

Ways your Home can make Money for you

You could be living in a money-maker. Who knew?

BY ANNE BOKMA

ILLUSTRATIONS, VEER INC.

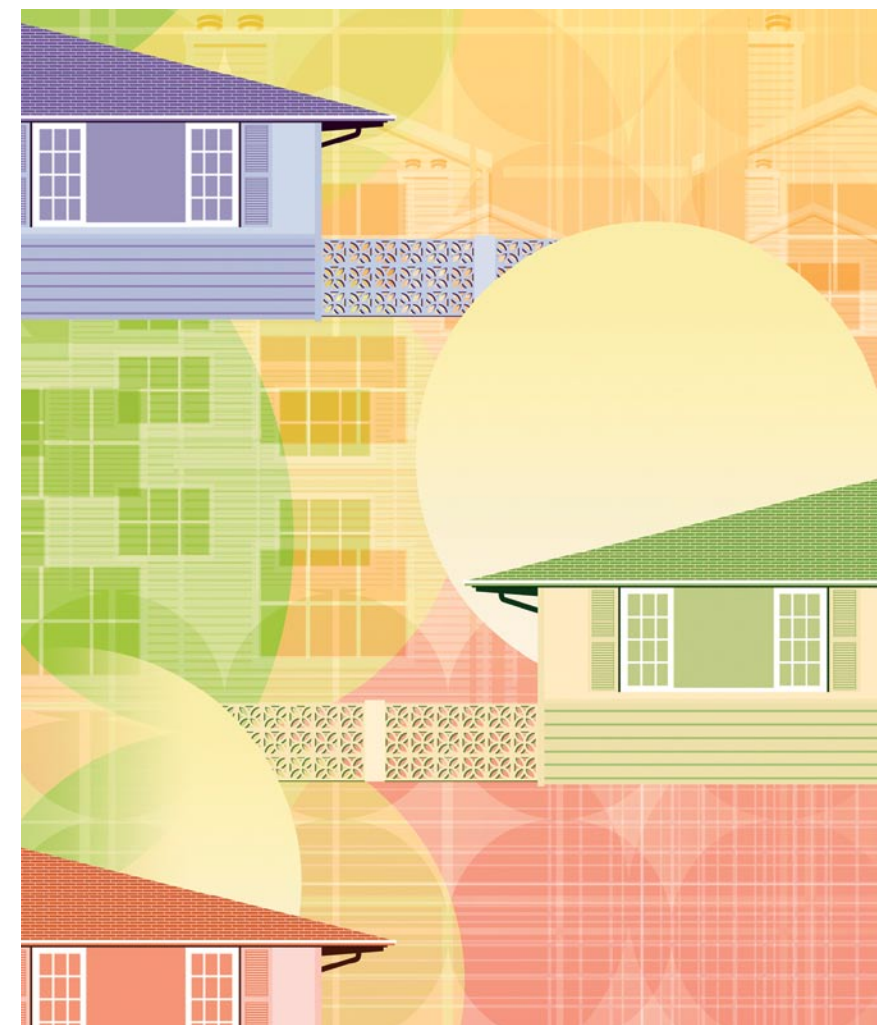
The roof over your head is likely the biggest asset you'll ever own. Trouble is you don't see any money from your house until you sell it – unless you follow the lead of some ingenious homeowners who have figured out a way to cash in on their homes while still living in it. You could be sitting on a pile of dough without even realizing them. Here's how you can make your home make money.

1 | BECOME A LANDLORD

The plan: Rent an apartment in your home. It could be a basement bachelor, a renovated attic, an entire floor or a detached, renovated garage. Renting an apartment can allow you to buy a house you might otherwise not be able to afford. "It also allows many seniors to hang on to their homes," says Susan Wankiewicz, executive director of the Landlord's Self-Help Centre, a nonprofit service that helps small-scale landlords in Ontario.

KA-ching!: Rents range from a few hundred dollars to more than \$1,000 a month. When Rosalind Stefanac and her husband bought their first home in Toronto in 2002 for \$300,000, they specifically looked for a property with an apartment that would help ease the mortgage payments. They rented out their basement apartment for \$700 a month, which covered half the mortgage.

Reality check: It takes more than paint and wallpaper to make an apartment suitable to rent. Each municipality in Canada has individual standards regarding renting, and you'll need to ensure the space meets zoning codes. Stefanac spent about \$10,000 on drywall, insulation, carpets, wiring and a new fridge – and it took 14 months of rent money to recoup the cost.



Being a landlord can also be stressful, especially when your tenant gets behind on the rent. After Stefanac's first tenant lost his job, he couldn't always make the rent and sometimes paid her partially with five- and 10-dollar bills. Carefully screen potential tenants by getting references, especially from previous landlords.

2 | PUT UP A PARKING LOT

The plan: Rent out your driveway or garage to people who need parking space (usually in major urban centres) or storage facilities for items that need to be kept indoors over winter, such as boats and motorcycles. Free classified

ad websites such as www.craigslist.org and www.kijiji.ca have categories specifically devoted to parking and storage spaces for rent.

KA-ching!: Norm Gill, a retired school district employee whose Vancouver home is close to B.C. Children's Hospital (where parking spots go for \$10 a day), rents out two spaces in his four-car garage for a total of \$300 a month. "We built a new home and didn't realize how much it would cost, so this brings in a little extra ▶

canadianliving.com/september

Are you a stay-at-home parent? Check out our list of job ideas for earning extra cash.



money,” he says. Rebecca Gruhn, a film student at York University in Toronto, rents out the parking space that comes with her apartment for \$75 a month. “It’s not a lot of money, but when you’re a student, every bit helps,” she says.

Reality check: You’ll still need to shovel the driveway and perhaps chase after rent money.

