

## OTHER VOICES: My house is my banked savings and my pension

North Shore News

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**Dear Editor:**

Real estate is only about making money and the only place for the average middle class to save for the future.

The real estate and construction industry, support a whole host of home owners, agents, contractors and government bureaucrats from city planners, building inspectors, plan checkers and up to tax collectors large and small.

I'm one of those folks living in an old house on the North Shore that increased in value over the last 15 years – a mid-century modern, 1960s post-and-beam. Pink shag carpets and single glazed windows were not my thing so we've upgraded \$250,000 (plus or minus) over the last 15 years. I bought our house as an investment and a place to live, so out with the high-maintenance garden and let's improve the porch railing system for better street appeal.

This house is my banked savings, and my pension plan. Unless you can show me a better way, I'm entitled to benefit from it.

Price appreciation will allow us to survive in modest comfort during the remaining 20 or so years of life. Show me any investment that makes 10 to 20 per cent and I'll happily switch over.

The reason for the housing crisis is complex.

The whole question is like chewing a chunk of raw coconut – the more you chew, the more there is. It's fertile ground for government-funded ongoing studies, committees and expensive hand-wringing.

Part of the problem, which no politician wants to touch, is that the middle class is dead – sadly demoted over the last 30 to 40 years, to become the new working poor.

On the income side of the ledger, those folks work and struggle to get by, and are about three paycheques away from being homeless and broke.

The basic problem is that most normal jobs don't provide a living/family wage or give enough hours per week to get benefits.

On the expense side, these problems are compounded by clawbacks from governments, banks and financial industry, in the form of taxes, fees, surcharges, duties, rebates, front loading, uploading, back loading, side loading and, as a last resort, dumping on you.

The whole expense side and tax system is like a pickup truck that drives over you, then backs up to make sure the job is done. Then the driver jumps out, kicks you to the curb, and steals your wallet. So there is never enough income to keep ahead of inflation and save for a down payment. So unless you are up in the area of full benefits and an indexed pension, or somehow get your paltry \$200,000 salary topped up by \$50,000, you are out of luck.

At the end of the day, for normal wage earners, money is slowly losing buying power year to year.

After clawbacks mentioned above, the only place for the average guy to save for the future is by at some level getting into the real estate market.

What I'd like to see is a solution from the government but, as usual, it will be a case of all talk but no action. Especially when there is an election coming over the horizon. Buying into real estate, so far, is the only opportunity that won't be fully decimated by inflation or taxes.

But on this point, don't hold your breath as I'm sure the government is working on figuring out how to claw back from your real estate as well – after the election.

Sadly, all levels of government talk a lot and use a lot of feel-good words and phrases, but the truth is that they will never shut off the money supply and alienate the industry.

At this point, there is no law or incentive, to build small and every reason to build large.

**Bruce Lindsay**  
**North Vancouver**

Is the solution so simple as to just decrease the taxable portion of the land and increase it on the building? Then building large might not be such an incentive and as a bonus our buildings would have longer lives - ie. more sustainability! - cjk

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