

## New Age Living: Granny Pods

What do you get when you have an onslaught of aging baby boomers, an affordability crisis, and a housing shortage? Granny pods – also known as guest suites, in-law suites, or accessory dwelling units. They are tiny homes that are either separate or attached to an existing home with shared utilities and are usually equipped with a kitchenette, bathroom, bedroom, and living area. For more on why they are gaining popularity, read on.

- **Avoids the downsides of a retirement home** – A granny pod can be a lot more affordable than a retirement home, while also making it easier for family to stay connected.
- **Aging in place** – An elderly person can continue to live on their property and rent out the main house to caregiving family or renters, enjoying the comfort of familiar surroundings.
- **Childcare** - Aging parents, if still in good health, are just steps away to help with childcare for their grandkids, saving money.
- **Multi-purpose revenue source** - Despite the name, granny pods can also be a place for adult children to live or used as a rental property for passive income.
- **Home value** – For all the reasons above, granny pods can also increase the value of your home.



against additional dwellings on a property, but given the housing crisis many municipalities are moving towards more leniency with them.

- **Family dynamics** – Consider if everyone will get along overall. Discuss if meals will be separate or shared and if the grandkids can stop by anytime.
- **Unexpected costs** – You may need to upgrade utilities, ready your yard, and include accessibility features (e.g., ramps, grab bars) that may increase your costs more than initially expected.

When considering a granny pod, take into account:

- **Local zoning by-laws** – There may be rules

If you're interested in learning more about the granny pod movement, you can check online for visual ideas and more information.

## Refinancing 101



Refinancing your mortgage is when you replace your existing mortgage agreement with a different one. While the most common reason to refinance your mortgage is to take advantage of significantly **lower interest rates** to **lower your monthly payment**, it's not the only reason for refinance.

Some **people refinance to access the equity in their home** to provide flexibility to cover expenses, such as major home improvements, or to pay off higher-interest debt. It's easier to qualify for the refinance if you have at least 20 percent equity in your home.

If refinancing is something you are interested in, start with a **mortgage expert** to see if it makes financial sense. Be sure you plan on owning the property long enough to **break even on the closing costs of the refinance** - that is the time it takes for the closing costs to

be covered by the monthly savings.

If you have a **credit score** of 750 or more and a **debt-to-income ratio** of 36 percent or less, you will be more likely to get the lowest rates.

Making your money work for you is what refinancing is all about. It's worth exploring to see if it makes sense for you, whether you want to **lower your payments, pay off your mortgage sooner, or help fund a large expense** like a home improvement project or retirement.

## Think, Act... Live!

"Tell me and I forget. Teach me and I remember. Involve me and I learn." Benjamin Franklin

"Real generosity toward the future lies in giving all to the present." Albert Camus