



Do you remember when houses were cheap?

There was a time — not so long ago — when owning a home felt almost guaranteed for working families. Ask your parents or grandparents and many will recall buying a house on a single income, sometimes before the age of thirty. The question many people ask today is simple: **Do you remember when houses were cheap?**

This article explores why homes were more affordable “back when,” what changed in the global housing landscape, and whether cheap houses could ever return.

The era when houses felt affordable



From the 1950s through the late 1980s, home ownership expanded rapidly across countries like Canada, the United States, and much of Western Europe. Several factors combined to create a “golden age” of affordable housing.

Strong wage growth matched home prices

In previous decades, wages and housing costs rose together. Workers in manufacturing, construction, and public sector jobs could realistically save for a down payment within a few years.

Back then:

- Median home prices were often **2-3 times annual income**
- Mortgages were simpler and shorter
- Stable employment was more common
- Pensions reduced long-term financial anxiety

Today, in many cities, homes cost **6-12 times median income**, dramatically changing the equation.



Do you remember when houses were cheap?

For historical wage data and housing ratios, see:

External link: <https://www150.statcan.gc.ca>

External link: <https://fred.stlouisfed.org>

Population growth and urban expansion

After the Second World War, countries experienced population booms and rapid suburban development. Governments invested heavily in housing infrastructure, highways, and zoning expansions.

Organizations like the Canada Mortgage and Housing Corporation were created to stabilize housing markets and make mortgages accessible to ordinary citizens.

Mass construction meant:

- More housing supply than demand in many regions
- Lower land costs outside city centers
- Faster construction timelines

When supply grows faster than demand, prices remain stable — something modern housing markets struggle with.

Learn more about historical housing policy:

External link: <https://www.cmhc-schl.gc.ca>

Land was cheaper “back when”

One of the biggest differences between past and present housing costs is land value.

In earlier decades:



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- Cities were smaller
- Suburban land was abundant
- Transportation costs were lower relative to income
- Zoning restrictions were less rigid

As urban populations grew, land near jobs and infrastructure became scarce. Today, land often represents **half or more of a home's total cost**.

For example, real estate trends tracked by the National Association of Realtors show that land scarcity is one of the largest drivers of modern price increases.

External link: <https://www.nar.realtor>

Interest rates and mortgages: a double-edged sword

Mortgage rates historically fluctuated widely. In the 1970s and early 1980s, interest rates were extremely high, sometimes exceeding 15%.

However, homes were so inexpensive that even high interest rates didn't push prices out of reach for most buyers.

Today:

- Interest rates may be lower
- But home prices are far higher
- Loan durations are longer
- Debt levels are historically high

Central banks such as the Bank of Canada influence mortgage affordability through monetary policy. Low rates after the 2008 financial crisis contributed to rapid price growth in many markets.



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Housing as an investment, not just shelter

Decades ago, homes were primarily places to live. Today, they are often treated as financial assets.

Modern housing markets include:

- Investors buying rental portfolios
- Speculation on price growth
- Short-term rental conversion
- Institutional property ownership

This shift means demand is driven not just by families needing homes, but by capital seeking returns.

The growth of real estate investment trusts and property funds has transformed housing from a social necessity into a global investment class.

Construction costs then and now

Another major difference is the cost of building homes.

Back when houses were cheap:

- Building codes were simpler
- Materials were less expensive
- Labor shortages were less severe
- Environmental regulations were minimal

Today, construction must comply with stricter energy, safety, and environmental standards. While beneficial long-term, these requirements increase initial costs.

Additionally, supply chain disruptions during global crises have driven up prices for lumber, steel, and transportation.



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The role of globalization

Housing affordability is now influenced by global economic forces.

Investment capital flows freely across borders, meaning buyers from different countries compete in the same markets. Cities like Toronto, Vancouver, London, and Sydney have seen prices driven upward partly due to international demand.

Housing is no longer purely local — it's global.

Why cheap houses still exist in some regions

Despite rising costs in major cities, affordable homes can still be found.

They typically exist in:

- Rural regions
- Small industrial towns
- Areas with declining populations
- Regions lacking job growth

However, affordability often comes with trade-offs such as limited employment opportunities or reduced infrastructure.

Could houses ever become cheap again?

The answer depends on how we define “cheap.”

Prices could stabilize or fall under certain conditions:



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1. Massive housing construction

If governments dramatically increase housing supply, prices may stabilize. Policies encouraging modular construction, prefab homes, and denser zoning could help.

2. Population stagnation or decline

Countries with aging populations sometimes see housing demand soften, reducing price growth.

3. Economic recessions

Recessions often slow housing markets, though they rarely restore historical affordability levels.

4. New housing technologies

Innovations such as container homes, 3D-printed housing, and prefabricated structures could lower building costs significantly.

How younger generations experience housing today

For many younger buyers, home ownership now requires:

- Dual incomes
- Longer savings periods
- Family financial support
- Smaller living spaces

The nostalgia of “back when houses were cheap” reflects real economic changes rather than simple perception.



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Social consequences of expensive housing

Housing affordability affects more than budgets.

It influences:

- Family formation
- Birth rates
- Geographic mobility
- Wealth inequality
- Retirement stability

When housing becomes inaccessible, it reshapes entire societies.

Explore related topics

Internal link:

<https://containerhousescanada.ca/maisonsconteneurscanada.ca/cost-of-living-rising>

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<https://containerhousescanada.ca/maisonsconteneurscanada.ca/container-home-benefits>

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<https://containerhousescanada.ca/maisonsconteneurscanada.ca/vacation-rental-income>



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Final thoughts: nostalgia vs reality

When people say, “Do you remember when houses were cheap?”, they’re really expressing concern about economic change.

Housing wasn’t always easy to obtain, but the balance between wages, land, and construction costs once favored buyers more than it does today.

Whether affordability returns will depend on policy decisions, economic shifts, and technological innovation. One thing is certain: housing will remain one of the defining economic issues of the 21st century.