

Top 4 Barriers to Home Ownership

(NC) For thousands of Ontario's aspiring home buyers, the dream of home ownership is getting harder to achieve.

The Ontario Real Estate Association (OREA) partnered with Nanos Research to learn more about the challenges facing young Ontarians and future homeowners trying to get into the market. Here's what they found:

1. Close to 50 per cent of buyers can't save enough for a down payment. Housing prices are increasing, but household income is not growing at the same rate. The average price of an Ontario home in 2017 was \$585,290, yet the average Millennial income is just \$32,000.
2. Debt is hindering first-time buyers. Post-secondary graduates owe on average over \$20,000 in student debt, which typically takes 10 years to pay off. Couple that with rental fees and other expenses like transportation, healthcare and prescription drugs, and owning a home slips further out of reach.
3. It's difficult to get mortgage approval. The new OSFI stress-test rules combined with higher interest rates have reduced buying power by approximately 20 cents on the dollar. This not only impedes first-time buyers, but also deters seniors from right-sizing and growing families from upsizing.
4. Many struggle to find the right type of housing. More people are chasing after fewer and fewer homes. Without increased supply and more housing options ? specifically ?missing middle? housing, such as townhouses, stacked flats and mid-rise buildings ? many will be forced to leave the province altogether, robbing the Ontario economy of potentially skilled workers.

Ontario's aspiring home buyers are counting on governments at all levels to keep the dream of home ownership alive. To ensure affordable home ownership remains a top priority for policy makers, OREA has launched the Keep the Dream Alive campaign. Find more information at www.keepthedreamalive.ca.