

# LIFETIME RENTERS

Renting is more than a passing phase for many people. It can be a lifestyle, where you can take advantage of more money in your pocket, less stress about maintaining your home, and more time to work, play and enjoy life. We talked to Jodi Gilmour, host of HGTV's *For Rent* about people who rent their home for life.

BY KIM CARLTON



**Renters Guide:** Why do some people become lifetime renters?

**Jodi Gilmour:** *There are loads of reasons why some people rent their place to live for life. Some of the most common influences are culture, lifestyle and financial. In many countries and cultures, renting is the norm. Take Spain and Portugal for example, where due to tenant protection acts it's common to live in an apartment that your grandparents negotiated rent on in 1935, and you're still paying 1935 rental rates, (much to the chagrin of your landlord)!*

*Other people rent for lifestyle reasons; perhaps they move from city to city for work or adventure. If you can't see yourself living in one place for a while, why buy a house?*

*Lastly, loads of people become lifetime renters because renting is generally less expensive than owning. Maybe you want to spend more of your income on travel or hobbies, or maybe you never built-up much of a down payment or credit history.*

*For lots of people, owning is never a goal, for others, it's just never a reality. Renting is more flexible, more affordable and requires less fuss!*

**RG:** What are some of the advantages of renting long-term?

**JG:** *People who chose stay in one rental for a long time enjoy the benefit of growing 'roots', feeling truly at home in their rental, while keeping their rental rate low. In Ontario, the amount a landlord can increase rent per year is regulated (typically less than three per cent per year), so assuming the market is increasing at a higher rate, these renters are beating the system.*

*When I know renters are looking to stay for more than a year, I suggest they build the extra time into the lease and ask for a reduction in rent. Landlords know that each time their rental switches hands it costs them, so I encourage renters to try to split the savings with the landlord. Everybody wins.*

**RG:** How can long-term renters maximize their finances?

**JG:** *There's a litany of ways to benefit financially from renting.*

*By renting, you're probably putting a smaller percentage of your take-home income towards housing, so you can spend it in other ways. In my opinion, renters should spend 20-28 per cent of annual income on housing, whereas homeowners can spend a little more (27-33 per cent) because if they hold on long enough to build equity, they'll get some of their money back. In this case, the renters might enjoy today while the homeowners put off the fun.*

*If you don't have all of your credit tied up in a mortgage, you may have an easier time playing in other markets, opening a business, or making other purchases.*

*If you work from home and don't have an office out of the home, you can write-off a percentage of your rental fee, (which is also true for homeowners).*

*If your company is moving you from city to city, they should be covering your moving costs and either helping*

*out with your rent, or paying you according to the living standards in the city they place you.*

*If you are looking to raise a family on a budget, a very affordable way to rent is in a co-op, where residents share in the work that it takes to maintain both the property and the community that lives there. You pay less money, but throw in a little elbow grease.*

**RG:** Do most long-term renters stay in one rental usually or move around?

**JG:** *It really depends on individual renters' needs and their landlords' plans for the property. The longest I've heard a Canadian stay in one rental is about 15 years. The majority of rental stays in Canada are only one year.*

**RG:** Do long-term renters usually live in apartment buildings or rent a house?

**JG:** *Apartment buildings are most common among long-term renters, by far. And I'm not certain why, but I'd guess that cost has a lot to do with it. It's less expensive to build and maintain an apartment than a house, so they can be offered at more attractive prices.*

**RG:** Would you recommend being a lifetime renter to someone just starting out in today's real estate climate? How about to someone later in life who is faced with the decision whether or not to rent or to buy?

**JG:** *Let's first point out that everybody has to live somewhere and nowhere is free. Let's also acknowledge that having grown up in real estate, I'm slightly biased.*

*The past two years have been a great learning experience for me. Globally, the Canadian banking system has been touted as being incredibly stable and healthfully conservative. What I noticed was that the real estate market was even more stable than the stock market, so I keep more of my equity in real estate than stocks, (66:33ish).*

*If you know that your health is failing, you're losing your job, you're facing debt, or starting out on your own for the first time (or again), renting is a great option.*

*Later in life, health becomes a big factor. A healthy senior may wish to stay independent as long as possible. When deciding whether to move into a rented apartment or seniors home, rather than mowing lawns and maintaining the family home, renting is often a sound decision*

*Renting is great when there are unknowns, because you can generally get out of a rental with 60 days notice and very little penalty.*



**Jodi is host of HGTV's For Rent airing Mondays at 8 p.m. ET/PT. Visit [HGTV.ca](http://HGTV.ca) for more information.**