3 | MAKE YOUR PROPERTY A STAR

The plan: Rent out your home as a set for a commercial, TV movie or feature film. Every province in Canada has a government-run film development corporation (British Columbia Film, for example) that lists properties available to location scouts and producers. All you need to do to get listed is send in photos of your home.

KA-ching!: Rental rates can vary from \$500 to \$5,000 a day, depending on the type of project (a feature film typically pays more than a TV production). When the Honourable Myra Freeman, lieutenant-governor of Nova Scotia, listed her Halifax home for sale in 2000, a location scout who went to the open house decided the 1970s details – yellow appliances, shag carpet and wallpapered rooms – were just right for the feature film *Scotland, Pa.*, directed by Billy Morrisette and starring Christopher Walken. Freeman was pleased by the respect the film company showed for the property during the three-week-long shoot and says seeing a movie made in her home was an “exciting adventure.” Over the past two years, Susan Harding-Cruz of Hamilton has earned \$5,000 for renting out her home for three TV productions that each took three days to shoot.

Reality check: A movie shoot can upend your life, since you’ll have to move out of your home during filming.

You may have a crew of 50 people tramping through your house, so things can get broken. “This isn’t for someone who is uptight about her home,” says Harding-Cruz. “If you’ve got lots of precious things around, it might make you nervous.” Check that the production company has adequate insurance to cover replacement costs. When one of Freeman’s antique tables was badly scratched, the film company paid for a replacement.

4 | HOST A STUDENT

The plan: Host an international student in your home by providing a separate bedroom and three meals a day. Homestays, as they are called, can last anywhere from a few days to a year, and students can range in age from 10 to 60. The host family is expected to spend quality time with the student, helping him adjust to a new culture and often a new language.

KA-ching!: You can earn about \$500 to \$800 a month per student and can host more than one student, says Robin Wilson, managing director of Canada Homestay International (www.canadahomestayinternational.com), which has a network of 4,000 homeowners across the country. Laura Williams, a Vancouver-area energy manager and single mom to three teens, hosted a 16-year-old Brazilian boy and received \$800 a month. “It was a positive experience for my kids,” says Williams. “They loved getting to know Felipe and treated him just like a brother. And they are hatching plans to go visit him in Brazil now that he is back home.”

Reality check: You, the homeowner, lose some privacy, and students may test their newfound freedom since they are away from their families, often for the first time. Felipe had trouble sticking to a curfew because he hadn’t had one back home. ▶

my first school bag



Label it. Cherish it. Personalized labels ensure the things kids treasure are safe and sound for years to come.



www.mabel.ca
1-866-30-MABEL

For a limited time only
get the NEW Ultimate
Back-to-School Combo!

Dishwasher, microwave and kid durable sticky labels, clothing labels, shoe labels and more.
MADE IN CANADA. FREE, FAST SHIPPING.



5 | RUN A BED-AND-BREAKFAST

The plan: Offer one or more rooms in your home to travellers who are visiting your area.

KA-ching! Rates vary widely, from about \$50 to \$200 a night, depending on how luxurious the accommodations are and where you are located. Debbie Gaspich purchased her 150-year-old home, the Martin House Bed and Breakfast, in Jordan Village, Ont., (close to Niagara-on-the-Lake and the popular Shaw Festival) with the intention of continuing to rent out the rooms to pay for the renovation and upkeep of her large property. She began by renting just a couple of rooms and earned \$7,000 in her first year. Today she rents five bedrooms, as well as a small cottage on the property, from May to October and earns \$25,000 annually. She manages the B&B on top of a full-time job.

Reality check: Changing sheets. Preparing brunch. Keeping your home tidy. Engaging in small talk early in the morning even if you don't feel up to it. Running a B&B can require a lot of work and energy.

6 | GO BACK TO THE LAND

The plan: If you own a large parcel of land in a rural area, you can rent it to farmers to raise crops or livestock.

KA-ching! Depending on where you live and what the land is used for, rates can vary from \$20 to \$200 an acre, says Kevin Hursh, an agriculture consultant in Saskatoon. "There are different values for different crops – you can earn more if you rent your land to harvest soybeans instead of wheat or barley, for example." Six years ago, Tami and Daniel Blais sold their house in town and moved to a \$130,000

country home that came with 160 acres outside Battleford, Sask. Instead of farming the land themselves, they rent 80 acres to a local farmer. The farmer keeps two-thirds of the profits and pays the other third (about \$3,000 a year) to the Blais as rent. "We use the money to pay our property taxes and insurance," says Tami.

Reality check: The odour of manure in the fields and the noise of combines swathing the crops may be a bit of a nuisance, but for most people in rural areas this is just part of country living. More concerning is the potential for pesticide drift when crops are sprayed. Also cattle or horses may get out and require rounding up.

7 | TAP INTO YOUR EQUITY

The plan: Apply for a home equity loan. One-quarter of Canadian homeowners have borrowed against the equity in their home, according to a recent Ipsos-Reid survey. These loans are easy to qualify for and have lower interest rates than other types of loans (usually around prime). Plus, banks typically require that you pay only the interest expense of the loan.

KA-ching! This is an easy way to get access to a lot of money without having to wait too long. "Many banks will lend you up to 75 per cent of the value of your home, minus any outstanding mortgage," says Paula Sprentz, a certified financial planner and vice-president of compliance at GP Wealth Management Corporation in Toronto.

Reality check: Because they are so easy to acquire, you can land in more debt than you can handle. If the market turns downward and your \$300,000 house is suddenly worth only \$250,000, you've lost a lot of the equity in your home and still have the loan to repay. ●

© 2008 P&G



iams

PROACTIVE HEALTH

Iams Smart Puppy

Formulated with DHA to promote smarter, more trainable puppies. Genius!



Life's Better on Iams®