

## Barbara Yaffe: High costs drive British Columbians away from traditional home ownership

Buying homes with friends or parents more often the norm

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Home buyers in B.C., and especially Vancouver, are breaking with tradition.

**Photograph by:** Jason Payne, PNG

VANCOUVER — TD Bank says it is noticing “a shift toward non-traditional ways” of purchasing property, a trend driven both by financial necessity and personal choice.

“Today’s homebuyers are not necessarily like the traditional nuclear family of the past,” says Peggy Barnett, senior manager of personal credit for TD in Vancouver.

Many more singles — professional people and the newly divorced or widowed — are purchasing property these days.

The bank also is seeing the “collaboration of two families, or parents and siblings pooling their resources to purchase a home for everyone to live in.

“Alternatively, parents may offer a down payment gift to their children to purchase a condo.”

And more of these sorts of arrangements are taking place in B.C. than elsewhere, she says. While 67 per cent of property purchasing nationally is done by couples, only 60 per cent of B.C.’s homebuyers are married or “partners.”

The rest are part of the expanding, non-traditional market.

The bank regularly commissions research on buyers so it will know how best to market its financial products.

In Vancouver, where land goes for a king’s ransom, teaming up on a mortgage can mean the difference between renting and owning.

Collaboration generally yields a bigger down payment; if it’s 20 per cent of the purchase price, co-purchasers can avoid buying mortgage default insurance. And, of course, monthly mortgage payments become easier.

A February cross-Canada survey for the bank by Environics found more than one quarter of B.C. respondents who bought recently, or were planning to buy soon, intended to make or already made the purchase on their own.

More than one third reported they in fact would prefer to “buy with another party even when they could afford to buy on their own.”

Nearly half — 49 per cent — of B.C. respondents said they thought the non-traditional route was a “great way to enter the real estate market,” compared with 41 per cent nationally.

It’s likely the greater flexibility expressed by B.C. residents is linked to lack of affordability in the housing market, especially in Vancouver.

Barnett agreed cost is the big factor in deciding to team up. But lifestyle considerations also can play a role.

Perhaps a buyer has a dog that cannot be left alone, or aging parents they want to accommodate, or the buyer wants to avoid loneliness.

Barnett cautions: “There will be legal considerations to buying with two parties, and non-traditional buyers would be advised to get legal advice.”

That may be a nice way of saying: Prepare for some excruciating compromises and possible rip-roaring fights.

When more than one name is on a mortgage document, there’s significant potential for fighting about spending decisions related to renovations and repairs, and decisions about whether and when to sell.

Think of it as urban densification on a microcosmic level. It’s no secret that strata councils are plagued by disagreement; the same would presumably hold true in circumstances where household ownership is subdivided.

Whatever its pitfalls, such non-traditional ownership may be a sign of the times, especially for young, first-time buyers finding it tough to crack the market.

The TD bank survey found six per cent of British Columbians who had bought recently, or were planning to buy, did so with parents. Nationally, just three per cent cited this option.

Sharing home ownership is also becoming popular in the recreational real estate market.

In B.C., 17 per cent who already own or plan to buy a cottage already share ownership with friends, parents or more than one generation of the family, or plan to do so.

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