

Survey on housing and the cost of living: August 2024





Survey Overview



- › The August version of the Modalis Omnibus focused on housing and the cost of living. The survey looked at Canadians' financial situation, their concerns, their housing situation, and housing policy.
- › The survey was conducted from July 23 to August 6, 2024, and gathered a total of 1,615 responses from Canadian adults. As Modalis is 100% recruited using RDD probability-based sampling, a margin of error can be calculated – plus or minus 2% at a 95% confidence interval.
- › The data have been weighted by age, gender, and region using population data from the 2021 Statistics Canada Census.



Key Findings I



- › Over 7 in 10 Canadians feel the country is going in the wrong direction.
- › Over the past three years, there has been a steady increase in the number of Canadians who say the country is moving in the wrong direction.
- › Canadians are most concerned about the cost of housing with over 3 in 4 indicating this.
- › 60% of Canadians now think that the economy is in bad shape vs 50% in the last two years.
- › The lack of competitive pricing due to too little competition is now seen as THE major risk to people's future financial well-being. 59% now think this vs. 45% a year ago.
- › Less than 50% of Canadians say their household finances are in good shape and nearly 30% say they are in a bad state.
- › 90% of Canadians feel that the cost of living is having a moderate or major negative impact on their household finances with over a third saying that the impact is major.
- › Over the past three years, the number of Canadians who feel that the cost of living is having a major impact has been steadily increasing.
- › There is overwhelming agreement (nearly 90%) that house prices are still too high despite the recent slowdown.



Key Findings II



- › A substantial majority of Canadians feel that the cost of housing in Canada is out of control.
- › 75% of Canadians expect rents to increase while nearly two-thirds think that house prices will also.
- › The percentage of Canadian renters paying over 30% of their gross income on rent has increased to nearly 70% (vs. 64% a year ago) and over 1 in five now spend more than 50%.
- › Less than 20% of people who do not currently own their home expect to buy within the next three years and the majority either have no plans to do so or are undecided.
- › Most mortgage holders have the mortgage falling due within the next 2 years and 20% within a year.
- › Canadian homeowners concern about their mortgage renewal has dropped significantly over the last year.
- › Roughly 50% of mortgage holders have 40% or more of their home's value on their mortgage and nearly a quarter have mortgaged 60% or more of their home's value.
- › Almost 8 in 10 Canadians say they will not list their home for sale in the next twelve months.
- › In marked contrast to renters less than half of homeowners spend more than 30% of their gross income on housing (vs. 70% for renters) and this has decreased from 54% a year ago (vs. renters where it has increased from 64%).

Direction of the Country

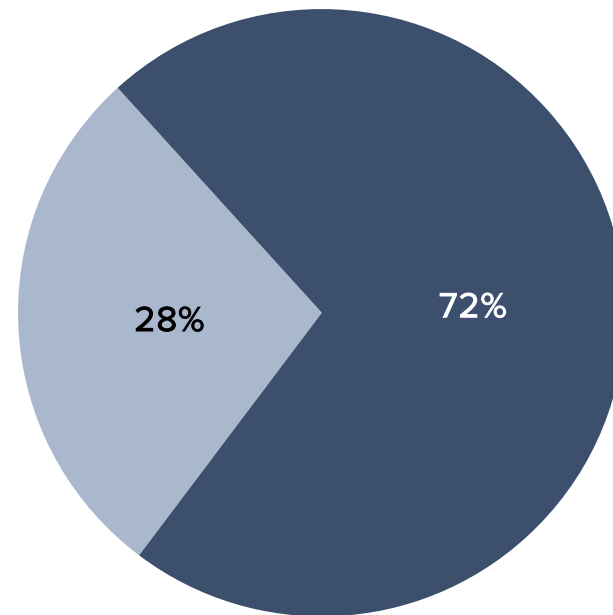
Slightly over 7 in 10 Canadians feel the country is going in the wrong direction. Only a little less than 3 in 10 think things are going in the right direction.

- › People 65 and older are most positive at almost 4 in 10 saying things are headed in the right direction.
- › People between 35-44 years of age are most negative with a little less than 2 in 10 saying things are going in the right direction.



All in all, do you think things in Canada are generally headed in the right direction, or do you feel things are going in the wrong direction?

■ Right direction ■ Wrong direction



Tracking Direction of the Country

Over the past three years, there has been a steady increase in the number of Canadians who say the country is moving in the wrong direction. Almost three-quarters of Canadians now say that it is headed in the wrong direction.

