

Increasing Relocation to the Suburban Areas of Ontario

Remote Work Opens Up Opportunities

In March of 2020, organizations in Ontario implemented many measures in response to the global pandemic to protect employees and prevent the spread of the highly contagious COVID-19 virus. These measures included remote work, increased use of video conferencing, and collaborative online tools. Working from home has eliminated the daily commute for many individuals that live outside the downtown core. This profound shift to remote work has not only benefited many employees, but the time saved from the commute translated into more time working and indirectly higher productivity.

In the norm of remote work, many Canadians have reevaluated their current lifestyle. New opportunities for relocation are now possible because employees are not required to work in the office. The increasing levels of flexibility opens a path for some individuals to build their life around themselves instead of their job. They are no longer restricted by the need to live near their workplace for commuting reasons. These individuals now have the option to choose between living in a highrise apartment or a detached house away from the city. When given this choice, “more than 64,000 people left Toronto for other parts of Ontario from mid-2020 to mid-2021” (Gordon). The pandemic has only opened up more opportunities for Canadians to choose to move away from the busy clusters of downtown.

The Canadian Dream of Homeownership

Following this trend, many Canadians are in search of a less stressful and affordable lifestyle. With the ever rising expenses, the cost of living is becoming more and more difficult to manage, particularly with a household of growing children. There is also the substantial toll from the bidding wars and tight supply of homes in Toronto, which has made the house-hunting process extremely challenging for many Canadians with tight budgets.

The once attainable Canadian dream of homeownership is no longer a realistic possibility for many people living in Toronto. In particular, the youth have no means to afford their own homes without some substantial downpayment support from their parents. Additionally, many Canadian salary wages can not compete with the ever-increasing cost of living. Many potential buyers unfortunately have no choice but to pick renting over ownership. “Those who opted to live closer to urban confines may find themselves in less-than-ideal living situations as well when the home they can afford isn’t exactly the home of their dreams” (Davis). This has encouraged many Canadians to search for relocation away from the many expenses of the city.

As a result, this has increased the demand for suburban homes, which in turn has driven up prices for housing outside the Greater Toronto Area. As reported from St. Mary's real estate market, “prices have gone up 66.7 percent in the last two years alone” (Butler). Although the property costs have risen, this has not discouraged most Canadian families from relocating, as the steady trend of moving to suburban areas continues to advance.

Individual Preferences

With the shift of working from home and an improving economy, many individuals and families have decided to move from high rise apartment buildings to the open suburbs. They are able to purchase a home with more physical space and privacy, along with the greater affordability in comparison to living downtown. Their ideal lifestyle focuses on a middle-class suburban life in a house with a white picket fence. The location allows them to form meaningful connections throughout a tight-knit community, in contrast to not knowing the countless strangers that walk through the streets of Downtown Toronto. In particular, the majority of the upcoming youth and millennials are more inclined to settle down and raise their families in the suburbs. “Nearly a third of the increase in outflows were between the ages of 15 to 29, and 82 percent were people under 45” (Hertzberg).

This trend is a permanent one as once these individuals and their families lay down their roots in suburban communities, the likelihood of moving back to a congested downtown diminishes. The suburbs offer more open spaces, parks, less congestion and crowding. One benefit of having a private and large residence is the peace that comes from living away from the busy city. Once people get used to driving into a garage and unloading their groceries directly into their house, they will find that being in an elevator with bags full of groceries is claustrophobic. More importantly, it would be very difficult to uproot a family of kids from their current school and extracurricular activities and transition them into a very different lifestyle downtown. Even as the offices open-up and welcome employees back, these individuals will most likely continue to work remotely where possible, taking the 'GO' transit or driving to the downtown core on the days that they must be in the office.

Balance of Urban and Suburban Residence in Ontario

The trend to move out of the city will not be a short term fad as hybrid work is expected to continue to be widely accepted in the future. However, despite the growing exodus of downtowners uptown, the downtown real estate market remains robust as demand from immigrants, investors, and foreign students have made up for the people that have moved to the suburbs. In addition, there will be many people that prefer to live in a major city and rely on public transit to move around. Some occupations do not have the option of remote work, such as the healthcare and trades field. Strength in both suburban and downtown core rentals and property prices are expected to continue so long as macro-economic factors are stable and the invasion of Ukraine by Russia remains relatively contained.

As we exit this global pandemic, the world will continue with a hybrid working model where there will be the combination of both remote work and office hours. As the province gradually removes the restrictions, more people will be travelling and commuting. This will

result in increased traffic congestion and gridlock. If the government does not invest in more capacity for transit, this will result in extended commute times. When this happens, individuals that have moved to the suburbs will have to make personal decisions on whether to continue to brave the daily commute or look for another job that offers them the flexibility of remote work. A recent survey collected the data that found that “if they’re required to return to their workplaces five days a week after the pandemic ends, 49 percent of Canadians said that they would look for another job” (Dunham). There will also be a minority that will find that the commute time is excessive and decide to move back downtown.

Our Growing Economy

Ontario has already adapted very nicely to the new hybrid model of working from home and the office. This flexibility will not only have a positive impact on the mental wellbeing of the employees, it will also have a positive impact on the economy through the increase of productivity.

As the economy continues to grow, it will result in strong employment numbers and rising housing prices so long as interest rates remain close to historical lows. The Barrie & District Association of Realtors reported that “the average price of a home sold in Barrie in February 2022 was \$963,554, an increase of 36 per cent” (Bruineman). In comparison, the average price in Toronto was \$1,334,544, which is up 27.7 per cent. The real estate market is very strong and will continue to flourish along with the economy. A healthy and growing economy will benefit all citizens as our society recovers from the effects of the pandemic.

Future Consequences

There is a major downside; the increase in development and the number of residents living in and around the Greater Toronto Area will inadvertently increase traffic congestion. This will have a negative outcome for individuals who work in professions and industries where they have to be physically at work since remote work is not an option. The other

downside to this growth is decreased air quality and increase in pollution levels. To mitigate the increase in traffic, the provincial and municipal governments will need to invest in and encourage commuters to take rapid transit, light rail, and subway.

The increase in traffic congestion may also lead to more employment vacancies as some skilled individuals move away from the main city. They are more intrigued and interested in the “new suburban businesses and improved real estate trends” (Molla). They may take their talents to more appealing places that are less congested and have less commute time. As a result, this will open up more jobs for the immigrants and local students that prefer to reside in Downtown Toronto. This trend will continue as some Canadians move to the suburbs since there will always be other people to fill those vacancies. Therefore, the economy can maintain its upward growth to new heights.

The Start of a New Chapter in Ontario

The world economic forum predicts that the current COVID-19 pandemic will transition to an endemic, and the world will gradually return to normalcy in a few years. However, this new normal will include increased use of technology to enable remote work and a permanent shift in people’s acceptance of the conditions of work. Companies need to adapt to attract the best talent out there, and workers will choose organizations that give them the most flexibility. This will provide people more affordable options on where they call home, continuing the trend of suburban growth and expansion.

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