



Should You Lease Out or Sell Your Property? Key Considerations for Homeowners

As a homeowner, deciding what to do with your property—especially when you’re ready to move on—can be a tough decision. Should you sell it outright or consider leasing it out as an investment? At James G. Dibbini & Associates, P.C., we understand the complexities of both options and are here to guide you through the process.

Here’s a breakdown of the pros and cons to help you decide the best course of action for your situation:

Leasing Out Your Home

Renting out your property can offer a steady income stream, but it also comes with responsibilities. Here are the key factors to consider:

Pros:

- **Steady Cash Flow:** Renting your property can provide a consistent monthly income that can help offset mortgage payments or serve as an additional revenue stream.
- **Property Appreciation:** If property values are expected to increase, holding onto your home as an investment may allow you to sell it for a higher price in the future.
- **Tax Benefits:** You may be able to deduct certain expenses such as property management fees, repairs, insurance, and mortgage interest from your taxes.

Cons:

- **Management Responsibilities:** Becoming a landlord involves managing tenants, maintaining the property, and addressing repairs. If you’re not interested in managing these tasks, hiring a property manager is an additional cost.
- **Vacancy Risk:** You may face periods when the property is unoccupied, resulting in lost rental income while you still cover maintenance costs.
- **Market Volatility:** While property values may rise, there’s always the risk they could stagnate or even decrease, which might limit future profit potential.

Selling Your Home

Selling can provide a quick infusion of cash but comes with its own set of considerations:

Pros:

- **Immediate Cash Flow:** Selling allows you to access your home equity in one lump sum, which can be used for a down payment on another property or invested elsewhere.

- **No Landlord Hassles:** Once sold, the property is no longer your responsibility—no tenants, no maintenance, and no repairs to worry about.
- **Capital Gains Exemption:** If you've lived in your home for two of the last five years, you may be eligible for a capital gains tax exemption on the sale (up to \$250,000 for single filers, \$500,000 for married couples).

Cons:

- **Missed Future Appreciation:** If your property's value increases after the sale, you won't benefit from the appreciation.
- **Selling Costs:** Real estate agent commissions, closing costs, and potential capital gains taxes can eat into your profits from the sale.
- **Market Timing:** If the market is down, you might have to accept a lower price for your property, resulting in less equity than expected.

What's Right for You?

Whether you should lease or sell depends on your financial goals, the current market, and how much responsibility you're willing to take on. If you're looking for a quick exit, selling might be the best option. However, if you're willing to manage a rental property and believe in long-term appreciation, leasing could provide ongoing benefits.

At **James G. Dibbini & Associates, P.C.**, we are here to help you weigh these options and decide what is best for your unique situation. Whether you're considering selling or leasing out your home, our experienced real estate attorneys are ready to guide you through the legal and financial considerations.

If you need any assistance, our team at James G. Dibbini & Associates, P.C. is here to help. Contact us today at (914) 240-8270 or jdibbini@dibbinilaw.com.

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