

Charting a Course to a Brighter Future:

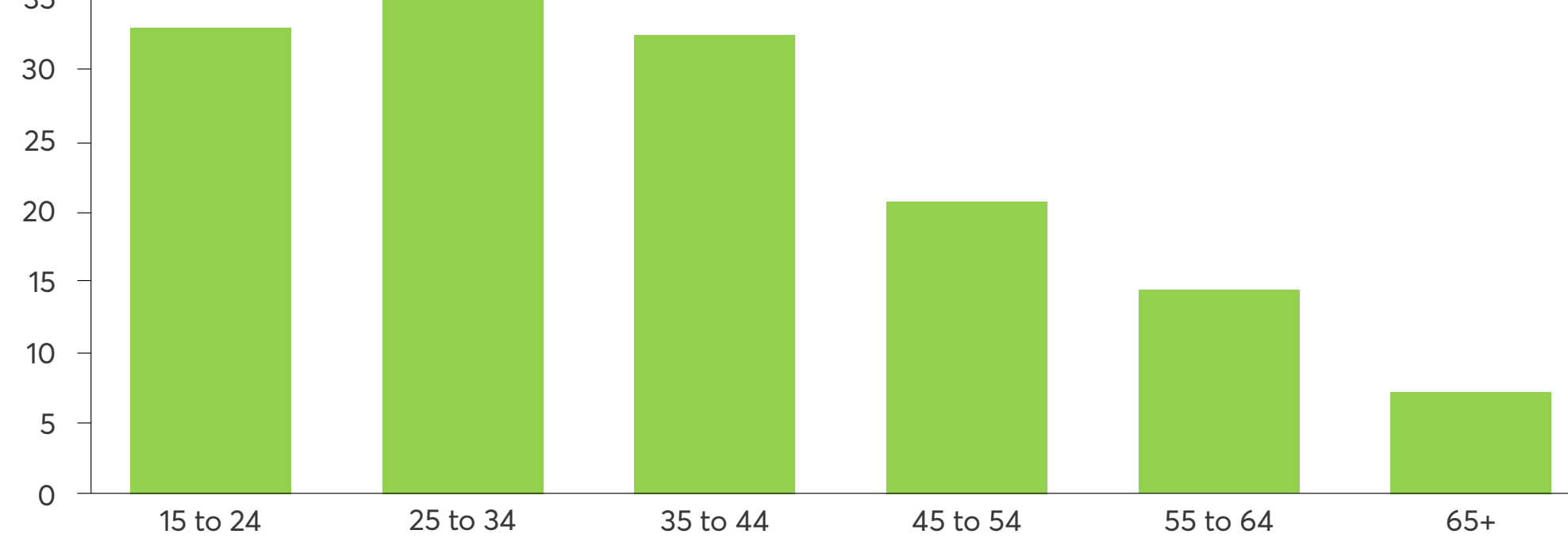
Housing Affordability and Young People's Major Life Decisions



A lack of housing affordability is forcing Canadian youth to vote with their feet: Rising home prices disproportionately influence younger Canadians' decision to move.