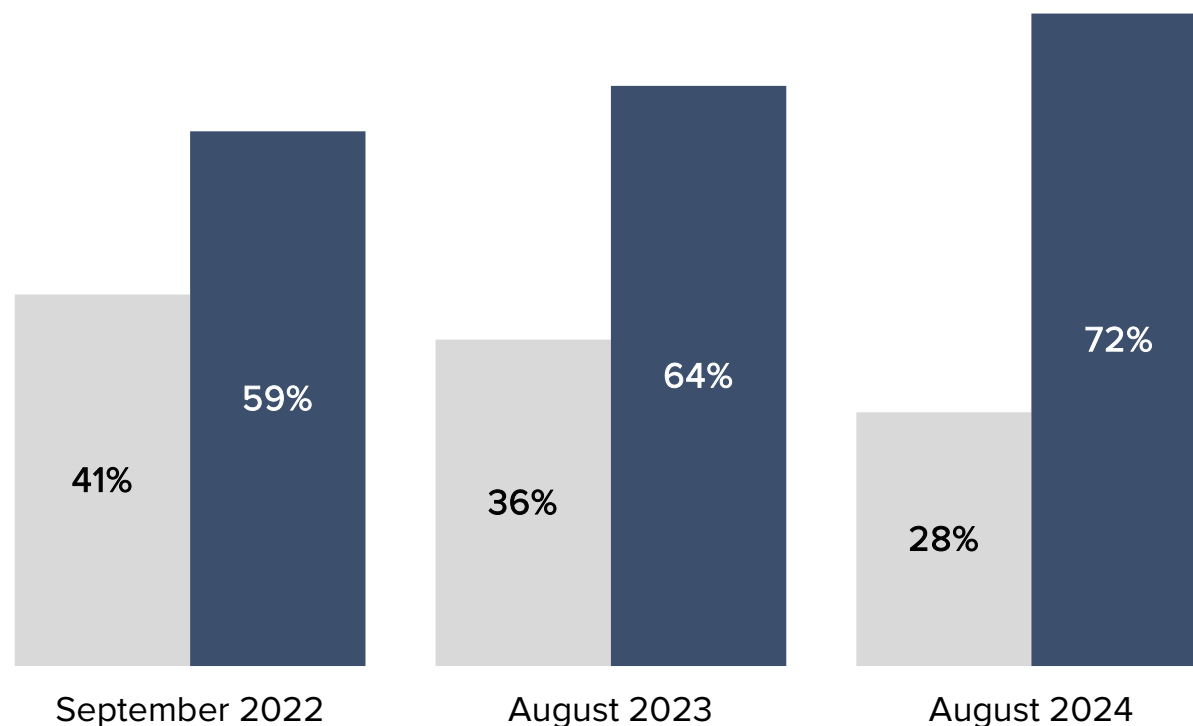
Housing costs appear to be driving this result. While we find no meaningful differences across income groups or homeowners vs. renters, those who are paying high housing costs are by far the most displeased with the state of the country.

- › Whether they are owners (88%) or renters (83%), the vast majority of Canadians paying 50% or more for their housing expense are unhappy with the direction of the country.
- › First time homebuyers (78%) and those with a mortgage (76%) are also quite unhappy (of course, these groups overlap with those paying high housing costs).



All in all, do you think things in Canada are generally headed in the right direction, or do you feel things are going in the wrong direction?

■ Right direction ■ Wrong direction



Canadian adults (Oct. 2022 n=1,838; Aug.23 n=1,618; Aug. 24 n=1,604)

