

March 30, 2021



PAUL DARROW/THE GLOBE AND MAIL

Charting the escape routes from expensive city houses - You tell us: Did you leave a big city for a small town? Where did you move to? What do you like and what do you dislike about it?

ROB CARRICK

The pandemic has opened an escape route for big-city home buyers who can't keep up with rising prices. Move somewhere smaller and cheaper, take advantage of the new openness to remote work.

It's time to map this migration of young-adult buyers seeking affordable detached homes with yards. The team that brings you the [Stress Test](#) personal finance podcast has produced [a quick survey](#) for young adults exiting the big city for housing markets in the suburbs and beyond. Helps us track the cities that buyers are leaving and the communities where they're landing.

In a recent column, I said it's [time to acknowledge](#) that the price of detached houses in big cities has risen to a point where even a pullback won't make them affordable. Detached homes in Toronto and Vancouver cost well above \$1-million on average in February. The newest twist in expensive housing: It's now an issue in some unexpected places.

In recent weeks, readers have reported bidding wars and unconditional offers in the Winnipeg and Halifax housing markets. The Halifax reader, a young adult, said he and his wife are "blocked out of the market" as a result of recent price gains. A recent report from Canada Mortgage and Housing Corp. [included Halifax](#) among the real estate markets it considers to be "highly vulnerable."

One of the reasons for rising prices in the Maritimes is that people from Ontario are moving east, a reversal of what we've seen for decades. Ever heard of the iconic 1970 Canadian film [Goin' Down the Road](#)? It captured the old migration pattern by telling the story of two young Maritimers who move west to seek their fortune (complications ensue).

Part of [our Stress Test housing survey](#) asks how happy people who moved out of big cities are in their new community. We will turn our attention later to an equally important question: How happy are people in smaller communities about the influx of central Canadian refugees from overpriced housing markets? If you'd like to share your personal story, send [an email to me](#) or my co-host, personal finance editor [Roma Luciw](#).

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STORY CONTINUES BELOW ADVERTISEMENT



ROB'S PERSONAL FINANCE READING LIST

HOW WILL COVID-19 VACCINES AFFECT LIFE INSURANCE COSTS?

An insurance firm digs into the question of whether your [premium costs](#) would be affected by whether or not you were vaccinated.

FROZEN-PIZZA SALES ARE RED HOT

Something we're spending more on these days: [Frozen pizza](#). I assume people have found an edible version of this product.

THE INS AND OUTS OF USAGE-BASED CAR INSURANCE

You could potentially get a [car insurance discount](#) of up to 30 per cent if you're a safe driver. How does your insurer know you drive safely? You install a computer chip in your car's electrical system that reports on your driving habits. The catch: In Ontario, a regulatory body has cleared the way for insurers to add a surcharge if your driving habits are considered unsafe.

BEST APPS FOR SELLING YOUR CLOTHES ONLINE

In my closet, a vast stretch of shirts with collars, sport jackets and dress pants have spent the past year without even a glance their way. If I were to decide to sell some of this stuff – I'm not, but *if* – I would check out this list of [11 apps for selling clothes online](#).

ASK ROB

Q: The pandemic has put my family in an interesting position where I've maxed out my and my spouse's TFSA contribution room and will likely be able to max out our RRSP contributions later this year. We've been able to keep working through the pandemic and have not had any vacation expenses as we stay put, which has created a surplus of savings. So, what now? What can/should I be doing to keep saving?

A: How's your household Plan B fund? While you've been fortunate enough to stay employed in the pandemic, many families lost jobs and income. Having money safely parked in a high-rate savings account is your best defence against sudden financial emergencies. Start with enough money to keep your home running for three months. You don't mention kids – if you have some, adding money to their registered education savings plans is a good use of money. After that, you might consider spending some of your surplus savings in a way that celebrates the end of the pandemic and helps local businesses. Other thoughts – donate to charity or start a non-registered investment account.

Do you have a question for me? [Send it my way](#). Sorry I can't answer every one personally. Questions and answers are edited for length and clarity.

TODAY'S FINANCIAL TOOL

Personal finance educator [Kelley Keehn](#) has added some pandemic-related tips to her recent book, *Talk Money to Me*. There's a chapter on running a business during a crisis like a pandemic and how COVID-19 has affected family finances.

THE MONEY-FREE ZONE

This video titled [Every Call with Parents Over 60](#) is a riot. "All that food for \$10?"

VIDEO OF THE WEEK

Personal finance expert Preet Banerjee takes a close look at those increasingly popular [buy now, pay later](#) apps that retailers are offering even on small purchases. I agree with his conclusion: Avoid.

TWEET OF THE WEEK

BNN Bloomberg asked this question in a Twitter poll: Would you vote for a party that imposes the [capital gains tax](#) on principal residences?

WHAT I'VE BEEN WRITING ABOUT

- Big-city housing [affordability is over](#). Now what?
- Why your investment adviser [hates bitcoin](#)
- 2021 ETF Buyer's Guide: Best [international and global](#) equity funds

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- ✓ A 10-point pandemic personal finance checklist: Create a "wartime" [family budget](#); stop worrying [about bank deposits](#); clean out your [big-bank savings account](#); get relief on [car payments](#); get [preapproved for a mortgage](#); WFH? [Save \\$1,000 a month](#); [save, save, save](#); [build resilience by not anxiety-buying](#); consider the [cost of mortgage deferrals](#); get ready for the [second wave of financial distress](#).
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