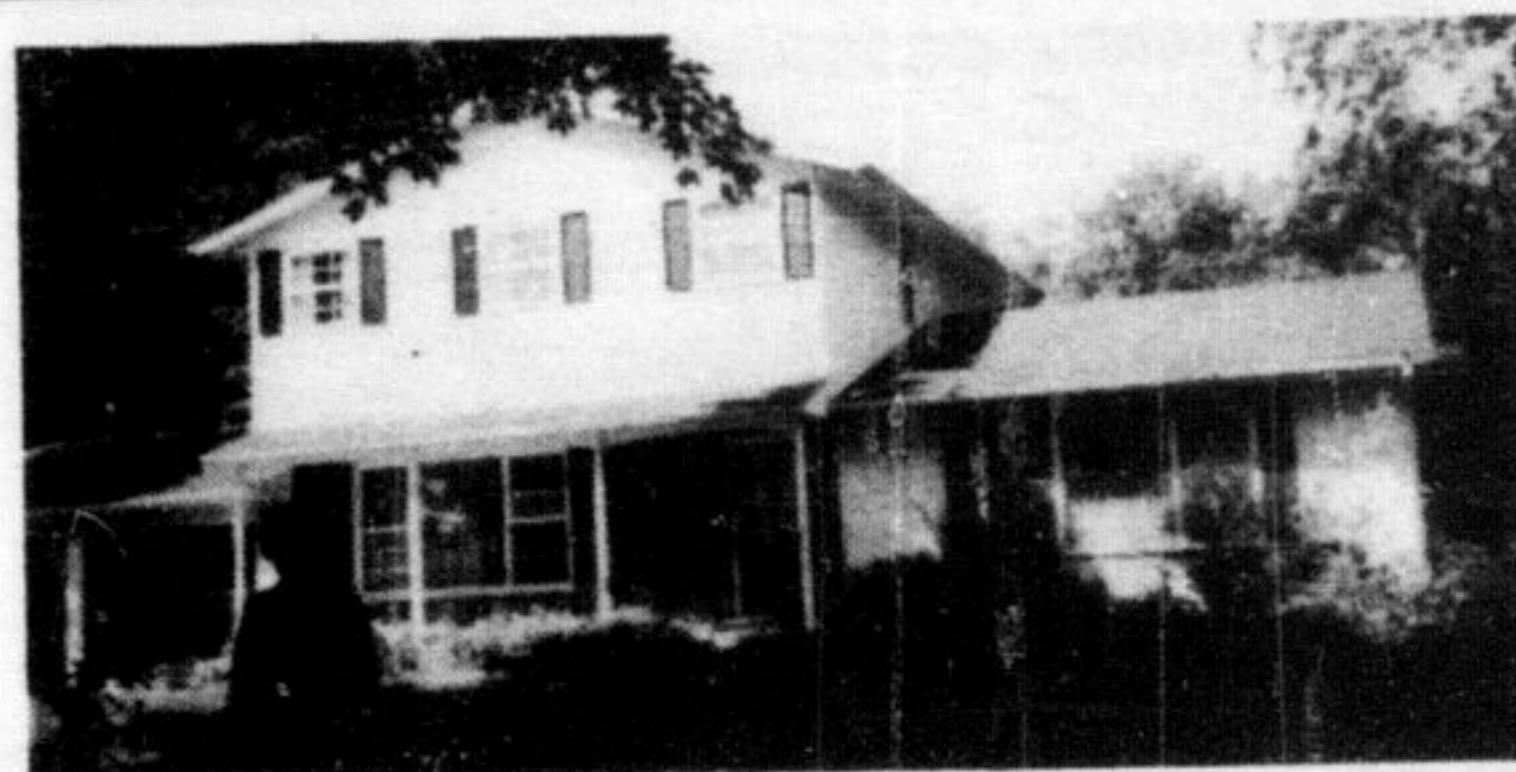
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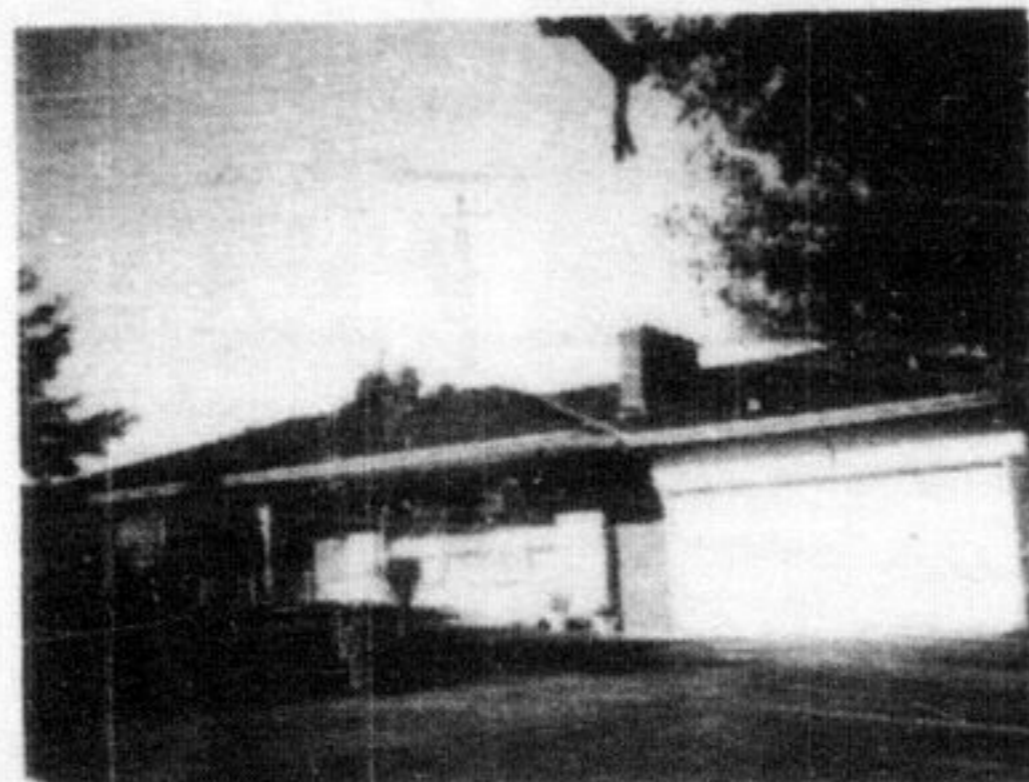