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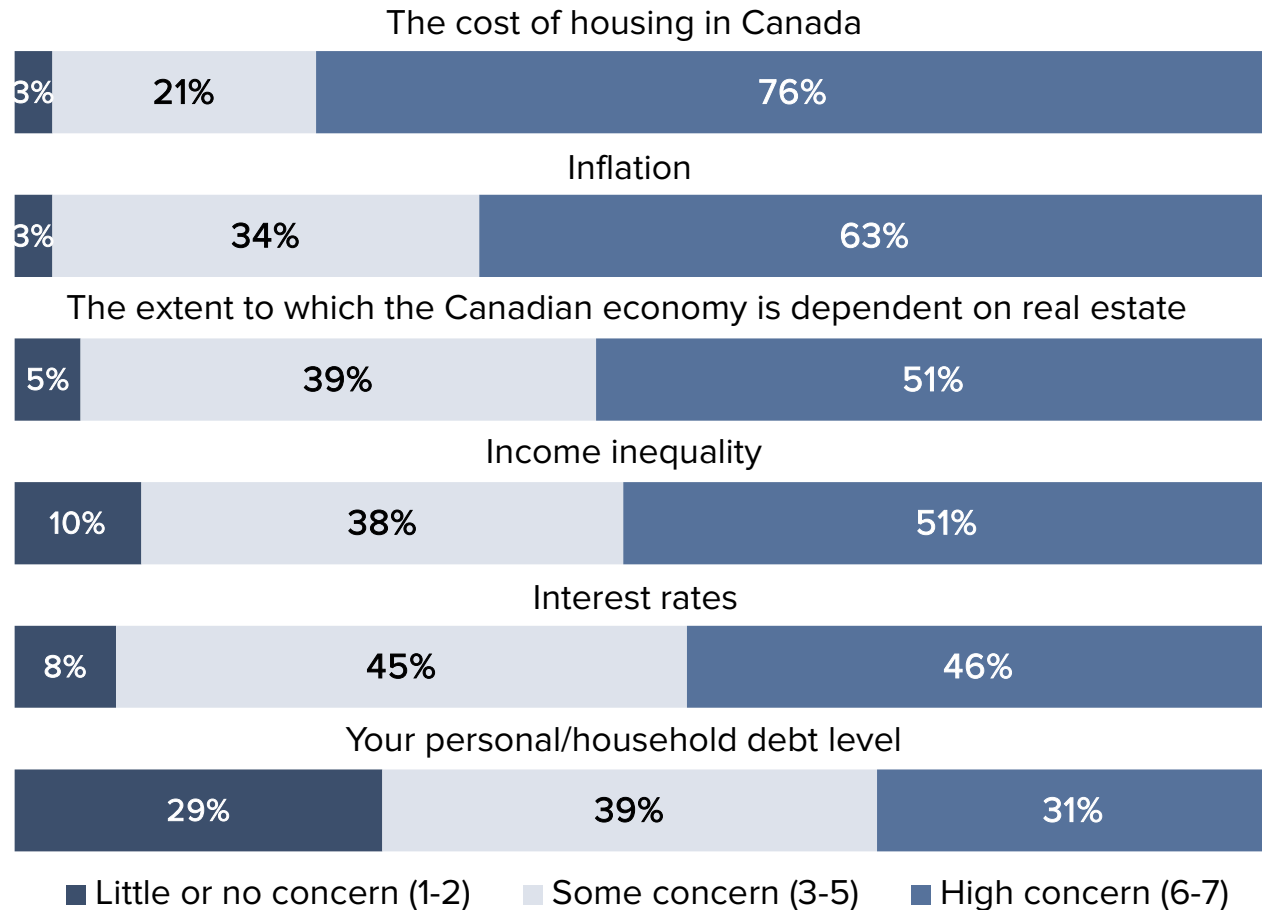
Canadians' Concerns

Canadians are most concerned about the cost of housing with just over 3 in 4 indicating this. Inflation is also a concern for a majority of the population with just over 6 in 10 saying so.

- › For the cost of housing those 35 and under are most concerned with just over 9 in 10 indicating a high concern.
- › Regarding inflation, people under 35 are most concerned (at almost 3 out of 4) while those 65 and over are least concerned (at just under 5 in 10).
- › The least concerning area for Canadians is personal/household debt with just 3 in 10 saying so. Again those 65+ show the least concern over this issue.



How concerned are you about each of the following?



Canadian adults (n=1,604)

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Health of the Canadian Economy

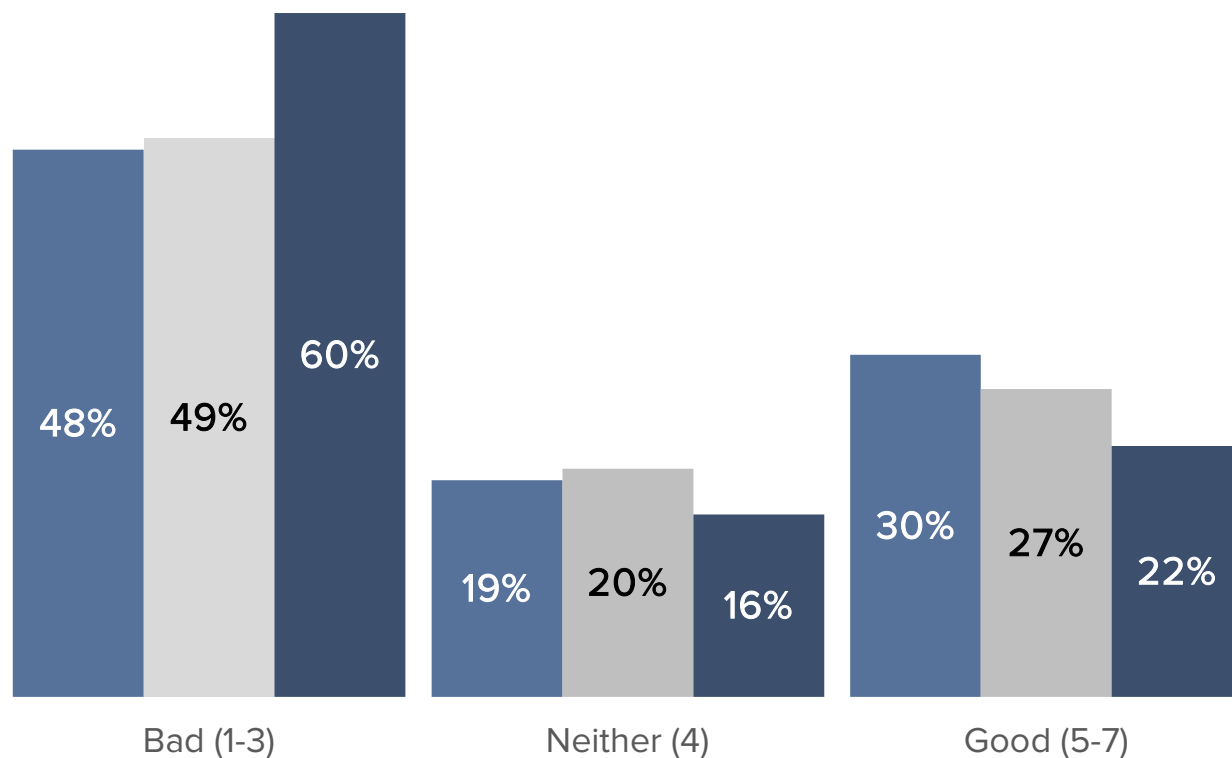
In 2022 and 2023 about half of Canadians felt the economy was in bad shape. By 2024 this had grown to 6 in 10.