Rising Home Prices Are Pushing Young Canadians to Move

Share of Canadians influenced to move by rising home prices by age, 2023



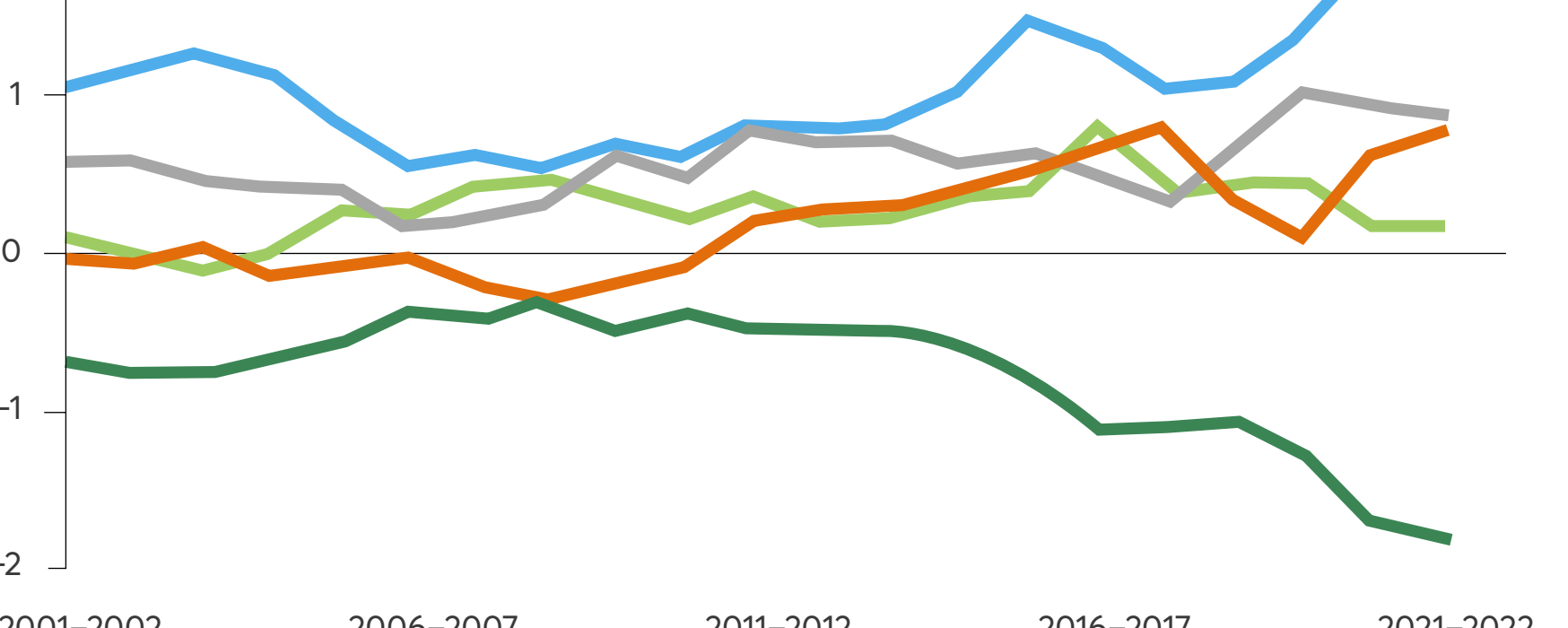
Sources: Statistics Canada and Desjardins Economic Studies



Young people are leaving Toronto and Ontario, and housing affordability is largely to blame: In 2021 and 2022, record numbers of Canadians ages 15 to 34 left Ontario—one of the priciest provincial markets. And Ontario families are increasingly settling farther away from larger, pricier cities.

Young Ontario Families Are Fleeing Toronto

Contribution to population growth rate, intraprovincial migration, 0- to 9-year-olds and 25- to 39-year-olds

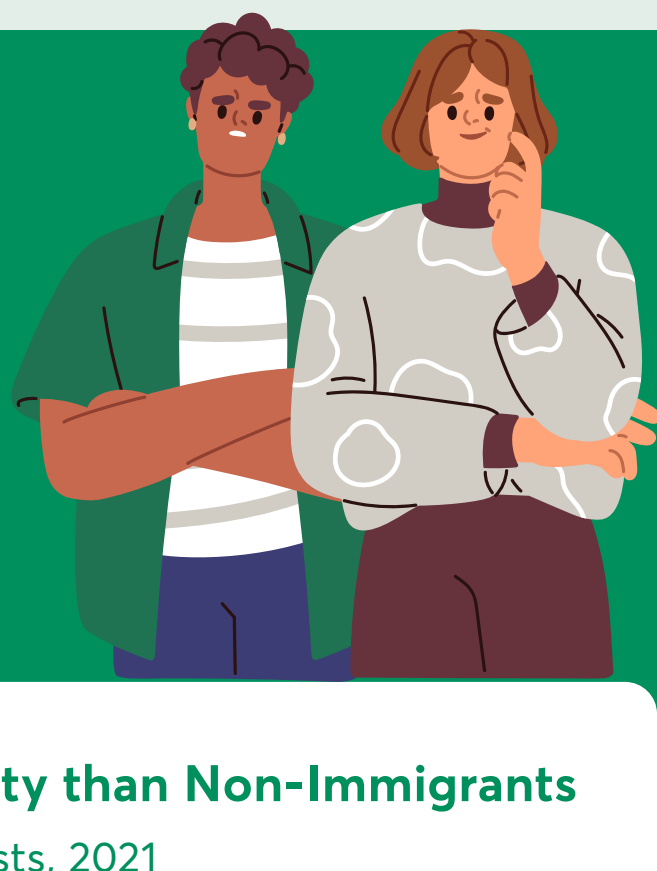


*Excludes Toronto and Hamilton

Sources: Statistic Canada, Canadian Real Estate Association and Desjardins Economic Studies

