

Millennials are intimidated by housing costs

There's good reason they still live at home, Vancouver study suggests

Millennials are spending 30 per cent of their earnings on rent, compared to 22 per cent for gen-Xers.

Many people believe millennials continue to live at home so they can afford a party lifestyle.

But a new study by Vancity of millennials in Metro Vancouver pokes holes in the stereotype.

The study found that local millennials living at home spend less on alcohol and tobacco than people their age did 25 years ago.

And they aren't blowing all their money — one-third of local millennials living at home are saving more than half of their earnings for their own place.

That said, 57 per cent of local 20-to-35-year-olds living at home say they can't afford to pay rent.

"The affordability of housing is impacting them, so they're staying at home longer," said Vancity's William Azaroff.

"(But) many are saving towards being able to move out, (saving for) a down payment or some kind of little nest egg to allow them to get into the rental market."

Arrested Development: The Impact of Affordability on Millennial Living surveyed 407 parents and 409 millennials living at home in Metro Vancouver.

It found that 61 per cent of local millennials are still living at home, and that 23 per cent of the millennials between 25 and 35 have never had their own place.

This is higher than across Canada, and going up. In 2011 — the last year for national numbers — Statistics Canada found that 47 per cent of B.C. millennials between 25 and 29 were still living at home, compared to 42 per cent in the rest of the country.

It's a far cry from 1981, when 27 per cent of people between 25 and 29 across Canada told Statistics Canada they were still living at home.

One of the big factors is the high cost of rent. Today's millennials are spending 30 per cent of their earnings on rent, compared to 22 per cent for gen-Xers in 1992.

“They actually spent more on shelter than any other age category, except people over 75,” said Azaroff.

Another problem is the high cost of transportation.

“We talk a lot about shelter, but it’s shelter and transportation together,” said Azaroff.

“If you have to move farther and farther out in order to afford something you spend more on transportation. So the second-largest cost for Canadian millennials is transportation, at between 16 and 22 per cent of their household income.

“(If) you put those two things together, a pretty staggering amount of their income is spent on shelter and transportation.”

Twenty-five-year-old Becca Clarkson recently moved back in with her parents in Vancouver, partly to save money, partly because her parents have retired and are travelling.

She agrees that the stereotypes about her generation living large can be off-base.

“We’re not all staying in on Friday nights and Saturday nights and doing nothing,” she said. “But the demographic that I hang out with are quite thrifty. (We don’t) go to clubs unless we have a free cover, and we’re not buying drinks at the bar, we’re generally pre-drinking or something like that.”

The UBC creative writing grad is paying the bills working in communications and freelancing. But finding a good job is tough. “I’ve been looking for more writing jobs,” she said.

“I was just offered one where the salary was \$25K, and they required a degree. So I would be paid minimum wage to do 48 hours of work a week. That’s not a living wage.”

She knows, because she’s lived in some nasty rentals, including a basement suite she shared “with two other dudes and a lot of mice” and a two-bedroom on a truck route at Clark and Broadway that was so loud her roommate couldn’t sleep.

She’s determined to get her own one-bedroom condo with her boyfriend, so “I’m just saving like a crazy person.” But she finds Vancouver’s escalating housing prices “incredibly” intimidating.

“It feels like I can’t navigate it by myself, and that I need to hire a bunch of people to help me figure it out,” she said. “Which is another expense.”