- › There is a steady decline in the percentage of Canadians feeling good about the economy: From 30% (2022) to 27% (2023) to 22% (2024).



How would you rate the current health of the Canadian economy?

■ September 2022 ■ August 2023 ■ August 2024



Canadian adults (Sept. 22 n=1,007; Aug.23 n=1,618; Aug. 24 n=1,604)

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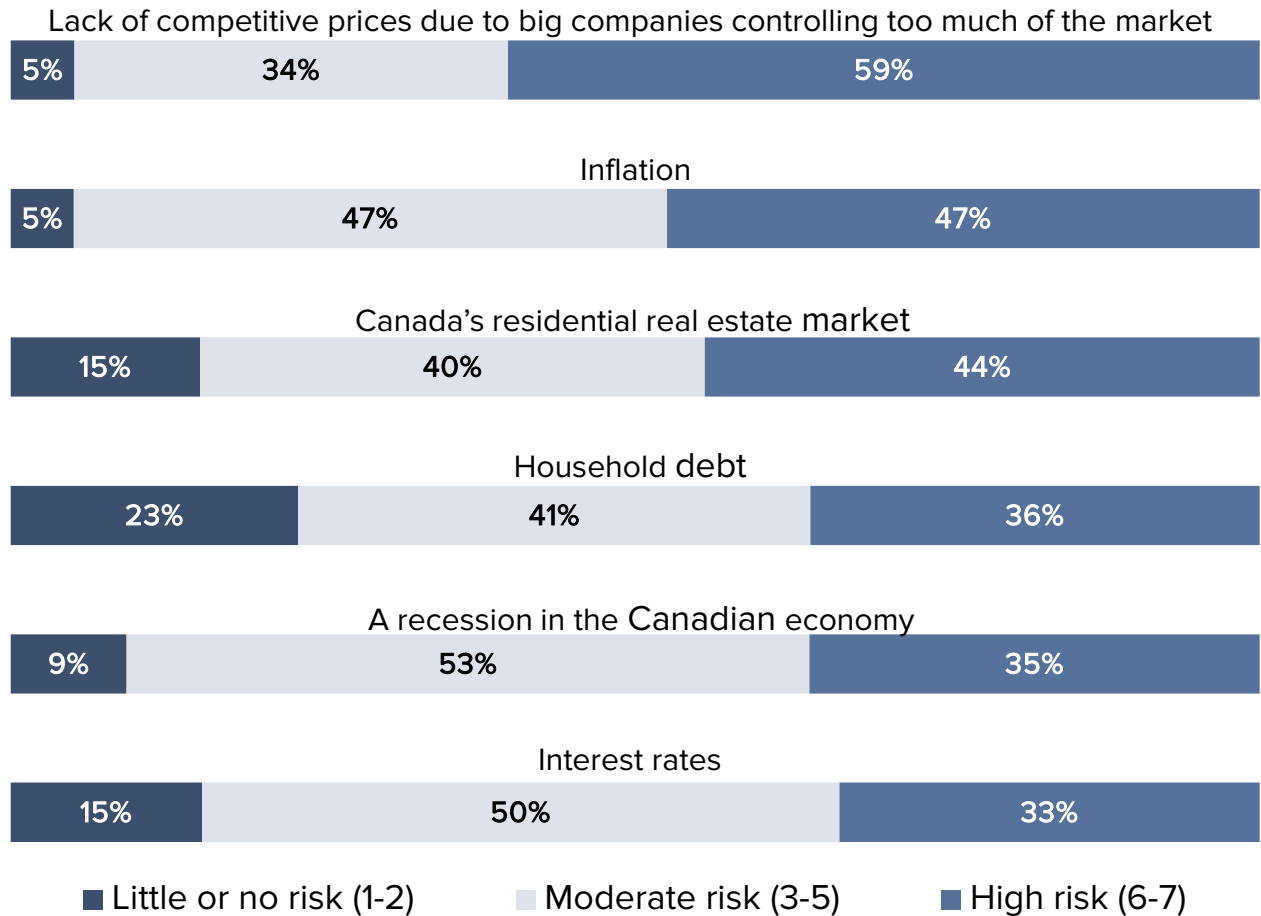
Risks to financial well-being over next 12 months

The lack of competitive pricing due to too little competition is seen as THE major risk to people's future financial well-being.

