



# How to Live Cheaply in Retirement With Roommates

by

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The women in the television show "Golden Girls" were usually discussing their love lives over cheesecake at the kitchen table, not dividing up the costs of living in a swanky condo in Miami.

But real-life boomers and seniors living in shared housing are drawn to bottom-line benefits that may have been mere afterthoughts for Blanche, Dorothy, Rose and Sophia.

"They came together for friendship, but a lot of people are finding that it's the income that's the motivation," says Annette Leahy Maggitti, co-president of the National Shared Housing Resource Center and home-sharing counselor at the St. Ambrose Housing Aid Center in Baltimore.

The National Shared Housing Resource Center connects people with information about home-sharing programs in their local communities. The arrangements typically involve homeowners offering rooms for rent, or occasionally, in exchange for services. Gray Panther founder Maggie Kuhn, who lived in a large Philadelphia house she shared with several others, established the NSHRC in 1981.

## Temporary Housing

While homeowners are usually looking for extra income, room renters are often seeking short-term housing because they are in school, leaving a relationship or out of a job, Maggitti says. She adds that over the last year, rental property foreclosures have forced many people out of apartments and into temporary room rentals.

Along with economic factors, the determination of boomers to avoid nursing homes is a major driver of interest in shared housing -- especially among single, widowed and divorced women -- according to Marianne Kilkenny, founder of the Women for Living in Community network. A frequent speaker on the shared housing model for boomer women, Kilkenny lives with several housemates in Asheville, N.C.

"It's in a lovely part of town that I probably couldn't afford to live in, nor could any of the rest of us," Kilkenny says. "But when we pool our money together and pay our rent, we can live in a great place -- which is a huge piece of the whole shared-housing story."

The two-level 3,000-square-foot Asheville house contains a mother-in-law apartment with a kitchen, two bedrooms and a bathroom on the first floor. Kilkenny lives on the first floor, where there's another bedroom and a common living room and dining room.

There are two rooms upstairs: One is occupied by a married couple who retrofitted it with a mini kitchen, and the other is occupied by a single woman who uses the main kitchen downstairs. The owner previously had the house on the market but was unable to sell it, so he rents out the divided space under separate lease agreements.

## Affordable Living

Within the National Shared Housing Resource Center network, the cost difference between sharing a home and renting a small apartment can be significant, Maggitti says. Apartment rents in Baltimore, where she lives, start at around \$800 a month for a one-bedroom or studio, not including utilities. The average home-sharing room rent is \$500, usually with utilities included.

In San Mateo County, Calif., one of the nation's most expensive areas, the \$600 a month that the average home-sharing participant pays represents a dramatic savings in housing costs.

"To rent a one-bedroom apartment here in San Mateo County is, on average, between \$1,500 and \$1,700 a month," says Laura Fanucchi, one of eight regional coordinators for the National Shared Housing Resource Center and director of home sharing for the HIP Housing program in San Mateo County. "You're going to need an income of at least \$50,000 to keep that affordable."

While San Mateo County, consisting of about 20 cities between San Francisco and the Silicon Valley, is typically associated with a high-earning population, more than 95% of HIP Housing's home sharers are low-income, Fanucchi says.

Safety is paramount in any home-sharing situation. Maggitti and Fanucchi say their programs screen participants thoroughly, requiring several character references and a criminal background check. The Baltimore program also requires anyone with a past addiction to have been clean and sober for at least a year, while anyone with a chronic illness must have a signed doctor's release. Home seekers, as room renters are called, must provide proof of income.

### **Other Cost Savings**

Besides sharing housing expenses, Kilkenny saves on expenses such as car repair and pet care by bartering with her housemates for those services. The group held a meeting when they first moved in together to discuss the best ways for each member to contribute. Kilkenny became the designated recording secretary for the group's meetings. Another housemate is the resident gardener.

Kilkenny recommends housemates negotiate upfront potentially sticky issues such as the division of cleaning duties and rules about houseguests. Her group maintains a calendar to alert one another about incoming guests, and nonfamily members staying more than three days may be charged a nominal fee.

Maggitti says it's also important to be clear about what you expect from the relationship: Will you regard each other as family, or will your interaction be more casual or even businesslike?

HIP Housing helps many of its clients negotiate a "living together agreement," which covers everything from communication styles to how much furniture housemates get to bring with them, Fanucchi says.

When Kilkenny moved from a 1,400-square-foot house she and her two cats had all to themselves into her current 650-square-foot living space, she sold some of her furniture on Craigslist.

"It's hard to get rid of stuff, but it's just stuff," she says.

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