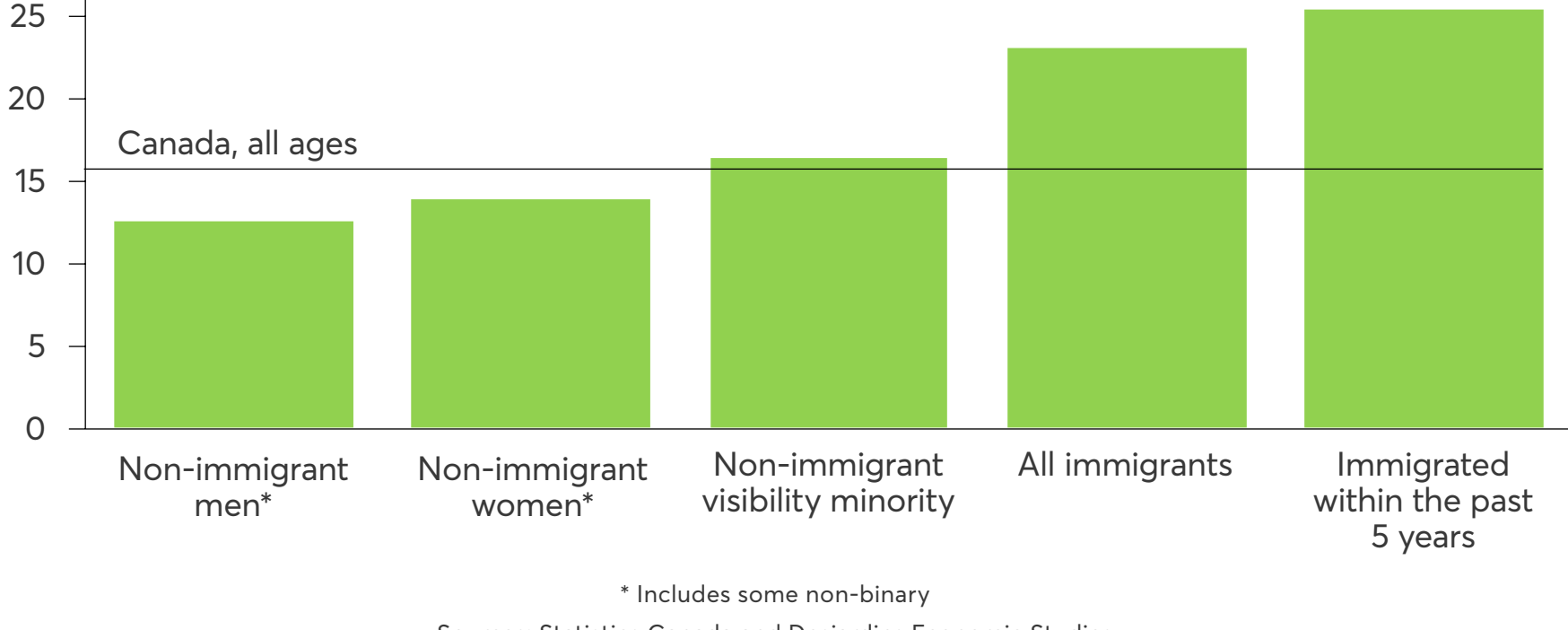
A rough start for Canadian newcomers: Immigrant and visible minority youth in particular struggle with shelter affordability.

Many of them spend more than 30% of their income on shelter costs.



