



## Rental Services, Inc.

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### Is your current renter moving because of a new home?

Dear RSI Client,

As I talk with different property managers, they consistently discuss turnover due to new home purchase. When I worked as a district manager I was also faced with this same issue. It's impossible to talk someone out of moving once they've purchased a new home; the trick is to influence them before they buy. An aggressive retention plan can sway individuals who are contemplating a new home purchase. I found a great article from the National Multi Housing Council about the myths of home ownership. I hope you are able to use some of this information as a retention tool. I listed a few of the top myths:

#### **MYTH: OWNING A HOME IS A HUGE TAX BREAK**

Reality: The tax advantages of owning are often not as large as is commonly believed. If your mortgage interest and other itemized deductions do not add up to more than the standard deduction (currently \$7,200), you don't get any tax advantage. That means the mortgage interest deduction is irrelevant for many lower- and middle-income owners who don't itemize. For those who can deduct their mortgage interest, it still may not be worth it for them to pay \$1 in mortgage interest in order to save 28 or 33 cents in taxes. Once you consider the additional costs of ownership – such as home repairs and property taxes – the tax benefits seem even less important.

#### **MYTH: PAYING RENT IS THROWING YOUR MONEY AWAY INSTEAD OF BUILDING EQUITY**

Reality: In the first five years of ownership, nearly 90 percent of the money spent on monthly mortgage payments goes for interest. That means that most of your mortgage payment is also "money down the drain," and not money building equity. On top of that, the cost of buying and selling a home can total 10 percent or more of the property's price. Given that nearly half of all homeowners move in the first five years, the fact is that most would have saved money if they had rented.

## **OTHER REASONS TO CONSIDER RENTING**

- Maintenance-free, hassle-free living
- Superior amenity packages that rival and often surpass single family homes
- Access to new technologies that are unaffordable or unavailable in single family homes
- Ability to relocate for job opportunities without having to incur the cost of reselling a home
- Convenient access to transportation, employment, retail and entertainment
- Organized social opportunities with fellow residents

I hope you find this information to be of some value. It could easily be incorporated into a newsletter or as part of your renewal campaign. If you need anything or have questions about this article, don't hesitate to give us a call, my team and I are always here to help.

Sincerely,

Jeff Malone  
Regional Marketing Director  
Rental Services Inc.