

# A Smart Alternative for Home Ownership

Boomers. Pre-Retirees and Retirees. Young families. New arrivals in Canada. These may seem like somewhat diverse groups of people perhaps but each one shares at least one thing in common – the majority all want to own their own home.

Until recent years, the mere cost of buying a home has seemed prohibitively high to all but a fortunate few. However, there is an option for all of them that makes the opportunity of buying their own home much less of a dream and more of a reality.

Residential Land Lease is being embraced by Canadians aged 50+ as well as young families just starting out and new Canadians looking to put down new roots. In all cases, by purchasing their homes and leasing the land on which the home sits, each has an opportunity to own at a price much less than the cost of a traditional freehold home and provides a perfect option for single independent living. In many Land Lease communities, the cost can be more than \$100,000 to \$150,000 less than freehold homeownership.

While the concept may seem out of the ordinary to some, financially it's very similar to condominium living. In both cases the home is purchased but not the land and a monthly fee covers the rent as well as maintenance of common areas, and shared access to amenities. Property taxes are generally much less than

similar freehold homes. Buyers can acquire a home at a much lower price than comparable freehold situations, and, if they are downsizing, the saving garnered through reduced maintenance costs – lower property taxes, insurance, heating, etc. – help to offset their monthly costs. Those who are downsizing will often have access to a large sum of money from their previous home to do with as they please, plus they still retain their equity in their new home.

Lifestyle is where Land Lease and condominiums really differ. Instead of a balcony, Land Lease homeowners have front and backyards where they can build a deck, garden, barbecue and entertain, just like in a freehold situation.

Cars are parked in their driveways or own garages rather than underground or in an outdoor lot and community spirit amongst neighbours tends to thrive.

Given the economic environment in which we find ourselves, it's making sense to a growing number of Canadians to consider residential land leases as an alternative to traditional freehold homeownership or condominium living. By providing the financial and lifestyle benefits that contribute to the comfort and financial security of Canadians of all ages, residential land leases will continue to be an ever-increasing part of the fabric of future housing in North America. Land Leases are protected by the Residential Tenancy Act of Ontario (RTA).

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