

WORK CENTRAL AB

Renting vs Buying

Weighing the Right Housing Path for Your Situation

A Career Resource from Work Central AB

Renting vs. Buying in Central Alberta

Whether renting or buying makes more sense depends on your finances, timeline, and lifestyle - there isn't a universally right answer. This guide walks through the key factors to weigh for your specific situation.

1. Financial Factors to Consider

- **Upfront costs** - renting typically requires a damage deposit (capped at one month's rent in Alberta); buying requires a down payment plus closing costs.
- **Monthly costs** - compare rent against a realistic mortgage payment, plus property taxes, condo fees (if applicable), insurance, and maintenance.
- **Building equity** - mortgage payments build ownership over time, while rent payments do not, though buying also carries more financial risk if property values decline.
- **Flexibility** - renting is easier to exit if your job, family situation, or the region's opportunities change; selling a home takes more time and cost.

2. When Renting Often Makes Sense

- You're new to the region and still learning which Central Alberta community fits you best.
- Your employment situation is uncertain or you expect to relocate again within a few years.
- You haven't yet saved a comfortable down payment or built Canadian credit history.
- You prefer not to take on maintenance responsibilities and costs.

3. When Buying Often Makes Sense

- You plan to stay in the same community for several years or more.
- You have stable income, a solid credit history, and a comfortable down payment saved.
- You want to build equity and have more control over your living space.
- Central Alberta's relatively affordable housing market (compared to Calgary and Edmonton) makes ownership more attainable sooner than in larger cities.

4. Running the Numbers

A Simple Comparison Approach

- Compare total monthly renting costs to total monthly ownership costs (mortgage, property tax, insurance, estimated maintenance).
- Factor in how long you realistically plan to stay - ownership costs (closing costs, realtor fees on resale) are harder to recover if you sell within just a couple of years.
- Consider opportunity cost - money saved by renting could be invested elsewhere if not put toward a down payment.
- Use our Cost of Living Calculator and Housing Affordability Calculator at workcentralab.ca/resources for a personalized comparison.

5. It's Not All or Nothing

Many people rent for a period after relocating to Central Alberta while they get to know different communities, then transition to buying once they've settled on the right area and built up savings and credit history. There's no penalty for taking this staged approach.

6. Frequently Asked Questions

Common Questions

Is buying always better long-term financially? Not necessarily - it depends heavily on how long you stay, local market conditions, and what you'd otherwise do with the money used for a down payment.

How much should I have saved before considering buying? Beyond your down payment, aim to keep a separate emergency fund intact - don't drain all your savings into a home purchase.

Can I switch from renting to buying easily later? Yes - many people rent while building savings and credit, then transition to buying once ready; there's no real downside to this staged approach.

Renting vs Buying Checklist

- ✓ Compared total monthly costs of renting vs. buying for your target community
- ✓ Considered your realistic timeline for staying in the region
- ✓ Assessed your credit history and down payment readiness
- ✓ Weighed flexibility needs against the benefits of building equity

Build Your Financial Foundation With Work Central AB

See our Home Buying Guide and Finding Housing guides for the next steps, whichever path fits you best.
Visit [**workcentralab.ca/resources**](https://workcentralab.ca/resources).