Youth Immigrants Struggle More with Housing Affordability than Non-Immigrants

Spending 30% or more of income on shelter costs, 2021



* Includes some non-binary

Sources: Statistics Canada and Desjardins Economic Studies

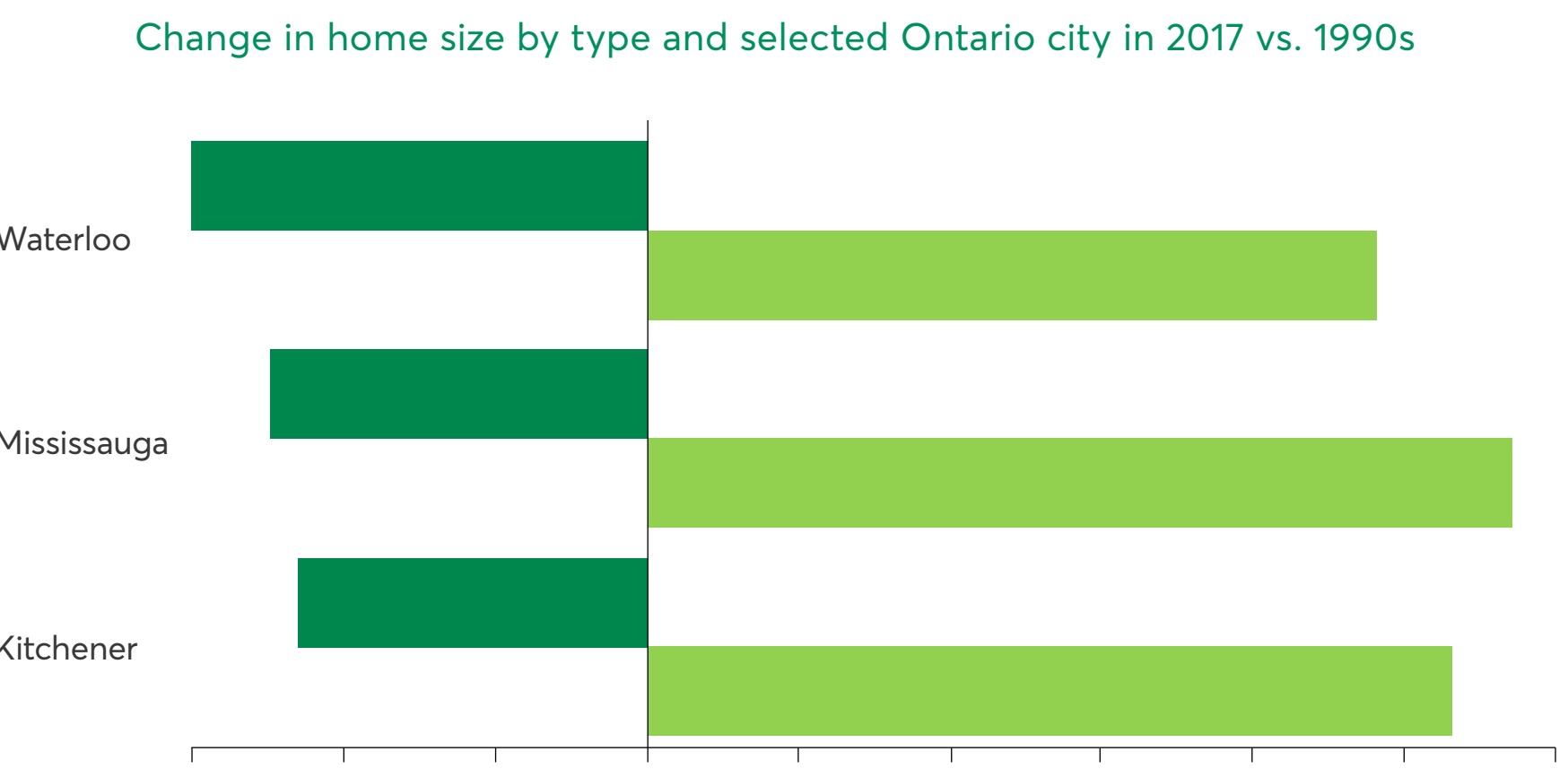


Canada is becoming a condo nation: Starts of multifamily units such as apartments and condos now trump starts of other owner-occupied units. But many seem to be built with the needs of investors in mind instead of the needs of Canadians hoping to buy a home.



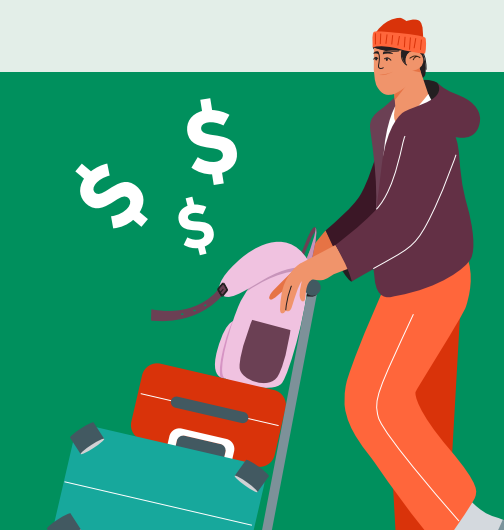
Condos Keep Getting Smaller While Detached Homes Get Larger