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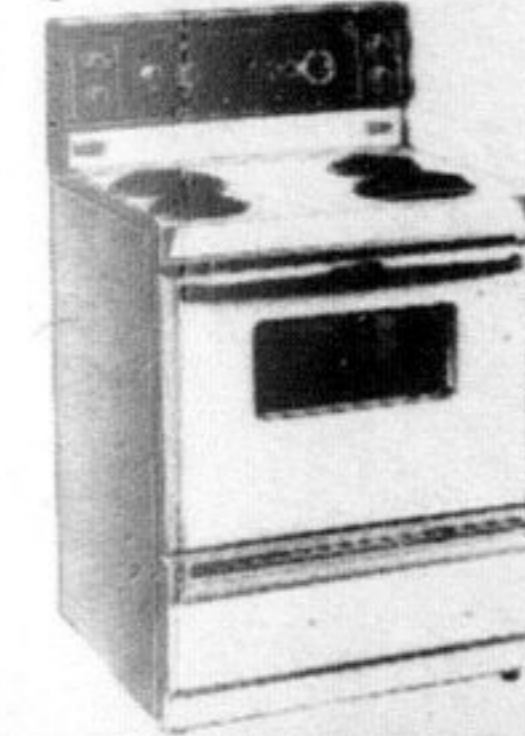
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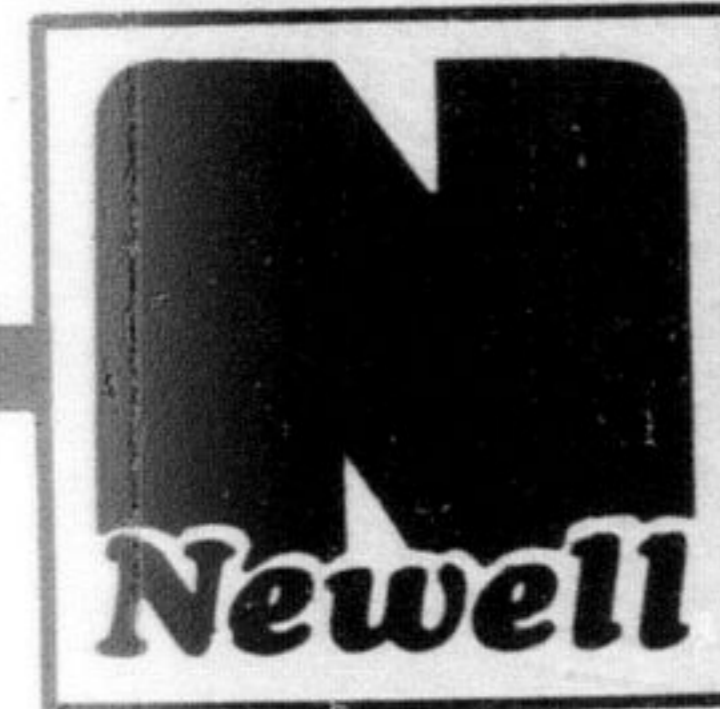


