

It's a crazy market

by MIKE BAKER

In this week's Citizen, there is a lengthy feature highlighting the heightening issue of homelessness within our community. It's a well-researched, informative piece that draws attention to something that impacts hundreds across the region.

While there are several reasons one can fall into homelessness, issues with mental health and addictions chief among them, I would suggest the crazy cost of living in our area is equally as culpable. And when I talk about cost of living, I'm referring mostly to house prices and rental rates in the area.

I understand that the market, or demand, largely, dictates what those costs will be. It still doesn't make them any less crazy.

Looking at the statistics for a minute, compiled by the Toronto Regional Real Estate Board, the average sale price of a home in Dufferin County, excluding Orangeville, thus far in 2020 is \$766,039. That's an increase of 13.62 percent from this time last year. And it's not as if this features dwindling numbers due to the COVID-19 pandemic. Between Jan. 1 and July 31, 2020 there have been 355 homes sold in Dufferin County. Over the same period last year, there were only 327 homes sold.

Looking at our larger urban areas, such as Orangeville and Caledon, the numbers are even more startling. For the first time over a six month period, the average sale price for homes in Caledon hit seven figures between Jan. and July of this year, coming in at \$1.05 million. That's a 12.37 percent increase, or around \$116,000, from this time in 2019. There's been a similar percentage increase in Orangeville, with the average sale price spiking to \$626,466 thus far in 2020 ? up from \$559,702 12 months ago.

For rentals, you'd be hard pressed to find anything beyond a one-bedroom for less than \$2,000 a month anywhere in Dufferin County or Caledon.

So, what does all of this really mean? On the face of it, my first take is that the local housing market is a healthy one, in the sense that inventory is relatively low, houses spend very little time on the market, and prices continue to rise. Clearly, people want to live in Dufferin County and Caledon.

Due to our close proximity to the GTA, many people with well-paying jobs would rather pay crazy money for a nice property that gives them a one hour commute to the city, than pay a ludicrous price for a garden shed, or a condo that lands them right in the downtown core. And, when you hear about some of the stories emanating from city in recent months, who can blame them?

I could barely believe what I was reading last week when I saw that a literal converted shed in Toronto, featuring one bedroom and two bathrooms, sold for \$1.8 million. The 'home' located at 300 Euclid Avenue, was listed for \$999,999 in July and ended up selling \$800,000 over asking price. For anyone thinking, or more so hoping, that Toronto's burgeoning real estate bubble would burst amidst the ongoing COVID-19 pandemic, this was a harsh reality check.

Many real estate agents have told myself, and other reporters with the Citizen and our affiliate, the Shelburne Free Press, that the local housing market is only going one way, and that's up. While it's in the best interests of these agents to paint a rosy picture regarding the strength of the local market, there's more than a decade's worth of evidence to suggest they know what they're talking about. Over the past 15 years, housing prices have doubled in our region. Doubled.

Over the same time, the average wage or salary for someone not working a minimum wage job has gone up, at best 25 to 30 percent. Those who got into the market years ago are in a fantastic position today, but what about our youth? Many of them are facing up to the fact that they will never be able to afford a home in their hometown. In a few years' time, if things continue on this crazy path, they may not be able to afford a home of their own, period.

It's a problem without a solution. Misguidedly, the Ontario government felt much of the inflation surrounding the housing market in Toronto was brought on by excessive overseas investment. As such, they introduced the Non-Resident Speculation Tax in April 2017. This new legislation tags on an additional 15 percent on the purchase price of residential property located within the Greater Golden Horseshoe Region (GGHR) by individuals who are not citizens or permanent residents of Canada. The GGHR goes as far north as Orillia, and spreads out to Peterborough in the east, and Hamilton in the west.

Thus far, this new tax has done nothing to stem the rate of inflation, or make owning a home more attainable for young Canadians.

I'm one of the lucky ones. My wife and I are expecting to purchase our first home within the next few months. It won't be perfect, and it won't have everything we want, but at least we'll have a place to call our own. I fear that many from my generation, and the generations to come, won't have that same opportunity, no matter how well they plan and save as young adults.

As youngsters, we're almost conditioned now to believe that, to be considered successful, you must go to college or university, establish yourself within your chosen career and, finally, buy your own home. If things continue in the same vein, that final part will soon have to be scratched off Life Goals 101.