

The Globe and Mail – June 2, 2024

High-earners in their 30s feel far from their dream of owning a family home in Toronto

SAIRA PEESKER || JUNE 2, 2024



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Name, age: Maganlal, 31

Annual income: \$200,000, plus \$130,000 from wife's income and \$27,600 in rent from income property

Debt: \$15,000 car loan, \$430,000 income property mortgage

Couple's savings: \$60,000 in savings account, \$75,000 in tax-free savings account, \$70,000 in registered retirement savings plan, \$350,000 in non-registered accounts and \$25,000 in cryptocurrency

What he does: Tech sales

Where he lives: Toronto

Top financial concern: “Despite being high-earners, we are concerned about how we will ever buy a home in Toronto.”

As a salesperson in technology, Maganlal has earned an excellent salary since he graduated from business school with a master’s degree. Since his income involves commission, it can fluctuate widely, between about \$180,000 and \$230,000 annually.

But in mid-2023 he experienced his first layoff – just a couple of months before his wedding to his longtime girlfriend – and was unemployed for nine months.

“It was really tough to find a job,” he said. Even more frustrating was the number of times he went far into the interview process, only to not get the job.

In one instance, when he was pretty sure he would be hired, he and his wife signed a lease for a new apartment – a three-bedroom, three-bathroom unit with a Lake Ontario view for \$4,400 a month, to start in July. It was to be a much-needed upgrade from the bachelor apartment they were sharing in the same building for \$1,600 a month.

But the job didn’t come through, and around the same time Maganlal’s employment insurance payments were suddenly and mistakenly cut off because his former employer had made an error on his record of employment.

“If I didn’t have a job by July, we were really going to be screwed,” said Maganlal, who finally secured new employment in May.

“I was super bummed out,” he added. He even considered looking for a retail job or another stopgap so his new rent wouldn’t eat up too much of his considerable savings. “It was very scary.”

With the unemployment hiccup behind them, the couple are once again looking to the future. They picture themselves staying in Toronto and raising children, but even as high-earners, they have a hard time imagining how they will afford the life they envision.

“It’s not even like we’re super-picky. We literally just want a nice place, and by that I mean a semi-detached home, detached perhaps,” he said, noting that both he and his wife grew up in the suburbs. “I’d like space for a driveway, space for a future family to play, three bedrooms, two or three bathrooms and a garage where I could park my car and maybe work on it.”

Maganlal figures they’ll have to pay about \$1.6-million to make that dream a reality and estimates he’ll be spending about 70 per cent of his net income on such a home.

“I do think we’ll eventually buy a home. It just might be delayed by five years from when we’d like to,” he said. “I guess it’s a first-world problem.”

Their typical monthly expenses:

Investments and savings: \$1,833

\$583 to TFSA. "The strategy is to max the TFSA every year."

\$250 to RRSP. "Just enough to help with taxes."

\$1,000 (or more) to non-registered account.

Servicing debt: \$3,161

\$2,200 to investment property mortgage. "A rental property in Alberta."

\$961 to car payment. "It's almost paid off. Only about \$15,000 left from an original \$55,000."

Household and transportation: \$5,847

\$4,400 on rent. "Still cheaper than to buy a house."

\$100 on property insurance. "For Alberta property."

\$40 on rental insurance. "For Toronto apartment."

\$375 to property tax on Alberta property

\$500 on gas

\$350 on car insurance

\$42 on car repairs. "Oil changes, basic maintenance."

\$40 on cellphone. "[Wife's] cellphone is covered by her work."

Food and drink: \$970

\$600 on groceries. "We are vegetarian. We make 80 to 85 per cent of our meals at home."

\$20 in coffee shops. "Maybe a few coffees a month."

\$250 on eating out. "This varies dramatically."

\$100 on alcohol

Miscellaneous: \$1,094

\$100 on going out. "If a really cool concert comes up, we're going to go."

\$100 on cannabis

\$15 on Netflix

\$100 on clothing

\$0 on gym membership. "We have a lovely gym in our building."

\$75 on haircuts

\$100 on personal services. "My partner gets her nails done."

\$583 on vacations

\$21 on donations