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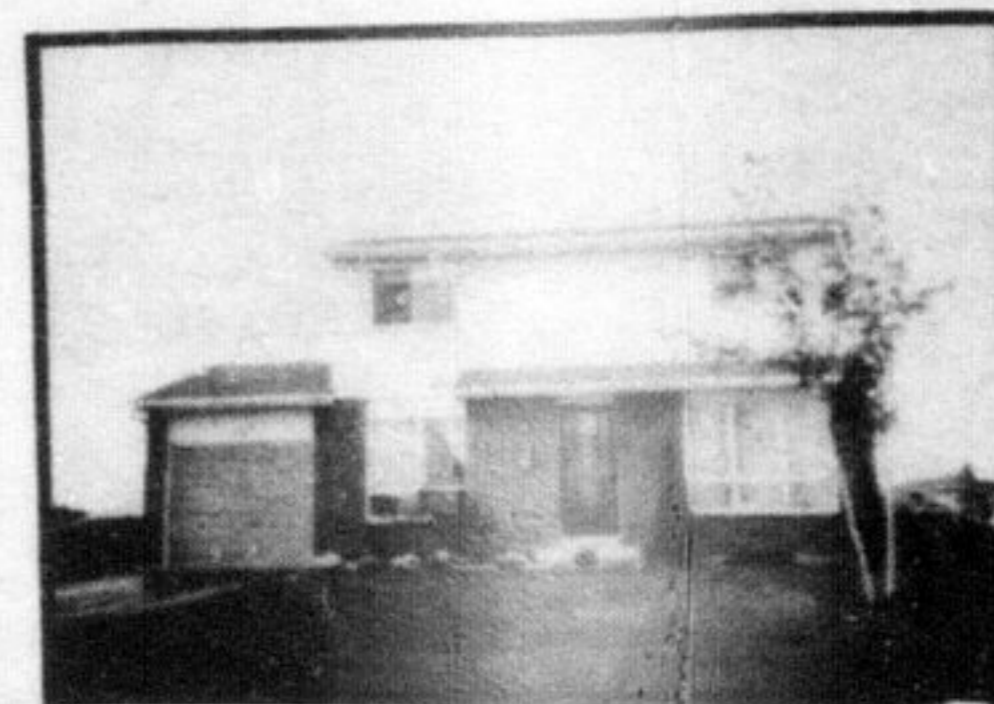
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