

news in brief

Sell to rent?

When housing markets cool many people wonder if the smartest move is to sell up, rent for a while and then buy back when prices have come down.

Sounds like a no-brainer, which may be why a survey by online change of address service, iammoving.com, has found that as many as one in five homeowners think now is the time to cash in and become a tenant.

I'm not saying it can't work, but I do think this is a very high risk strategy. When people ponder this, do they also consider the costs involved – solicitor's fees, stamp duty, removal and storage fees, the cost of mortgage and rent in the case of an overlap, rental costs for a year or two?

All of these factors must be weighed against the gains – such as savings on mortgage costs and buying a cheaper property.