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Affordability slip-sliding away

Average price in Vancouver twice as high as other Canadian cities

TIFFANY CRAWFORD
VANCOUVER SUN

Housing affordability in Metro Vancouver continued to slide in the first quarter, making it even more difficult for Vancouverites to own a home in Canada's least affordable region, according to the latest Desjardins Affordability Index.

The report, which compares housing prices with income in metropolitan areas outside Atlantic Canada, shows the average property sale in Metro Vancouver is nearly \$850,000.

That's twice as high as the combined average home price (\$424,000) of the other Canadian cities cited in the report,

released Wednesday.

It only includes data from 18 metropolitan areas in Canada and excludes Atlantic Canada because Desjardins collects information only in markets where it conducts business.

That puts the average sale in Metro Vancouver about 10 times higher than the average household income of about \$86,000 a year.

Toronto, the second least affordable market, had significantly higher average salaries than Vancouver at \$92,000 per household, and lower average prices — nearly \$560,000.

Housing remains very affordable in Calgary, where the average household income is nearly \$120,000 and the average cost of housing around \$445,000.

"It shows that people from Vancouver don't have the income necessary to buy a home. Maybe the investors market is more important in Vancouver, especially for condos, and that looks like a factor," said Hélène Bégin, Desjardins' chief economist.

"It would be really hard to buy a home without help from your family or someone else."

Despite Vancouver's continuous slide into an affordability crunch, Vancouver's resale market is growing.

It's up two per cent since the start of the year and 12.9 per cent from the previous quarter, according to the index.

Vancouver's affordability has the lowest index level in the country at nearly 70, while the

index level for Canada is 117.

That level indicates Canadians on average have a salary around 17 per cent higher than the salary needed to buy a home at the average price, said Bégin. In Quebec, the income is nearly 40 per cent higher (index level 156.5) than needed to buy a home at the average price of \$275,000, according to the index.

The DAI is calculated by determining the ratio between the average household disposable income and the income needed to obtain a mortgage on an average-priced home. Qualifying income includes the cost of mortgage payments, property taxes and utility costs.

ticrawford@vancouvernews.com