

Buying a Toronto home in the suburbs may end up being more expensive

Categories : [First-time homebuyer](#), [Rebate Blog](#)

When deciding what house you want to buy, [housing affordability](#) plays a key factor in your decision since it affects the type of house you purchase, along with where you decide to purchase.

Toronto's housing market is one that's closely watched by economists and housing experts with prices climbing over the past few years. Along with that, the price gap between condos and houses keeps widening and hit a record of gap of \$251,000, [according to BNN](#). The gap has grown by 16 per cent since the year before. The average price of a low-rise home hit \$705,813 in 2014 and the average price of a high-rise home hit \$454,476.

When buying a home, the upfront cost can be intimidating, especially when you realize that you can save thousands of dollars by choosing to live in a different neighbourhood or settling for a different type of house, such as a townhouse or a semi-detached home. An [infographic in MoneySense magazine](#) shows that for every extra minute of driving away from the downtown core of Toronto results in the average house price dropping by \$16,200. In Vancouver, the average house price drops by \$20,600, while in Montreal and Calgary, it drops by \$9,400 and \$5,400, respectively. Before shopping, you need to check how much house you can comfortably make mortgage payments on, so you can budget for it.

But the cost of commuting also needs to be broken down, including car insurance, gas and the cost of the vehicle, and considered. Also, you can't forget the amount of time commuting takes since this will have a large impact on your lifestyle.

A recent study by RBC and the Pembina Institute found that while there are scenarios where buying a cheaper home and commuting is more inexpensive, but sometimes it isn't.

"Most homebuyers acknowledge that choosing a cheaper home often means spending more time and money commuting," [says Cherise Burda, Ontario Director, Pembina Institute, in a press release](#). "But when we actually crunch the numbers, these costs can be startling. A seemingly cheaper home in a distant location can actually be less affordable than another option with a higher sticker price."

In one case study covered in the report, it found that buying a home in Port Credit cost \$180,000 more than a home in Milton, but the monthly cost of housing and transportation was \$1,000 more since both parents need to own two cars for their work commute.

While another case study found that the homebuyers could choose to live in a walkable suburb and cut their monthly transportation costs by \$1,000, but only if they relied on one car rather than two.

Location in real estate always remains key and if cost wasn't a factor, 81 per cent of Toronto homebuyers surveyed said they would trade owning a larger detached house with a yard for owning a smaller property in a walkable neighbourhood with good transit, according to a recent RBC-Pembina report.

If you're house shopping, consider buying a [newly built home](#) since you could claim back some of its cost with a [HST rebate](#). Rebate4U prioritizes providing our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.