- › Inflation and the real estate market were seen as the next highest risks but not by a majority of Canadians.
- › Household debt, a potential recession, and interest rates were not seen as particularly high risks.



How would you rate each of the following in terms of risks to your financial well-being over the next 12 months?



Canadian adults (n=1,604)

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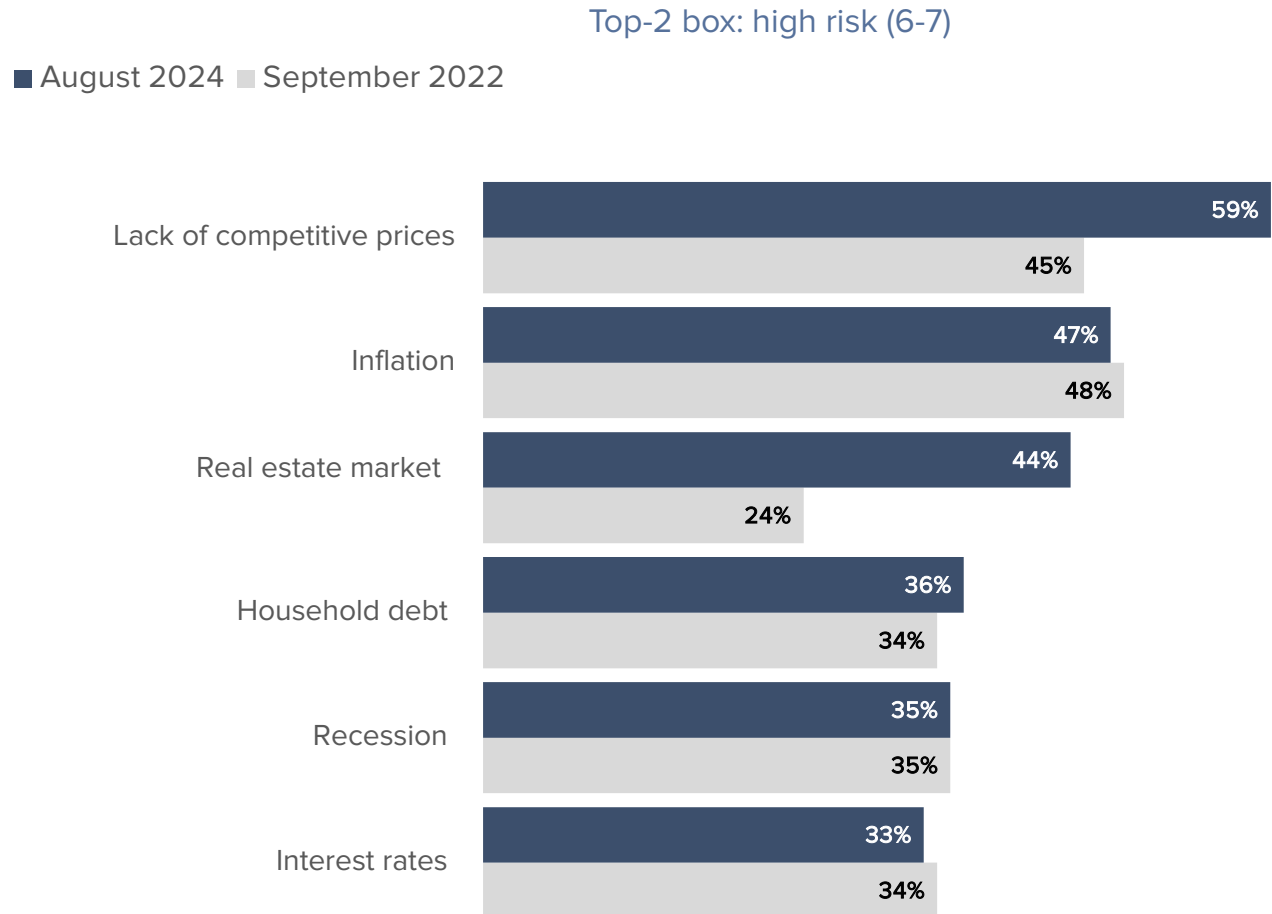
Tracking Risks to Financial Well-Being next 12 Months

The lack of competitive pricing is seen as a high risk by many more people than two years ago, so that it is now perceived as the biggest risk. More so than inflation.

