



### **Rent or Own in Retirement?**

Deciding whether to remain in your current home, downsize to a smaller home, rent, or move to a retirement community is a hard decision but one that will need to be made around retirement. Weighing the pros and cons of owning and renting will help you determine which is best for your situation.

### **Owning a Home Reduces Your Retirement Income**

If the majority of your retirement funds are in your home, like say 75%, then 75% of your income is going toward housing which only leaves you with 25% to live on. You should go by the standard of no more than 30% of your income going toward housing. By selling your home and renting, you will have more disposable income to pay for medical expenses or to travel and enjoy retirement.

### **Renting Provides Maintenance Free Living**

If you decide to rent, you will enjoy maintenance free living including any repairs to the property as well as lawn care and snow removal. However, there are retirement communities and townhomes that you own and are maintenance free as well. You may want to consider looking into one of those communities when downsizing.

### **Retirement Communities Provide Extras**

Many retirement communities provide extras such as pools, workout facilities, clubhouses, and other amenities. You also will be surrounded by other people in the same stage of life as your own. If you enjoy activities and socializing, a retirement community might be the right choice. There are rental as well as communities where you own the property. Many of these come with a hefty price tag and additional fees so make sure you look into it extensively.

### **Rental Prices Can Increase**

If you are in a fixed rate mortgage, your payment will obviously remain the same. Rental costs can fluctuate and increase, and you may be forced to look for more affordable living.

### **Your Home is Your Home**

Always take into consideration your emotions. You may have lived in your home for many years or purchased your dream home several years ago and can't imagine life anywhere else. If you can still take care of the home whether through hiring help or through your family and afford to stay in it, then staying in your home as long as possible may be the decision for you.

