

Young workers can't afford housing, despite a job boom

Even high-income workers find cost of living in Vancouver onerous

Kala Vilches always knew she'd have to leave Vancouver if she wanted to buy a house.



MIKE RIDEWOOD/THE CANADIAN PRESS Kala Vilches, 29, says she left a good job as a product developer at Lululemon in Vancouver and moved to Calgary to work as a clothing designer for FGL Sports. “I kind of knew that I would have to ... leave Vancouver if I wanted to own property,” she says.

Three years ago, the fashion design graduate was working as a product developer at Lululemon, earning a good salary and living in what she calls “the best Canadian city for fashion.” But she was also paying \$900 a month in rent, saving little and saddled with student debt.

“I was a salaried employee living in a tiny bachelor apartment with a view of a parking lot,” she said.

“I kind of knew that I would have to, at some point, leave Vancouver if I wanted to own property. I just knew what the market was like. That was kind of always in my mind, even though I did end up getting, pretty quickly after I graduated university, a good job.”

Despite the fact that her industry was booming in Vancouver — in addition to Lululemon, Arcteryx and Mountain Equipment Co-op have head offices in the city — Vilches decided to move to Calgary. She got a job at FGL Sports in 2014 and has since paid off her student loans, bought a car and started building her RRSP.

The 29-year-old's experience is familiar to many young professionals in British Columbia. The province, led by Metro Vancouver, topped the country in job creation last month, with year-over-year employment growth reaching a stunning 4.9 per cent compared to the national gain of 0.8 per cent, Statistics Canada says. Despite the jobs boom, many young workers getting hired still can't afford to live in the city, observers say.

Bryan Yu, a senior economist at Central 1 Credit Union, said the number of jobs in professional, scientific and technical services — including fashion design — grew about four per cent over the past year in B.C. Health care and social assistance grew 8.1 per cent, while information, culture and recreation, a category that includes Vancouver's growing technology sector, expanded 12.6 per cent.

The strong housing market appears to be driving a 7.6 per cent gain in construction and a 16.1 per cent jump in business and building services, while a tourism boom and the low Canadian dollar seem to be pushing big gains in retail, wholesale trade, accommodations and food services, Yu said.

"There's really jobs being created across the board," he said. "There are definitely gains occurring in the lower-paid sectors, but also we are seeing broad-based job gains across industries."

B.C.'s unemployment rate dropped to 5.8 per cent in April, down from 6.5 per cent in March, falling below all other provinces for the first time since 1976, Statistics Canada says. Part of the reason B.C. is doing so much better than the rest of Canada is because its economy isn't vulnerable to changes in the price of oil, Yu said. Plummeting oil prices have led to drastic job losses in Alberta, Saskatchewan, and Newfoundland and Labrador.

But Yu said the story outside B.C.'s south coast is very different. There has been little new investment in mining or natural gas, and last month, agriculture jobs dropped 11.9 per cent, while resource extraction dipped 6.2 per cent, he said.

Ken Peacock, chief economist and vice-president of the B.C. Business Council, said Metro Vancouver residents struggle with low or medium average incomes because the city has relatively few large corporate employers, which tend to pay higher wages. But Peacock noted that even high-income earners are challenged by Metro Vancouver's housing market. The benchmark price for detached properties was \$1.4 million in April, a 30 per cent increase from the previous year, the Real Estate Board of Greater Vancouver says.