- While inflation is still seen as a high risk by nearly 50% of Canadians, the real estate market is now seen as a high risk by almost the same number of people, nearly twice as many as two years ago.



How would you rate each of the following in terms of risks to your financial well-being over the next 12 months?



Canadian adults (September 2022 n=1,007; August 2024 n=1,604)

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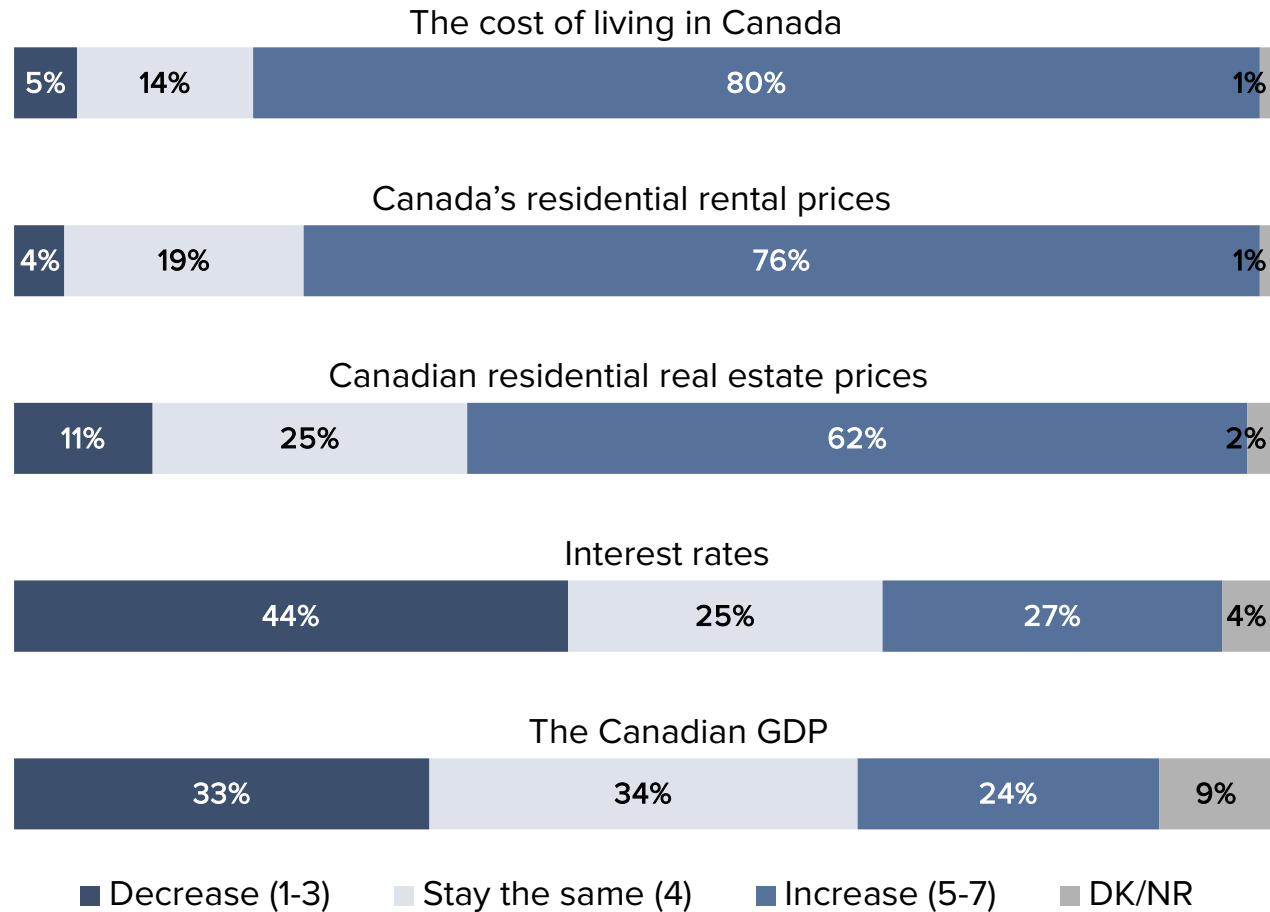
The next 12 months - what will Increase or Decrease

Over 75% of Canadians expect both the cost of living and rents to increase over the next 12 months.

- › Over 60% also expect real estate prices to increase
- › Interest rates are expected to decline by a plurality of Canadians as is the GDP.



In your opinion, do you think each of the following will increase or decrease over the next 12 months?



