

## **Renting up 20 percent in past decade in Jackson County**

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By **Holly Klaft | Jackson Citizen Patriot**

Two years ago, Lisa Dauterman found herself in a predicament that has plagued many Jackson County homeowners.

After five years of paying the mortgage on her Jackson home, it slipped into foreclosure. Dauterman said her payments increased and she struggled to come to a compromise with her lender. Then she fell victim to mortgage fraud. "I didn't make that kind of money," said Dauterman, who was then a single mother with three sons at home. "You grasp at straws when you're in that situation." Dauterman ultimately lost the home, but she found another that came with fewer strings attached. Since 2009, she has rented a three-bedroom house in Summit Township. Two years into being a renter, she says she doesn't think she will ever choose to own a home again. "I absolutely love it," said Dauterman, 47, who works in distribution at Allegiance Health and has since remarried. "It's a beautiful home. You don't have to worry about anything. You just pay your rent." While owning a home has traditionally been part of the "American dream," renting a residence has become a more attractive option for some, Dauterman included, as they wade through the lingering effects of the nation's recession.

In the past decade, the number of people who rented homes or apartments in Jackson County increased by about 20 percent — rising from 31,045 in 2000 to 37,272 in 2010, according to the U.S. Census Bureau. Almost half were in the city, which had 15,248 rental units in 2010, compared to 14,325 in 2000, census figures showed. Homeownership rates countywide fell slightly during that same period, dropping from 117,338 in 2000 to 113,304 in 2010, according to census figures.

Demand for rental property has been high in recent years and even more units are needed to meet it, said Terri Zdanowitz, owner of All-Pro Realty & Property Management in Jackson. Her company manages more than 400 properties that include a mix of apartments, duplexes and homes, and all fill up quickly, she said. The boost in business has largely been driven by the lagging economy, as high unemployment and underemployment limit income and foreclosure rates remain high. Zdanowitz said rental companies used to look negatively at prospective renters who lost homes to foreclosure, but that has changed. "We're renting to a lot of people who

may have lost their house due to foreclosure," Zdanowitz said. "It doesn't mean they can't pay their rent, they just couldn't pay for their house and we don't hold that against them."

Dauterman said she simply could not afford her Jackson home anymore after mortgage payments began rising. Her lender would not accept partial payments and in a desperate attempt to fend off foreclosure, she was snared in a mortgage fraud scheme that promised to let her keep the house if she sent in money, she said. "They kept my money, and I still lost my house," Dauterman said. She found her new home while driving her sons to school and fell in love with it. It has a finished basement, attached garage and is beautifully landscaped, Dauterman said. It also is about \$300 per month cheaper than her former \$1,300 a month mortgage payment, she said. Renting can be an attractive choice because it is often a more affordable option and commitments have shorter terms, Zdanowitz said. Payments for properties her company manages range from \$275 to \$1,200 a month.

Uncertainty in the economy has driven some people into rental housing, said Kate Martin, planning and community development director for the Community Action Agency, a social services agency that covers Jackson, Hillsdale and Lenawee counties. "Sometimes people rent because that's the logical choice," Martin said. "They don't know if they are going to keep their job. They are in flux in their life and are not going to go out and get a 30-year mortgage." A study of the agency's clients found clients were paying less for housing than in 2010 than in previous years. The average rent for CAA clients in Jackson was \$424 per month and the average mortgage payment was \$547.50, Martin said. "That's where they're tightening their belts and budget," Martin said. "They're moving into cheaper and smaller places." The agency runs a small program that can provide matching dollars to low-income clients who save money for a home, education or business startup. At one time, about 80 percent of those who participated used to use the money to help pay for a home, Martin said. Now many are pouring that into a new business or tuition payments instead, she said. "They are finding that those are better for developing themselves," Martin said. "You're not increasing your wealth by buying a house until the bottom is hit."

Zdanowitz said her company is also adding properties as some former homeowners give up on trying to sell and the demand for rentals grows. Zdanowitz said when she began working for the company eight years ago, it only had 100 properties and now that number has quadrupled. "The rental business is thriving," she said. "We have something for everyone."