

York man hopes he can move out of basement by 30

At 24, Nick DeRyck has saved \$12,000 towards a future home

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Susie Kockerscheidt/ Metroland

Despite his education, holding down a job and saving money, Newmarket's Nick DeRyck wonders when he will be able to afford to move out of his parents' home and get a place of his own.

He is left wondering how far away he will have to move to afford a home.

DeRyck is far from alone, according to Bradford mortgage broker James McNeill with Centum Mortgage Professionals Corp.

"The opportunities are not there. When I graduated school or even when I was going to university, I could work (at a well-paying factory job) and earn enough to move out of the house. I moved out of the house at 18," he said.

"Right now, that is unrealistic because of

the cost of living and the opportunity to earn is not there, it's just not there."

A report released last month by TheRedPin Brokerage, a Toronto area web-based realty service, shows the dizzying housing prices in the Greater Toronto Area.

To buy a detached home in the GTA, where the average price is \$950,000, you need a household income of \$165,000.

For a semi-detached home, with an average price of \$661,760, your household income needs to be a minimum of \$117,860.

The average priced \$603,900 townhouse requires a household income of \$108,370.

You need a household income of \$74,827 to buy a condo, which costs an average of \$406,845.

For DeRyck, even staying in Newmarket, one of the less expensive communities in York Region, is doubtful at best.

With the average cost of a home being \$761,000, he would need a household income of \$134,600 and could expect mortgage payments of \$2,725.

By comparison, the average price of buying a home in Aurora is \$941,000, requiring a household income of \$162,740, while in Markham it is \$960,100, making a minimum household income of \$161,660 necessary.

In Richmond Hill, the average price is almost \$1.07 million, necessitating a household income of \$179,550, while Vaughan's average price of \$921,700 requires a household income of \$156,730 and Whitchurch-Stouffville's average price of \$920,460 requires a household income of \$157,680.

TIPS FOR BUYING A HOME

Mortgage broker James McNeill offered a number of tips for young people considering buying a house:

- You can buy a house for as little as 5 per cent down, however the non-traditional mortgage must be insured by the Canadian Mortgage and Housing Corp.
- Budget properly. Your monthly housing costs should not be more than 32 per cent of your gross monthly income and your entire debt load should not be more than 40 per cent of your gross monthly income.
- Save money. Sure, the latest tech toy may look good, but keep your eyes on your long-term goal of home ownership. For example, consider living at home during post-secondary years and even after you graduate.
- Keep debt to a minimum.
- Maintain a good credit rating.
- Consider buying outside the GTA.
- Consider employment outside the GTA where there are lower housing costs.
- Lenders will generally want to see you have two years' employment history before approving you for a mortgage.
- Set aside 1.5 per cent of the cost of your home for closing costs such as legal fees.

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