

Sell your soul, buy a house

by BRIAN LOCKHART

If you want to get rich these days, becoming a banker or a grocer are two good bets.

You don't have to be an economist, math genius, or consumer goods expert to realize a lot of prices in the grocery store are based on gouging and nothing more. While some costs have gone up for producers and passed on to retailers, many others have not.

Some items have gone up 100 per cent over the past year for little or no reason other than the fact that grocery stores are charging more because other things have gone up, and they think they can get away with it. And apparently, they can.

Our current economic system is out of control, and we need an adjustment to get things back in line so most people don't have to live lives of quiet desperation.

The housing crunch is hanging like a dark cloud over the country. More so in some places than others.

Ontario is particularly hard hit by rising and ridiculous home prices. Some western cities are in the same situation, beginning several years ago when Vancouver started spiralling out of control.

The latest hikes in interest rates are going to cause a big problem for a lot of people. The trouble is people are borrowing more money than they should be able to buy a home.

Having a place to live and raise your family should not mean you sacrifice everything else so you can make your mortgage payments. You shouldn't have to borrow a huge amount of money that will leave you with crippling monthly mortgage payments in the first place.

Several factors are causing the housing crisis, but for the most part, it's just a shortage of inventory.

Ontario Premier Doug Ford's announcement of a plan to build 1.5 million new homes in the province won't do a thing to ease the current situation. Even if that plan goes through, developers don't build houses because they are nice guys. They build homes to make money.

There won't be 1.5 million new 'affordable homes'; there will be 1.5 million homes sold at what the developer can get for them.

When a new subdivision was being built at the end of my street, my neighbours and I kept a close eye on the situation. At the time, the first few homes were sold for around \$550,000. By the time they started building the rest, the price had risen to \$900,000.

'Cost of building supplies,' the developer claimed. You don't have to be a builder to be able to check the cost of supplies and note that, no, supplies had not gone up 40 per cent in six months.

Another development project is going up near where I live. This is definitely not an 'affordable housing' plan. The houses are all large, on big lots, and the entire development is obviously geared toward people making a lot of money.

There's nothing wrong with that. Some people want to buy and can afford to have a big house.

However, after speaking with a local real estate agent who is working on the project, it seems most of the houses were bought before shovels were even in the ground. That, in itself, is not unusual. A lot of people have bought a house based on a set of blueprints.

The problem, in this case, was the project got underway during the height of the pandemic. People signed a deal to buy a house for \$1.5 million at a time when there was panic buying and multiple bids on existing homes.

However, the pandemic ended, and housing prices levelled off or dropped. My real estate friend told me there are plenty of people moving into that subdivision who paid \$1.5 million for a house that might be worth \$1.1 when they move in.

To keep that house, they will be paying interest on \$400,000 that never paid for a thing.

The problem is there are more people than houses, which is causing strife and financial hardship. The current government seems to think we need more people in the country to be successful.

This nation has always been successful, even when we had a much smaller population.

Some of the most successful countries on the planet have very small populations.

It's time to get things in check, or your kids will never be able to afford a house in their own hometown.