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Your chances of owning a home in Canada were already decided at birth



PREET BANERJEE || OCTOBER 6, 2024

In today's Canada, the cradle you're born into increasingly dictates whether you'll ever hold the keys to your own home. This isn't just a market fluctuation. It's a boiled frog phenomenon.

Incremental changes – the steady rise in home prices, gradual policy shifts and slow-moving supply constraints – went largely unchallenged. By the time the severity of the crisis was recognized, many prospective homeowners were already cooked.

We missed the boat, not because we weren't aware it was leaving, but because we believed we could swim faster than the rising tide.

The most recent government initiatives to assist Canadian homebuyers, such as increasing amortizations to 30 years and bumping up the price limit from \$1-million to \$1.5-million for insured mortgages, have been met with divided reactions. One thing is clear: These measures make it possible to get into more debt and for a longer time.

Additionally, policies that increase affordability for some inadvertently make housing less affordable for others. Those without family wealth or who don't qualify for assistance find themselves competing in a market inflated by these interventions, deepening the socioeconomic divide.

Recent data highlight the stratification of Canadian wealth. In a report from CIBC Capital Markets with data up to mid-2024, the proportion of first-time homebuyers receiving family help has increased 55 per cent since 2015 (from 20 per cent to 31 per cent).

The average gift amount for first-time buyers nationally has soared to \$115,000, a 73 per cent increase since 2019. In the more expensive provinces of Ontario and British Columbia, average gifts for first-time homebuyers are \$128,000 and \$204,000, respectively.

“Mover-uppers” – people moving to bigger homes – rely on family gifts to a lesser extent, but those who do get assistance, get a lot: Nationally the average gift is \$167,000, while that figure for British Columbia is \$230,000.

These figures show purchasing a home depends increasingly on one's parents' financial position. The market is no longer a level playing field where hard work and reasonable savings secure a foothold for all. Instead, intergenerational wealth is an increasing factor in who becomes a homeowner.

As housing prices boil, Canadians are taking on staggering levels of debt. A report from Statistics Canada earlier this year showed Canada's household debt to disposable income ratio at 185 per cent, the highest in the G7 (which averages 125 per cent). Mortgages make up a significant portion, reflecting the lengths people go to secure housing. This debt isn't just a statistic; it's a source of stress affecting mental health and delaying life milestones.

High household debt poses risks to the broader economy. It restricts consumer spending and increases vulnerability to financial shocks like job loss or rate hikes.

For those unable to buy, renting offers little relief. Rental prices have surged with property values, driven by high demand and limited supply. In many cities, rents consume a large portion of income, making it hard to save for a down payment.

The cumulative effect is a generational crisis. Younger Canadians find it increasingly difficult to achieve the financial milestones their parents took for granted. The traditional path of education, stable employment and homeownership is fraught with obstacles often insurmountable without familial wealth.

This reality affects more than finances. It affects social cohesion, mental health and future prospects. Housing isn't just shelter: It's security, community and a sense of building toward a future. When access is inequitable, the consequences ripple through society.

That one's chance of owning a home is determined at birth highlights the deepening divide. It challenges the narrative of Canada as a land of equal opportunity. Instead, we're confronted with a reality where parental wealth overshadows individual effort. Is it hyperbolic to say that it smacks of feudalism? I don't think so.

The dream of owning a home remains just that – a dream – for too many Canadians born without family wealth or access to policies that, while helping some, make housing less affordable for others.