

## Housing Within Toronto

Home ownership is a goal for many Canadians alongside myself. Living in the city of Toronto, I have come to learn about the cost of housing and how many people are challenged when it comes to being able to afford their own property. With the average price of a house in Toronto hovering at \$900,000, it is no wonder young Canadians are worried. Along with extremely high house prices come large down payments and high mortgages payments which require more money than an average salary to live in the city. Estimates suggest that the minimum salary needed to live in the City of Toronto is close to \$50,000 a year, and that is not factoring in home ownership. To be able to live comfortably in the city (middle-class) and have any hope of home ownership, you need to make over \$100,000. We see more and more people moving to the outskirts of the city for more affordable property. In recent years the conversation of owning a house has become one of the most discussed subjects between my family, friends and I. When I talk to my friends (highschoolers) the conversation starts off eager and hopeful, describing what we want our future home's or properties to be. We all have goals of buying 1-2 bedroom condos downtown and being able to decorate them exactly how we want! The conversation takes quite a turn when one of us poses the question of, "how are we going to be able to afford it?" Now instead of the conversation surrounding what street we want to live on, we think of how long we will probably be living with our parents. It is clearly no secret that many young people, like myself, are concerned and worried about when and if they will be able to purchase our own homes. The main reasons I believe home ownership is not attainable within the city of Toronto, or anywhere in the GTA for that matter, is because it is simply not affordable. Salary and cost of living including housing is not aligned. Secondly, I do not see Toronto's real estate market slowing down anytime soon, which will make it even harder to purchase homes

in the future as the prices will likely be higher. Changes need to be made within the city to help make home ownership attainable. So, to answer your question simply and realistically, no, I do not believe home ownership will be attainable for me post graduate.

I did not come to this perspective easily, but rather examined what was likely or possible. Let's take a look at what the next couple years of my life may look like and when I believe I will be able to buy a house. I am currently seventeen and have realistically considered a 15 year plan to reach my goal of homeownership by age 32. Although this may seem like a long time, when breaking down living costs, you realize just what it takes to be able to buy a home of your own. Next year I will attend my first year of university at the age of 17. I am hoping to move away from home, which although will come at an extra cost, will also give me a taste of living on my own without my family and what having my own place looks like by renting a student apartment or residence. I will continue studying at university until I graduate in 2025, at the age of 21 with either my Bachelor of Business Administration or a Bachelor of Commerce. I will not be earning income during this time and the money I do earn will go to school related costs. With my goal of owning my own property by the age of 32, once I graduate I will first need to take a step back and focus on the task at hand, which will be securing a well-paying job. The average annual salary for a post-grad student with a bachelor of Business Administration is approximately \$60,000, although I know I will probably be earning a little less. Throughout the period of time where I am searching for a job and working I will move back in with my parents. Living with my parents will allow me to save on living expenses and start saving for my goals in the future. My goals are both home ownership and another degree. After approximately 3-4 years of working with my undergraduate degree, I want to go back to school and earn another degree in either Law

or a master's in Business Administration. Similarly to my first degree I hope to be able to move away from home to study. While studying away from home is an amazing experience that comes with life long lessons, it is also expensive. This step puts me one step back in my goal of owning a home. For the next two years of my life I will be studying and making no dent into my home saving plans. In fact I will be going the complete opposite direction. I will most likely go into student debt and use the money I made with my 2-4 years of work to pay for my schooling. I now graduate at the prime age of 27 with goals and aspirations of owning my own home by 32. So what will I do next? Back home to mom and dad I go! I am hoping that by avoiding renting a property of my own and living with my parents I can save to eventually be able to buy a place of my own (my parents have always advised me not to rent a place because this means you are paying for living expenses that you do not own; this will only lead me further from my ultimate goal). With my new degree, I hope to be able to earn a higher paying job averaging near \$80,000 annually. By the time I am 32, I hope to be able to make a down payment on a property of my own. I am also hopeful that by the age of 32 I will have a partner which will make owning a property slightly less of a financial burden. As you see, in my long-term home ownership plan my goal of owning a home is both optimistic and not very easy to accomplish. Although I do believe I will get their one day, owning a home is definitely not something I would say is attainable. I may need to choose another location to live.

In addition to my 15 year plan, it is helpful to look at trends in the Toronto's housing market over past years. In past years, the increase in price for houses within the city has been increasing quickly. From 2018-2019 there was a 5.7% increase in housing prices within the year, from 2019-2020 that number more doubled to 13.5%. As I watch these numbers increase year by

year I can't help but worry for the day I go to buy a home. At the rate we are going, by the time 2040 hits, houses and properties within the city will have increased in price by nearly 100%. But just like any large city, Toronto's demand for homes is high and this has allowed for the market to skyrocket. The math behind it is actually quite simple. If there is enough demand for houses the prices go up. Toronto just happens to have one of the largest demands for homes and properties in the country leading prices to go up steadily every year and for the demand to be met. Ultimately with the demand for houses rising more and more people are struggling to afford houses and picking outskirts of the city such as Vaughan, Pickering, or Oshawa to live, where they can find slightly lower housing rates. As time goes on, I believe outskirts of the city prices will increase drastically and many millennials and Gen Z will not only not be able to afford city living, we will not be able to afford anywhere within the Greater Toronto Area. The prices and amount of people in the city are just another factor that leads home ownership to not being attainable.

Finally, I believe change needs to be made to the housing market in order to allow for home ownership to be an attainable goal for young people. Within my generation those who will be able to own homes within the city of Toronto are those with either strict saving plans or have help from family/friends to support their goals of becoming a homeowner. The federal and provincial governments need to start making housing affordable for all Canadians. As of right now, affordable housing within the city is minimal and needs to be improved. An article written by New Toronto even claims that, "There's no such thing as affordable housing in Toronto". Raising the minimum wage has been largely talked about as a "solution" to help many residents afford housing (but not home ownership). What we really need is a long-term solution to make

housing more affordable as well as making home ownership attainable. More affordable housing complexes need to be built to allow for an affordable housing option that is not rent. Another solution may be forcing a cap on how much houses within certain areas of the city can be sold for, however this would be challenging in a free market and may lead to other significant issues.

In conclusion, despite sounding unsure and concerned about whether or not I will be able to afford and attain a home post-graduate, I am excited for the day I can purchase a property of my own. I will start off small with a 1 bedroom condo (most likely) but hope to someday be able to move into a home with a backyard (fellow Torontonians know the struggle). In terms of what I hope happens with the housing market in the next few years, I definitely hope the housing market slows down. (I know that is not what real estate agents want to hear). This would allow the next generation an opportunity to purchase homes at reasonable prices. In the meantime I will continue having conversations where people ``wish me luck'' in my hopes of owning a home within the city of Toronto one day!

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