

Three reasons for renters to buy now

If you know renters who think owning a home or trading up is a distant goal, you can change their minds. The right information makes all the difference. Here are three facts they should know:

1 Renters pay rent that increases at the rate of inflation. In other words the cost of renting never decreases. Rent paid can never be recovered since its in the landlord's pocket.

2 Every single time a homeowner makes a mortgage payment, at least some of the principal is paid. This means equity grows. Over time homeowners pay less and less because the amount of principal owing decreases.

3 Buying a home offers capital gain. The real estate market may fluctuate, but house prices increase over the long term. A detached home in the Vancouver area bought for \$57,763 in 1975, is now worth \$374,850.