

Housing dreams clash with reality

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We look at the choices and compromises people must make in order to own a home today. It is increasingly common to see children raised in condos, married couples living in their parents' basements, young professionals taking on second jobs, workers commuting long hours and the growth of the 40-year mortgage. We look at how they do it

It wasn't supposed to be this hard.

As a second-generation Filipino-Canadian, Mary Ann Masesar was taught the key to middle-class wealth was owning a home.

To acquire that status symbol, all one needed to do was stay in school, work hard and get a good job. Only, it doesn't happen that way any more.

As a Vancouver nurse, Masesar belongs to an exclusive club of the top 10 per cent of Canadians who earn more than \$69,000 a year, according to Statistics Canada.

But that modest dream of owning a house -- or something bigger than a downtown studio -- seems virtually impossible in Vancouver's current housing market.

With the income-to-house-price ratio the highest it's ever been in B.C., the overwhelming perception -- particularly in Vancouver -- is that the market has changed the definition of "middle class" and displaced the working poor.

It is increasingly common to see children raised in condos, married couples living in their parents' basements, young professionals taking on second jobs, workers commuting long hours, the growth of the 40-year mortgage (which 65 per cent of first-time buyers are now using, according to a RE/MAX report) and the realization for some that an inheritance is the only way to a single-family home.

Of course, there is another running narrative here: Those who are simply not willing to compromise and are waiting for prices to come crashing back to earth.

Masesar, 32, has been waiting 10 years for this to happen. She now regrets waiting so long.

"I want to stay in Vancouver because I love this city, but housing is becoming an issue. I want space, I want a home, I want a big family, I want a big house -- the whole shebang. But can I stay in Vancouver to do that?" she asks.

Urban geographer Warren Gill says Masesar isn't alone.

"The fear, which has been going on for many, many years, is that this is going to be executive city and there's going to be no room for anyone else," says Gill.

"Will it be like San Francisco, where all the firefighters and police officers can't afford to live in the city, so they live outside? I mean, I think these are useful questions to ask."



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(See hard copy for photo description).



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Carlos Hinkson is what you would call a believer.

He believes in Vancouver's housing market, that it's not likely to crash, even amid apocalyptic predictions by some of a post-Olympic bust.

This is just one of the many reasons why after three years of living in a Langley townhouse, Hinkson's calling it quits on the burbs and moving back to Vancouver.

"This is what I ask myself and my wife all the time: 'Why do we live here?' Because we don't have to live here," says Hinkson.

"And the reason I live here is not for Langley. If I'm going to live in Langley, I could live in Lloydminster, (Alta.). Or I could move to Nanaimo. But I live here to be close to Vancouver. I want to live close to Vancouver because I love Vancouver. We all love Vancouver. That's the one thing that brings us all together."

Besides, chasing the white picket fence just isn't what it used to be.

"Moving to Langley is not much cheaper. Yeah, you can buy a house, but not for less than \$500,000," says Hinkson.

Hinkson is handsome and outgoing, and you could imagine him not so long ago spending his downtime at a bar or catching a show downtown. But today, Hinkson and his wife are parents to four-year-old Max, part of the reason why they bought a home in Langley after renting for years in Vancouver and New Westminster.

The couple, both 30, bought their home for \$330,000. Hinkson figures it could fetch about \$375,000 today. Needless to say, that doesn't translate to much in Vancouver.

They're considering raising their son in a condo, perhaps even a loft.

They could also buy a Vancouver Special, an east-side fixer-upper, for an estimated \$600,000 to \$650,000. To pay for that, Hinkson is considering asking his parents to move in so they can pool their funds.

Or, get a 35- to 40-year mortgage plus rent out the basement suite.

Hinkson and his wife both make good money; he as a salesman of heavy equipment and she as a geographical information systems specialist for B.C. Hydro.

He suspects their household income puts them near the top five per cent of household incomes in Canada. Yet, he remains fiercely determined to earn more, his gaze fixed on the property ladder.

For a while, Hinkson took on a second job, working at a club downtown. He knows lots of people who do: Firefighters who work as contractors on days off, a friend who's raising her two kids in Yaletown by working full time, plus moonlighting at a club twice a week.

The nighttime commute for Hinkson, however, eventually took its toll. Especially given that his day job often requires driving to an office in North Vancouver. On those days he leaves home at 5 a.m. -- just to skip rush-hour traffic.

