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HOUSE HACKING

● house hacking
Search term

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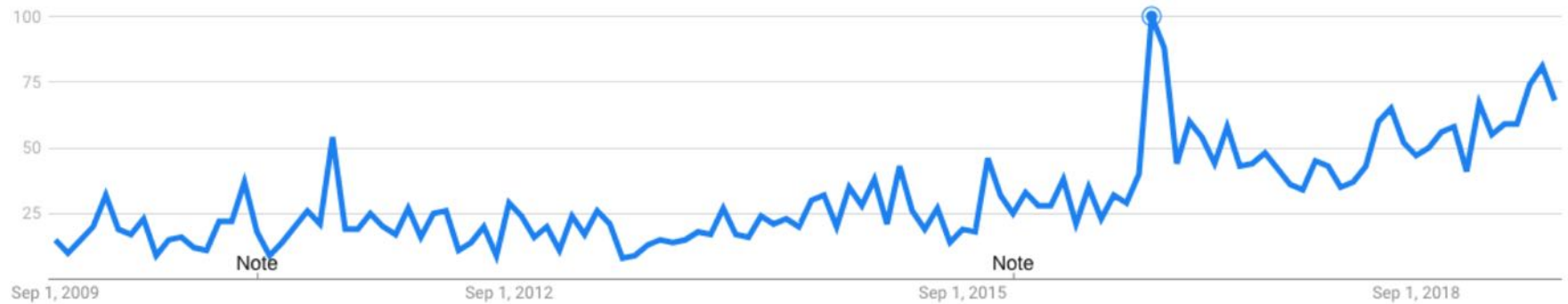
United States ▼

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Interest over time (?)





7
May
2018

Real Estate 101

Four Reasons Why Millennials are Choosing House Hacking



Jacob Perez

Jacob Perez has been investing aggressively in the Hamilton, Ontario real estate market since he was 23 years old. Leveraging his early success, he began partnering with ...

[View All Contributors](#)

Buying a starter home is about purchasing your first home at a modest price point with the idea that, after years of hard work and career growth, you will purchase your "forever home" that will suit your family's long-term needs.

The issue today's young people are facing is that many are not seeing their finances grow at the same pace as the cost of real estate. And since houses are viewed as an investment, millennials have gotten creative. Enter "house hacking."

What is house hacking? It's a mix between buying a personal residence and an investment property. Simply put, house hacking is buying a multi-unit property, living in one unit and renting the other(s) for supplementary income.

How is house hacking a game changer for this generation?

★ Popular Posts

The Unmarried Couple's Guide to Buying a House Together



Canadian-Owned Vacation Homes On the Water (That You Can Rent)



9 Things to Never Leave Out During an Open House



🐦 Latest Tweets

 REALTOR.ca - Jun 4, 2019
@REALTORdotca

Did you know 27% of millennials report being inspired to buy a home after seeing peers post about it on Instagram?... <https://t.co/G7EcJaNJVS>

🔄 0

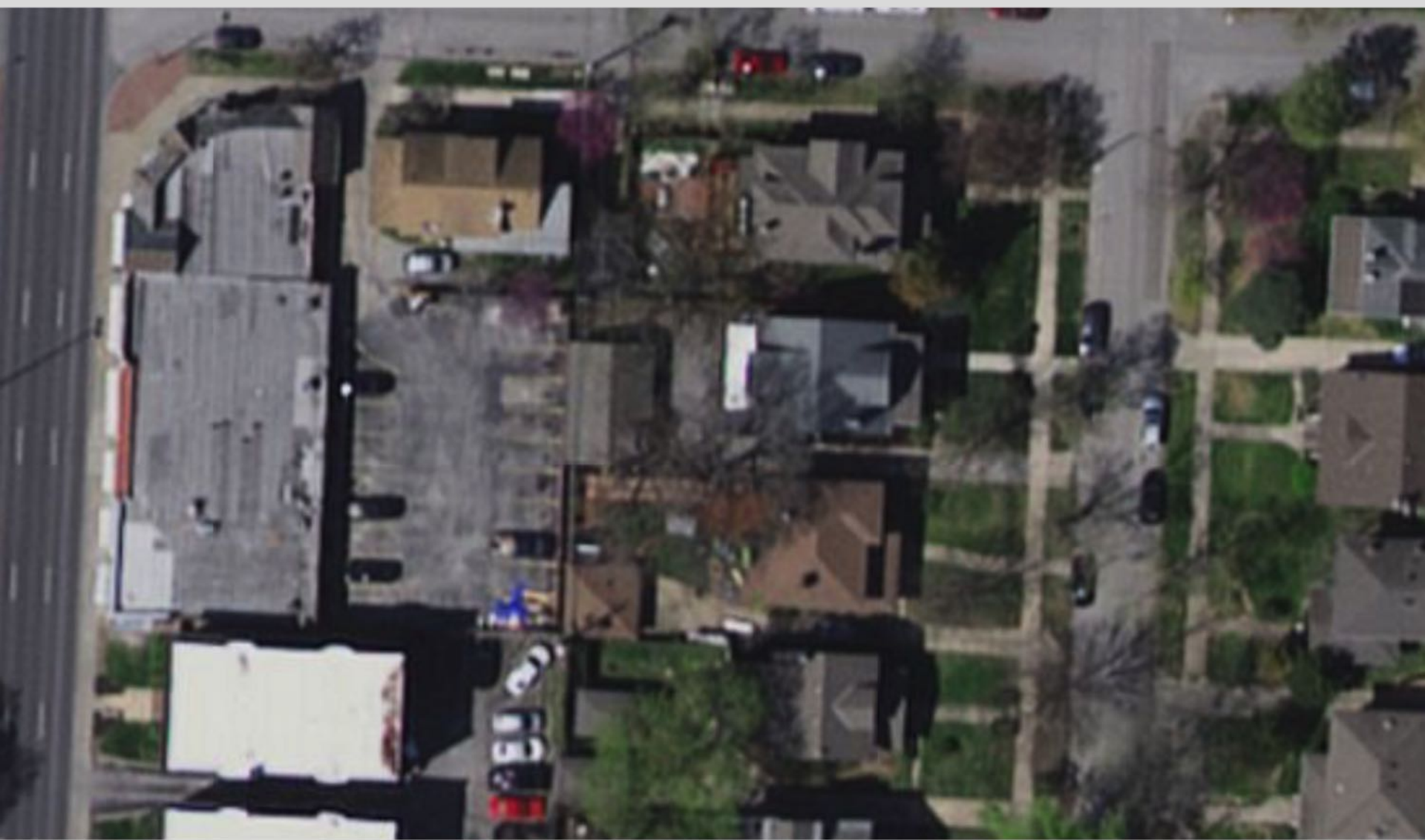
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 REALTOR.ca - Jun 3, 2019
@REALTORdotca

