

Should You Purchase the Condo in Toronto You're Currently Renting?

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You're loving your rental condo in Toronto. It may be because it's the perfect size, or because of the wide array of amenities, or because of the smile you receive every morning from your concierge. Your rental condo is everything you're looking for, and more. But, have you considered purchasing your condo? If so, there are various scenarios in which purchasing your condo in Toronto makes sense, and various scenarios in which purchasing your condo in Toronto does not make sense.

Let's first explore the scenario in which it does not make sense to purchase your condo.

If you can purchase another income property that offers better returns: Let's say you and your partner are living in a rental condo, and you're happy there. If you're able to purchase an income property that covers the mortgage with additional profits, it may be worthwhile for you to stay put, and purchase to then rent out your income property. For example, if you and your partner are renting for \$950 a month at a condo in Toronto, and you purchase a home/income property with a mortgage of \$950 a month, and you're able to get \$1800 a month in rent at your income property, then you're better off renting out your home, and staying on as tenants at your condominium in Toronto. That will pay off your mortgage at your income property home, and net you profits that you can put towards your monthly rent at your condominium in Toronto. Eventually, you'll be left with a condo in Toronto that you own, mortgage free.

Now, the scenario where it makes sense for you to purchase your condo.

You can afford it, and the investment makes sense: If you're happy living in your condominium for the long term, or selling it for a profit, then it may make sense for you to purchase your rental condo in Toronto. If you weren't willing to live in it, and the market turns, and you aren't able to find a tenant, you could be in trouble. But by having the security that you can carry your mortgage no matter what, and that you're willing to live there if you can't find a tenant, the investment will make more sense.

In real estate, answers are never black and white. Properties typically increase in value over time, but before you buy, you need to be prepared to withstand market downfalls where land values sink. At Rebate4U, we're real estate and rebate experts. We can ensure that if you purchase a new condominium and rent it out, you receive a rebate of up to \$30,000. We can also get you rebates on major renovations and purchasing newly built homes. If you're thinking of purchasing a new condo in Toronto or if you want more information on Canada's real estate rebate programs, feel free to give us a call at 1 (800) 610-4510 or send us an email at info@rebate4u.ca.