

# Pete McMartin: Not all doom and gloom for Metro Vancouver housing

Almost 48 per cent of city homeowners have no mortgage, a significant and under-reported statistic

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According to Statistics Canada's 2011 National Housing Survey, almost 48 per cent of owner households in the city of Vancouver do not have a mortgage. For all of Metro Vancouver, the percentage of mortgage-free owner households falls to 41 per cent, still a respectable number.

**Photograph by:** Arlen Redekop, Province

Yes, I know, Vancouver, it's very expensive. I've heard.

I've heard nothing else. Stratospheric home prices. A city of homeowners who are hanging on to their houses by their fingernails, and who are saddled with enormous mortgages that impoverish them. A generation of the young that will never, ever be able to afford a home in the Metro area. A global city where only the very rich can afford to live, who are displacing the native-born who will now be forced to live in the, ugh, hinterland.

Can we all now take a deep breath here?

Can I offer a slightly alternative, and contrarian, view?

It's this:

Despite the cost of homes in Metro Vancouver, and despite the volatility of its market, there remains a surprisingly sizable and stable core of homeowners who can easily afford their monthly mortgage payments or, even more significantly, who own their homes mortgage-free.

Yet in most of the media stories about housing prices in Vancouver and Metro Vancouver, these homeowners are rarely mentioned, as if they weren't worthy of mention or if their presence didn't reflect the true picture of the housing market here.

The opposite is true. Their exclusion distorts the overall picture, and offers only a depressing picture of the housing profile. It isn't all doom and gloom.

For example:

According to Statistics Canada's 2011 National Housing Survey, almost 48 per cent of "owner households" in the city of Vancouver do not have a mortgage. Nada. Nothing.

For all of Metro Vancouver — which would include the city plus the suburbs — the percentage of mortgage-free owner households falls to 41 per cent, which is understandable, given that many of suburban homeowners are younger, first-time buyers who have had to assume mortgages.

Still, that almost half of all homeowners in the city proper are entirely unburdened by a mortgage seems, to me, to be a significant housing fact that deserves mention. It rarely is. Yet in one of the world's most expensive housing markets, here is a very large, secure and stable core of homeowners where affordability is not an immediate concern for them, if ever.

What about those homeowners who do carry mortgages?

Much has been made of the image of homeowners pouring all their earnings into huge mortgage payments. Story after story insists that to own a home and to carry a mortgage is to invite impoverishment.

Yet again, the numbers suggest otherwise.

According to the survey, 29 per cent of owner households in the city of Vancouver spend more than 30 per cent of total household income on all related shelter costs — costs which include mortgages, taxes and utility bills. That's a significant enough figure in itself, and by no means would I attempt to diminish the significance of it, especially to those homeowners who do struggle to pay their mortgages, but it is nowhere near the majority. For the majority, household costs would seem to be manageable.

As for the Metro Vancouver area, the percentage of homeowner households that spend more than 30 per cent of total household income on all related shelter costs is even less, at 27.6 per cent. That lower figure is likely a result of cheaper housing in the suburbs.

The real burden when it comes to household costs — if I'm interpreting the numbers correctly — is borne by those who rent.

It could be the result of a tight rental market, or possibly their lower household incomes on average, but in Vancouver, 46 per cent of tenant households spend 30 per cent or more of total household income on shelter costs. In Metro Vancouver, it's a little lower at 45 per cent. Those numbers are significant, and if ever there were an argument for home ownership over renting, that's it.

As for those members of the younger generation never being able to afford to live in Vancouver and Metro Vancouver, well, markets are fluid, demographics are everything and, as far as I'm aware, people still die and pass on inheritances to their children. In the case of the Vancouver housing market, those inheritances will be very sizable.

Will those children be able to live in the neighbourhoods in which their parents raised them? Maybe, maybe not, but when is anyone ever guaranteed that, especially in a city as desirable to live in as Vancouver?

But odds are they'll be able to afford a home.

They can count themselves lucky.

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