Canadian adults (n=1,604)

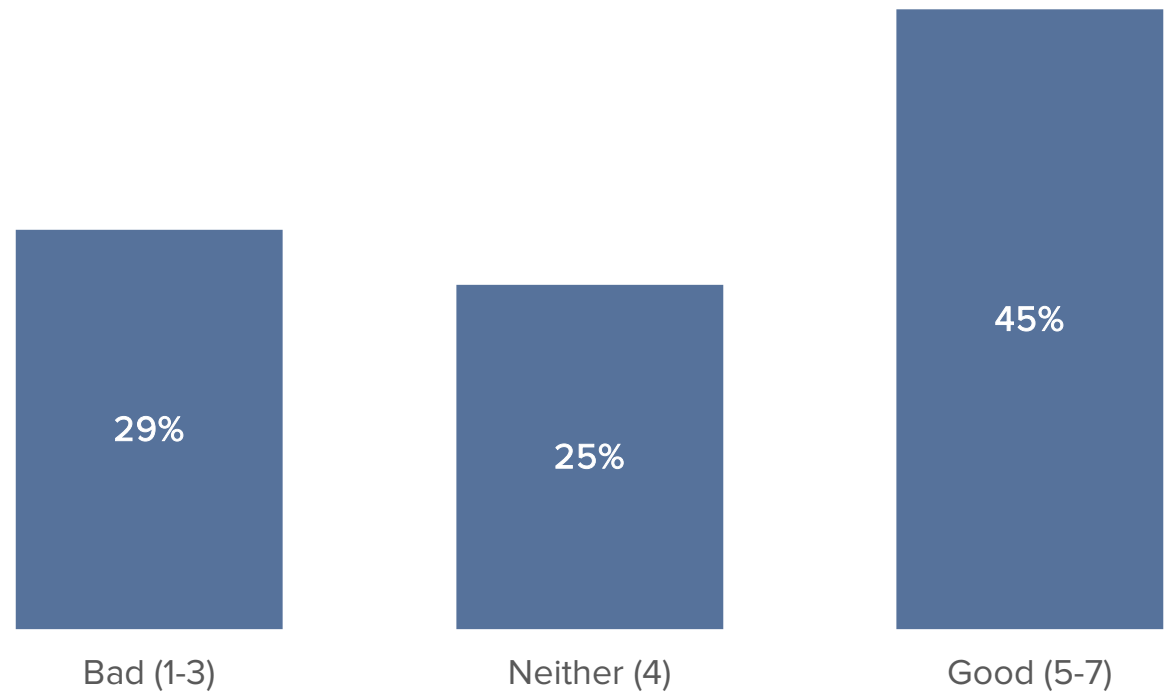
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Household Finances

Less than 50% of Canadians say their household finances are in good shape and nearly 30% say they are in a bad state.



How would you rate the current state of your household's finances?

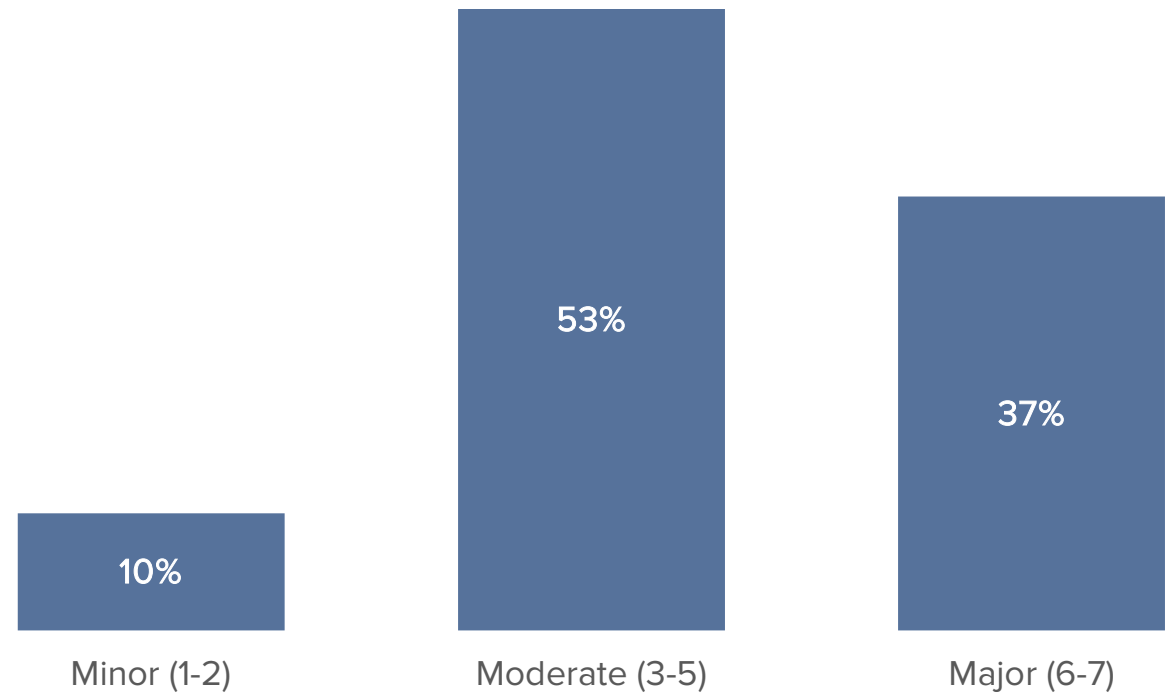


Cost of Living Impact

90% of Canadians feel that the cost of living is having a moderate or major negative impact on their household finances with over a third saying that the impact is major.



