

Tables Turn in 2011 on Rent vs. Own

Rents have surged as home prices have dropped, which have prompted some to ponder whether homeownership is really worth it. Moody's Analytics data has suggested that it makes more financial sense to rent than buy in many U.S. cities, but Moody's chief economist Mark Zandi now says that is about to change.

"By mid 2011 and certainly by end of 2011, buying will be superior to renting in most parts of the country," Zandi says.

Home prices are expected to fall further, making more homes affordable, whereas rent prices are expected to continue to rise this year.

The following are a few of the top cities where it makes more sense to buy than rent, according to Moody data. (Experts often recommend buying when the price-rent ratio is below 15 and rent when it's above 20.)

- Cleveland: 11.43
- Pittsburgh, Pa.: 11.71
- Detroit: 12.32
- Phoenix: 12.35
- Atlanta: 12.82
- Tampa, Fla.: 13.08
- Orlando, Fla.: 13.1
- Cincinnati: 13.74
- Las Vegas: 13.89

Source: "[Rent vs. Own Ratio to Flip in 2011?](#)" *Fortune* (Jan. 4, 2011)