Change in home size by type and selected Ontario city in 2017 vs. 1990s



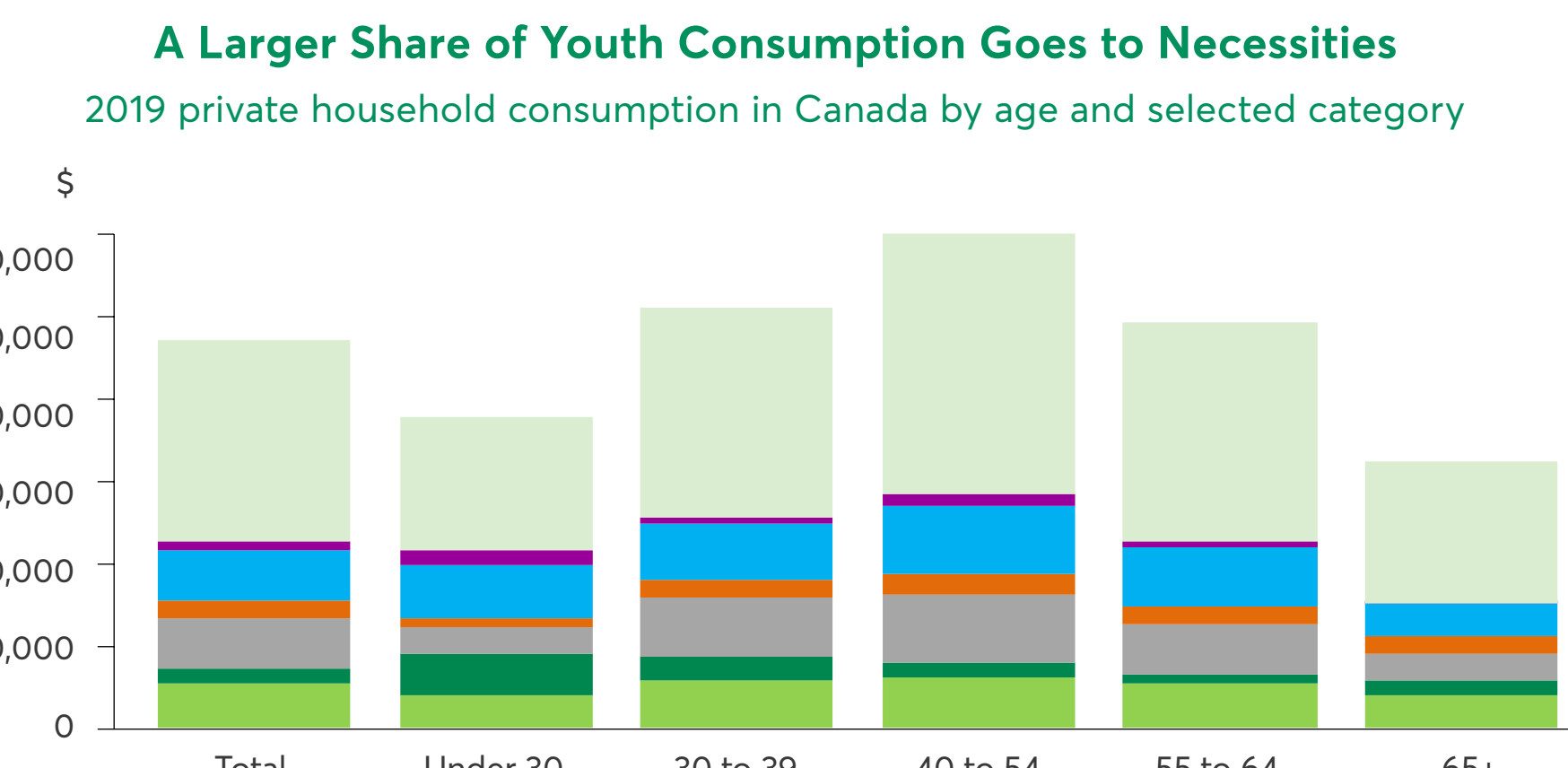
Sources: Municipal Property Assessment Corporation and Desjardins Economic Studies

Canadians under 30 have been hardest hit by inflation: With over half of their spending going towards food, shelter, transportation and education, youth are least likely to spend money on non-essentials.