FOMO (Fear Of Missing Out) is a very real thing when it comes to millennials and homeownership:...



NOT GREAT TRIPLEX





2019 INFLATION-ADJUSTED VALUE: \$140,000
\$14,000 DOWN, \$940/MONTH

MISADVENTURES IN NEW CONSTRUCTION







2019 VALUE: \$350,000
\$35,000 DOWN, \$2,000/MONTH



THIRD TIME'S A CHARM







PURCHASE PRICE: \$255,000 (OFF-MARKET)
\$1,700 MORTGAGE
MONTHLY RENTALS

- **SOME NUMBERS TO CHEW ON**
- **KC MARKET NUMBERS:**
 - **MEDIAN NEW HOME IS 2,400 SQUARE FEET & SELLS FOR \$361,000**
 - **MEDIAN HOUSEHOLD INCOME IS APPROX. \$61,000**
 - **MEDIAN 2 BR APARTMENT RENT IS \$895, 1 BR IS \$841**

	\$\$ TO CLOSE @ 5% LOAN	MONTHLY PAYMENT	MONTHLY PAYMENT AFTER INCOME	BASE INCOME NEEDED TO QUALIFY
MEDIAN NEW HOME	\$25,000	\$2,100	\$2,100	\$90,000
MEDIAN EXISTING HOME	\$15,000	\$1,338	\$1,338	\$58,000
NEW DUPLEX	\$25,000	\$2,100	\$900	\$39,000
NEW TRIPLEX	\$35,000	\$2,700	\$700	\$30,000



FOR 2 ADULTS:

A REDUCED HOUSING EXPENSE OF \$1,000 PER MONTH

OVER 10 YEARS = \$120,000 *WITHOUT COMPOUND INTEREST*

LIVE CAR-LITE = \$500 PER MONTH OR \$60,000 OVER 10 YEARS

ADD BOTH UP:

WITH 7% INTEREST = \$259,000 SAVINGS – IN JUST 10 YEARS



House Hacking Catalog

the project for
LEAN
URBANISM
MAKING SMALL POSSIBLE









WRECK

NOT GREAT TRIPLEX

MISADVENTURES IN NEW CONSTRUCTION



LEGAL!

THIRD TIME'S A CHARM



NEXT UP: A LEGAL ADU?

- **EASIEST TO START WITH AN EXISTING BUILDING THAT NEEDS SOME TLC**
- **UP TO 4 UNITS IS A HOUSE, AND UP TO 49% MIXED USE PER NEW FHA REGS**
- **YOU CAN RINSE AND REPEAT - BUT CONSULT AN ACCOUNTANT. BENEFIT - KEEPS YOUR MONTHLY DEBT EXPENSE LOWER THAN TYPICAL RENTAL PROPERTY**
- **GREAT WAY TO LEARN ABOUT LENDING, CONSTRUCTION, TENANTS, MAINTENANCE, MARKETING - EVERYTHING NEEDED TO BE A DEVELOPER, BUT WITH RELATIVELY LOW RISK**
- **FIND A FARM, BE PART OF POSITIVE CHANGE**



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HOUSE HACKING