

CAN YOU AFFORD TO OWN HERE?

BY SEAN PEARCE
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Bradford renter Neil Craig works in York Region, but he and his wife, Val, have given up on living here. The prices, they agree, are simply too steep for a young family and it has forced them to dream of finding a place of their own to the north, east or west of the region.

When they started looking to buy a home, the search focused on Newmarket and Bradford, but now Innisfil is the most likely destination.

"Buying a half-million dollar house is not do-able on a single income," Mr. Craig said.

Many of the homes being built in Bradford cost about \$400,000, Mrs. Craig said, noting prices in the area have risen sharply during the past five to six years.

Unfortunately, the rental market isn't much better, Mr. Craig said.

He commutes to work in Newmarket every day, but said he can't justify moving closer, considering monthly rent for a two-bedroom, above-ground unit hovers around \$1,300, plus utilities, and basements typically go for \$1,000.

Bradford's rents are typically \$50 to \$100 a month cheaper, Mrs. Craig said, but it depends on the unit and landlord.

They're fortunate, she continued, as their landlords are friends, meaning rent isn't quite as pricey and utilities are included.

With interest rates so low, it's frustrating many rent prices are almost equal to what a mortgage would carry for, Mr. Craig said, noting it's nearly impossible to save up a sufficient down payment when you're paying rent and other bills each month. The problem is further compounded with home prices as high as they are.

It's to the point people have just accepted a lengthy commute to work each day will simply be a consequence of their decision to buy a home, Mrs. Craig said, adding she's eager to get settled by the time their nearly two-year-old daughter, Claira, starts school.

"You almost have to decide, do you want to live close to work or buy a house?" Mr. Craig said.

"Exactly," Mrs. Craig agreed.

York Region has a reputation for affluence and you only need to peruse the local real estate section to see why.

It's one of the reasons York Region Media Group decided to delve into the issue of home prices for our wide-ranging housing series, of which this is part one.

In 2011, the average resale price for a single-detached home in York was in excess



STAFF PHOTO/STEVE SOMERVILLE

Val (from left), Neil and Claira Craig live in Bradford. Although Mr. Craig works in York Region, he says his family can't afford to live there and is looking north in the search for a home of their own.

of \$643,000, according to the region's 2012 report Taking Stock: An Overview of the Housing System in York Region, while the typical price for a new single-detached house was about \$614,000. Between 2007 and 2011, more than 50 per cent of all new houses built were single-detached, as were 60 per cent of resales.

Semi-detached homes and townhouses have proved more affordable, with the majority of resales, 71 per cent and 75 per cent, respectively, landing in the \$400,000 to \$500,000 price range, on average. In fact, the only type of resale homes averaging less than \$400,000 in 2011 were condominiums.

Given all that, it comes as little surprise many families struggle to afford home ownership, especially when you consider low-to-moderate household income is anything below \$109,000 in the region.

"There has been a trend to build a certain type of house in this region, that being a two-bath, four-bedroom detached home," region community and health services commissioner Adelina Urbanski said. "It crowds a lot of people out of the market."

"And, in many cases, we're talking about people with OK incomes who still can't afford anything."

A software engineer/designer making the trade's average salary of about \$71,000 annually, for example, could spend a maximum of \$268,764 on a home if he wanted to remain within the affordability guideline that recommends no more than 30 per cent of your income goes toward housing.

You'd be hard-pressed to find even a condo in that price range, with units averaging nearly \$320,000.

In reality, 27.3 per cent of York Region households spent 30 per cent or more of their incomes on housing in 2006, compared to 22.6 per cent in 2001. At the same time, housing prices have soared, outpacing the consumer price index and median hourly wage.

You really need to be a two-income couple to afford to buy something here, Ms Urbanski said, noting families are doubling up to make housing more affordable.

In most urban expanses, a rental house or apartment would be the affordable option for people unable or unwilling to purchase a home. But the supply of rental units in the region is sorely lacking and the vacancy rate typically hovers around the 0.8-per-cent mark.

Of more than 274,000 housing units in the region, just more than 32,000, or 11.7 per

ON THE HOME FRONT

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of housing in York Region
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cent, are rental accommodations.

Toronto, by comparison, boasts more than 979,000 housing units, of which close to 447,000, or 45.6 per cent, are rentals.

In fact, according to Statistics Canada, single-detached homes are the predominant type of housing in all nine York Region municipalities. Semi-detached and row/townhouses typically make up most of the remaining housing units.

What is available on the rental market is largely priced out of reach, with the region acknowledging average rent rates are simply not affordable for many existing and would-be renters.

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