A Larger Share of Youth Consumption Goes to Necessities

2019 private household consumption in Canada by age and selected category



* Other includes household operations, clothing and accessories, recreation, health care and vice

Sources: Statistic Canada and Desjardins Economic Studies



Parents to the rescue: According to the Ontario Real Estate Association, "4 in 10 parents of those 18 to 38 years of age provided financial support to facilitate their home purchase as parents recognize the difficulties their kids face entering the housing market."

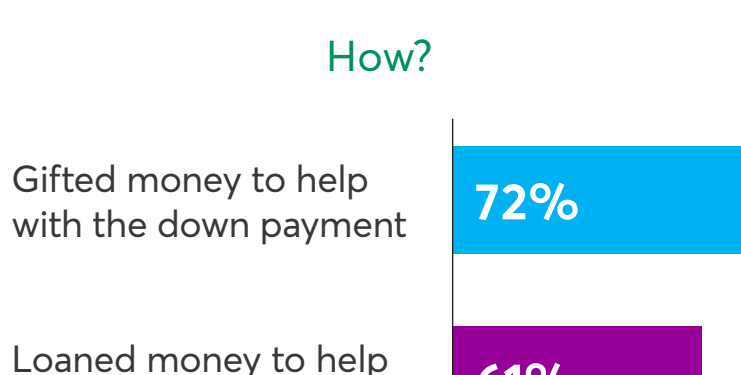
4 in 10 Ontarians Have Helped Their Children Financially with Their Home Purchase

Did you help them financially?



Legend: Yes (light green), No (dark green)

How?

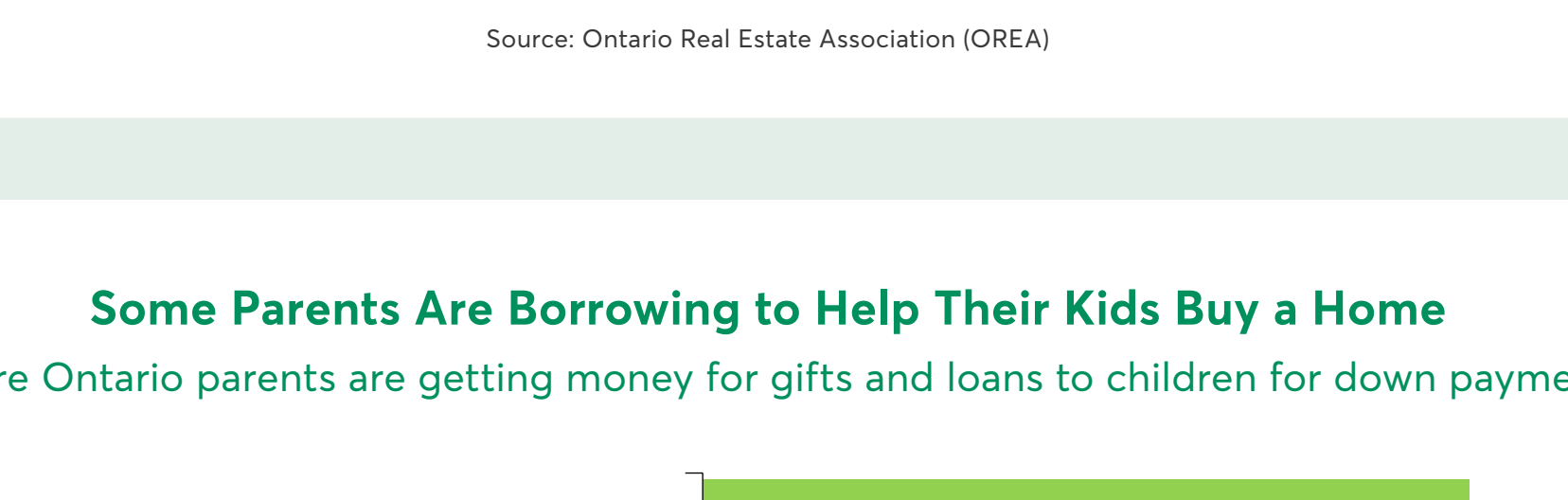


For the children or child that owns their home, did you help any of them financially to make the purchase in any way? How did you help? (Parents of 18- to 38-year-olds who own their own home)

Source: Ontario Real Estate Association (OREA)

Some Parents Are Borrowing to Help Their Kids Buy a Home

Where Ontario parents are getting money for gifts and loans to children for down payments



Sources: Ontario Real Estate Association and Desjardins Economic Studies