

The clock is ticking on future home price increases

Mario Fazio - May 2024

This year's federal spring budget does little for working people trying to buy housing. In fact, it may have made it more difficult and more expensive. The best way to provide more affordable housing is by increasing supply for all types.

Politicians at every level continue to blame all kinds of factors but fail to fix all the basic problems of supply. So far, they have meddled with local zoning issues, limiting foreign ownership, increasing taxes on vacant housing and on and on.

The latest is to increase taxes on Capital Gains Taxes for individuals and companies when they sell. This will have the effect of individuals and companies not wanting to sell their property to avoid paying extra tax, and therefore further reducing supply.

In Toronto, the medium price for a single-family home is \$1,750,000, fueled by record immigration, and that's not for a palace. All the doom and gloom of a price correction will likely happen in Toronto, but don't bet on it.

Sarnia-Lambton's average continues to be in the \$475,000 to \$500,000 range mostly due to our little to no population growth. The Liberal/NDP plan to increase taxes on sold properties is a big problem and some will continue to hoard investment housing and land. More directly when you sell that cottage or your inherited family house from your parents, they will be now taxed in some situations, so why sell?

As boomers continue to hang on to their housing and not sell because of better health in to their 80s and 90s it is imperative that we provide more housing stock that traditionally would have been available by them selling.

Home ownership cost used to take 35 per cent of the medium income in the early 2000s, it is now up to 63 per cent of medium income according to the latest Canada stats, and slated to go even higher in the future.

The time to buy in Sarnia-Lambton is now, if you are in the first-time buyer stage or buying to increase size and amenities stage in life. Prices will not come down as people cash out of bigger priced areas and migrate across the province. Cheaper house prices will eventually draw them here; you will miss out if you wait.

Find yourself an experienced full-time realtor with a proven track record and buy now. We have innovative ways to help you purchase if you are just about ready and need a little help. The clock is ticking on future price increases and you will be "mumbling to yourself" about all the newcomers buying everything again.