Contemplating that last thought on a sunny morning, Hinkson adds: "Today, my son will spend 10 hours in daycare."

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Home ownership as a rite of passage for the young couple starting out was a tradition that started in the early 20th century in B.C.

Warren Gill, 58, says when both his grandparents immigrated to Vancouver from the U.K., it was the first time either side of his family could own a home.

One grandfather, a gardener, bought in Mount Pleasant; the other, a worker in a manufacturing company, bought in Dunbar.

Gill's parents followed in the same tradition, but by the time he was ready to purchase his first home in 1986 at the age of 35, the single-family dwelling in Vancouver was already out of reach.

Gill, vice-president of university relations at Simon Fraser University, eventually settled in a townhouse in False Creek.

"It's sad," says Matthew Miyagawa, 30. "Some of my friends who are professionally employed people think they can never live in the city."

Affordability is an issue in the suburbs as well. The latest figures show it takes 79.2 per cent of the average Metro Vancouver worker's pre-tax income to buy a 1,500-square-foot house, an 18-year high.

Metro Vancouver's median household income of \$69,688 wouldn't qualify for a mortgage on the typical house, now \$764,616, according to March figures released by the Greater Vancouver Real Estate Board.

Miyagawa, a federal biologist who sports geek-chic tortoise-shell glasses, has never been unemployed.

He saved enough to buy his first Vancouver condo three years ago for \$250,000, a price many would now consider a steal.

But the mortgage is such a burden that Miyagawa wants to go back to renting.

"I'm living month to month, that's what scares me. That hasn't happened to me since I was 14 and working at the mall," he says.

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Buying a home has never been easy, but some believe the problem is now compounded by the high expectations of today's 20- or 30-something buyer.

"They want a home, a high-powered car, go on out-of-country vacations and they want to go to Earl's or Milestones two to three times a week," says Peter Simpson, CEO of the Greater Vancouver Home Builders Association.

"Today's parents, a lot of them are cash-rich baby boomers and they encourage their children to have it all. And there's an expectation they can have it all. And sometimes they have to make sacrifices."

The high cost of housing means headhunting agencies are finding it difficult to recruit executives to work in a city that was once considered the envy of the country.

"Never mind the junior positions, but even the senior positions where some of these people are having six-figure packages thrown at them . . . There's definitely reluctance to come out here," says Greg Ford, vice-president of Greg Aplin Recruiting in Vancouver.

The University of B.C. is no stranger to the problem, either. Junior professors commuting from as far away as the Canada-U.S. border in South Surrey have put off others from joining the faculty.

Neil Sutherland, a 77-year-old retired UBC professor, is convinced it has reduced the sense of community on campus. He recalls after-work hockey games with colleagues and dinners at the now-defunct faculty club, which no longer take place. "People wonder why the faculty club failed. Well, it's because nobody lives out here any more," he says.

Until now, there has been little research on the social consequences of skyrocketing house prices in B.C., although that is beginning to change.

One UBC study is looking at the link between people's professions and where they live in Greater Vancouver.

Another, by UBC sociology Prof. Nathaneal Lauster, is studying the links between Vancouver real-estate prices and people's willingness to start families.

"I want to see how people understand [the question]: 'Am I providing a good environment for my family?' I'm interested in seeing how people are dealing with these moral ideas of what kind of housing is needed to start a family," says Lauster.

Housing has always been an emotional subject because so many believe where they live is a part of their identity.

"It's not just the place where you live, it's a symbol of who you are," says Lauster. "And that sort of meaning is important. It's something that tends to be overlooked by real-estate economists and people who just think this is consumption of living space. I think that's why passions run so high. And of course, connected to that identity, there's real financial risks and benefits to be had. Combine those things together, and yeah, passions run high."
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CHILDLESS CITIES

"Somehow, when we weren't paying attention, Seattle lost half of its children," lamented the former mayor of Seattle, Charles Royer, in a Seattle Times editorial last November.

Escalating real-estate prices have driven families out of the city, a scenario that has played out in several U.S. cities.

Royer noted there are 90,000 fewer children in Seattle today than there were in 1960. As Seattle's population grew by 10,000 between 2000 and 2005, its population of children under 18 grew by just 200.

Andrew Ramlo, a demographer at the Urban Futures Institute, says he has not seen the same dramatic decline in the number of children in Vancouver.

A TD Canada Trust poll released last Wednesday showed almost half of Vancouverites (48 per cent) would consider raising a family in a condo, up from 34 per cent in 2007.

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