



## Millennials and Baby Boomers: There Is No Housing Bubble — and You're the Reason

### Description

We've heard for years now that there is a housing bubble. In Canada, there are a few large urban centres where a housing [bubble exists](#). This means places like Toronto and Vancouver are due for a correction.

But everywhere else? That's a different story. And it comes down to millennials versus baby boomers.

### What happened?

In the last few years, millennials have started to come to an age where they can afford to buy a house. More than that, they've started to seriously pay down debt. And even more than that, they have two incomes that are likely much larger than their parents when they bought a house.

What this means is they can afford to spend more than their parents may have been willing to pay. It also means they want the best not only in terms of housing wise, but location as well. Millennials want the schools, the neighbourhoods, the family-friendly environment they grew up with. And they're willing to pay top dollar for it.

As for baby boomers, they're staying put. For every year they stay in their house, that's more money they can put into their pockets for retirement. So who would blame them? Rather than downsizing as they planned to do, they're holding on. But many now worry the housing bubble might burst.

Guess what: it won't.

### It comes down to inventory

Since many are still working, they are staying in their home and not selling until they retire. This has created a lack of inventory for millennials to buy. So when a house comes up on the market that a millennial wants, it's gone almost immediately.

This has left many cities across Canada not in a housing bubble, but playing catch up. For decades the housing market has risen at a slow pace. Now, with so many millennials looking for a home after years of rent and paying down debt, there aren't the houses available since their parents are hunkering at home. It's led to real estate battles leading to tears in sought-after neighbourhoods.

## What about the pandemic?

Some people think the pandemic is to blame, but it's completely unrelated. Houses are coming on the market at a faster than normal pace because of the increase in housing prices. Whether there's a virus or not, people still need to move for jobs, downsize their homes, find more space for their families. All of this is unrelated to the virus.

And it's not like real estate agencies have closed up shop. While there are some ways to manage open houses that weren't in existence before, like the rest of the world real estate adapted. So again, when the pandemic ends, there won't be a sudden drop in housing prices.

## Bottom line

If you're waiting for a housing bubble to burst before buying your home, don't. If you're hoping to sell now when you're not financially ready, hoping to get top dollar, don't. Don't ever stretch yourself too thin. You're going to have to be ready for a new market that will not burst, but *could eventually* [slow down](#). I don't mean it will reverse, just that it will level out. So be prepared, and consider everything when getting involved in real estate today.

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