

## Six Important Benefits of Owning A Home

According to the [National Association of Realtors](#), record numbers of Americans have purchased a home in recent years. U.S. Census data for 2003 show a total of 68.3 percent of Americans are homeowners.

Here are six significant reasons for owning your own home:

**Tax Deductions:** Mortgage interest and property tax obligations are a homeowner's best friend come April 15. For both federal and state income taxes, these payments are usually fully deductible. In the first years after a home purchase, most of the money paid toward those mortgage payments represents interest. In addition, many closing costs, such as points paid and fees for your loan application and appraisal, may be deductible, either immediately or down the line when you sell the property.

**Appreciation in Value:** Homes are considered a safe, steady investment, with values that rise while debt amount drops. The national median home price has risen every year --even during recessions and periods of sales declines -- since 1968, when the National Association of REALTORS began tracking it. It is a long term investment in most cases. Harvard University's [Joint Center for Housing Studies](#) found a dramatic increase in the rate of return on housing the longer it's held.

**Equity:** The portion of property that's actually owned, or equity rises over time. Renters do not build equity where they are living. It is a similar to investing in an asset and forces a homeowner to save. Equity buildup and appreciation in a first home can help in the transition to a second. According to the NAR, first-time home buyers' median down payment is 3 percent; repeat buyers, meanwhile, put down 22 percent.

**Borrowing power:** For owners who opt to stay put, equity still comes in handy. It can be used to secure a loan or obtain a line of credit, meaning more buying power to fund home improvements or to assist with the purchasing of investment property. Cash for emergencies or "big-ticket" items is also an option.

**Stability:** Homeowners with mortgages know what their house payment is going to be years in advance, a luxury that renters do not have. Stability also comes from the sense homeowners get of being anchored to their community.

**Freedom:** Speaking up within your home is also much easier when you own it. No need to worry about the downstairs neighbors complaining you're too loud, or the upstairs neighbor stomping around at 1 a.m. Owners have the freedom to decorate and remodel without consultation with a landlord. Owners also have emotional connections with their property. It can be a place that is nurtured and loved, where families are born and raised and where children can fondly remember the home where they grew up.