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Rent or buy in L.A.?

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Well, it depends. Employment status, credit standing, and size of nest egg are all factors to consider, as well as whether you want the responsibility of owning a house. [Rent.com](#) (via [CBS Money Watch](#)) has come up with a measurement for helping determine whether it's better to rent or buy. You take the price of a home (excluding taxes and insurance) and divide it by the annual rent of a similar property (meaning size, amenities and location). So if a 3-bedroom home costs \$500,000 to buy and \$24,000 per year to rent, the rent ratio is 21. These things are highly subjective, of course, but if your ratio is 15 or below, it probably makes more sense to buy than rent.

So with all that as prologue, the top city for renters is SF, at 37. After that it's NY (21), Honolulu (24), Tucson (15 to 24), and L.A. (24.5 to 32.9).

In major metro areas, housing costs can vary neighborhood by neighborhood. That's particularly true in Los Angeles. According to Trulia, the median sales price for a 3-bedroom, 2-bath unit is \$305,000. But if you want to buy a 3-bedroom condo in Beverly Hills, foreclosures are listed for as little as \$791,300. Monthly rents vary as much. "Renting a 3-bedroom unit in the city can cost \$1,000. If you rent in Brentwood or near the beach, you might pay as much as \$6,700 for a 3-bedroom rental unit," Abkemeier explains. If you rent a three bedroom condo in Beverly Hills, you might pay \$2,000 to \$3,700."