Buying vs. Renting in the Portland Metro Area

What does it **really** cost in 2026 - and which choice may make more sense for you?

RENT	BUY
Lower short-term cash outlay	Higher upfront cost
Flexibility + fewer repair costs	Equity + long-term ownership potential

The question is bigger than the monthly payment

For years, the conventional wisdom has been simple: renting is "throwing money away," while buying builds wealth. Homeownership can absolutely be a powerful long-term wealth-building tool, but today's Portland-area market makes the decision more nuanced. Mortgage rates, property taxes, insurance, maintenance, closing costs and the length of time you plan to stay all matter.

The better question is not simply *"Which payment is lower?"* It is **"Which choice puts me in the strongest financial position over the next five, seven or ten years?"**

ILLUSTRATIVE PORTLAND RENT	ILLUSTRATIVE HOME PRICE
$1,500-$2,100	**$540,000**
Approx. range across common apartment sizes	Example used in this guide

These figures are market illustrations, not a quote for a particular property or loan. Your actual rent, mortgage rate, taxes, insurance and financing terms may differ.

What Renting Really Costs

Renting often wins the short-term cash-flow comparison. A renter generally avoids a down payment, buyer closing costs, property taxes, homeowners insurance and major repair bills. That flexibility can be valuable if you may move soon, are building savings, or simply do not want the responsibility of maintaining a home.

Typical renter expense	What to consider
Monthly rent	Your largest recurring housing cost
Utilities / parking / pet fees	Can add materially to the advertised rent
Renters insurance	Usually modest, but still part of the true monthly cost
Rent increases	Future housing cost is not fixed
Equity created	$0 - rent does not reduce a loan balance you own

What Buying Really Costs

A mortgage payment is only one part of homeownership. To see the real cost, buyers need to include the down payment, principal and interest, property taxes, homeowners insurance, maintenance, repairs and any HOA dues.

Illustrative $540,000 purchase	Approx. amount
20% down payment	$108,000
Mortgage amount	$432,000
Principal + interest at 6.71%	~$2,790 / month
Property taxes	Varies by property and tax account
Homeowners insurance	Varies by home and coverage
Maintenance / repairs	Variable - budget for the unexpected
HOA dues	If applicable

Important: The ~$2,790 figure is principal and interest only. Taxes, insurance, maintenance and HOA costs would be additional. Oregon property taxes are property-specific, so two similarly priced homes can carry different tax bills.

The Costs Buyers Often Forget

Closing costs	Loan, title, escrow, prepaid items and other transaction expenses.
Maintenance	Even a well-maintained home eventually needs repairs and replacements.
Opportunity cost	Money used for a down payment could otherwise remain invested or liquid.
Selling costs	If you move again quickly, transaction costs can reduce or erase short-term gains.

What Homeownership Gives You in Return

Part of each mortgage payment reduces your loan balance. Over time, that principal reduction can increase your ownership stake. If the property appreciates, equity may also grow through rising value. Appreciation is never guaranteed, but ownership gives you a mechanism for building housing wealth that renting does not.

A fixed-rate mortgage also provides stability in the principal-and-interest portion of the payment. And beyond the spreadsheet, ownership gives you greater control over your home - renovations, pets, landscaping and the ability to make the space your own.

THE 5-YEAR QUESTION	How long do you expect to stay in the home?

If there is a good chance you will move in a year or two, renting may make considerably more sense. Buying and selling involve transaction costs, and a short ownership period may not provide enough time for principal reduction or appreciation to offset them. If you expect to stay five, seven or ten years, buying becomes more compelling because you have more time to build equity and spread transaction costs over a longer period.

Which side sounds more like you?

RENTING MAY FIT BETTER IF...	BUYING MAY FIT BETTER IF...
• You expect to move soon • You want maximum flexibility • Buying would drain your emergency savings • You prefer predictable responsibility for repairs	• You expect to stay several years • Your income and emergency savings are stable • You want control over your living space • Building long-term equity is a priority

The Bottom Line

Renting can win the short-term monthly-cost comparison. Homeownership can win the long-term wealth-building comparison. The right answer depends on your timeline, savings, financing, the property you choose and what you would otherwise do with the money.

1	**Compare total monthly costs**	Rent vs. principal, interest, taxes, insurance, HOA and maintenance.
2	**Protect your cash reserves**	Do not evaluate a down payment without considering your emergency fund.
3	**Think in years, not months**	Your expected ownership period can change the answer dramatically.
4	**Run the numbers on a real home**	Property taxes, HOA dues and insurance are specific to the property.

Wondering which option makes sense for you?

Penner Group Properties can help you compare the numbers for the neighborhood and price range you are considering. Sometimes the numbers say buy now. Sometimes they say keep renting and prepare to buy later. Either way, an informed decision starts with the real numbers.

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Sources & methodology: Illustrative mortgage payment uses a $432,000, 30-year fixed loan at 6.71%. Market figures referenced in the accompanying blog draft were current as of September 2026. This publication is for general informational purposes only and is not financial, tax, legal or lending advice. Rates, rents, taxes, insurance and borrowing costs change and vary by household and property.