To what extent, if at all, has an increase in the cost of living over the past year had a negative impact your household's financial well being?

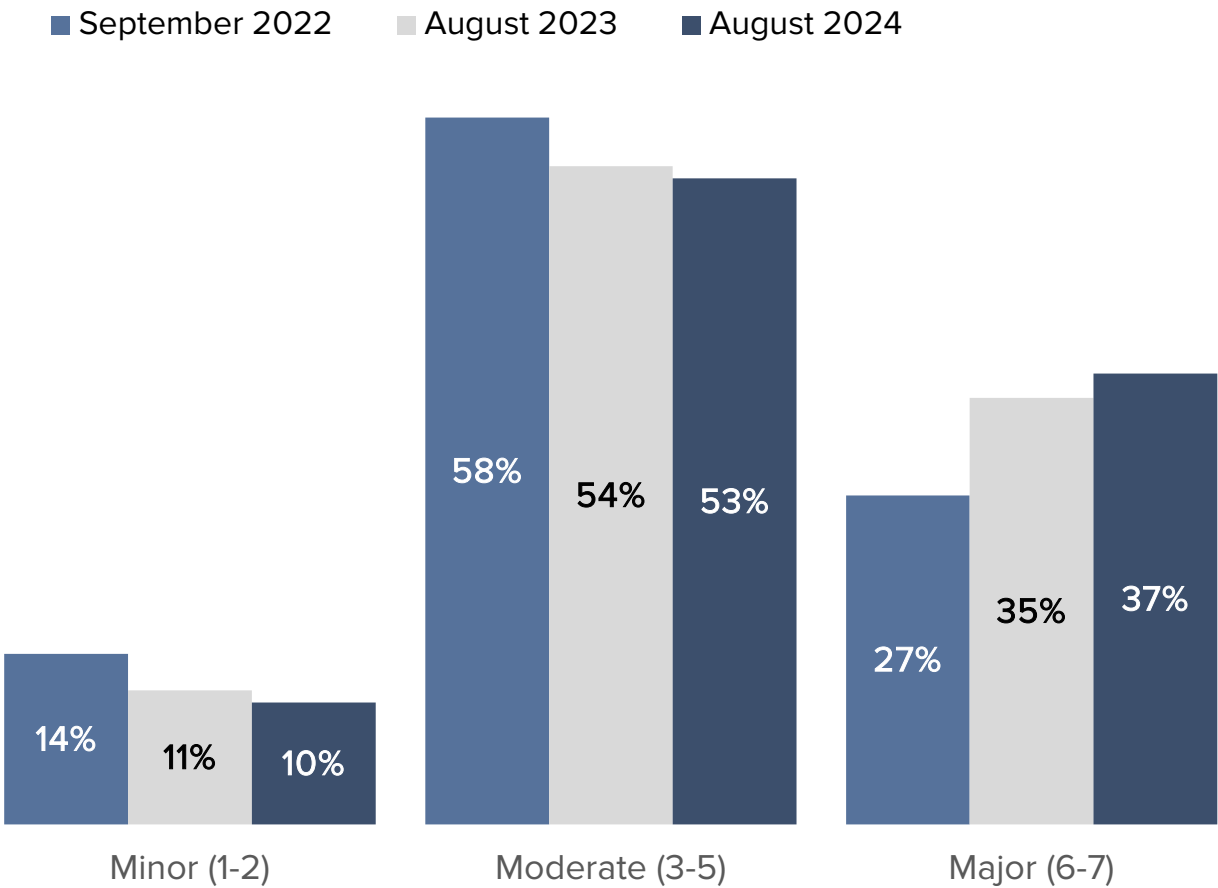


Tracking Cost of Living Impact

Over the past three years, the number of Canadians who feel that the cost of living is having a major impact has been steadily increasing, from 27% in 2022, to 35% in 2023, and up to 37% in 2024.



To what extent, if at all, has an increase in the cost of living over the past year had a negative impact your household's financial well being?



General Statements on the Canadian Experience

There is overwhelming agreement (nearly 90%) that house prices are still too high despite the recent slowdown.

- › In addition, over 75% of Canadians feel that it is getting harder to make ends meet.
- › And nearly 60% say that they cannot keep up with the cost of living.



How strongly do you agree or disagree with each of the following statements?

Despite the recent slowdown in the Canadian housing market, house prices are still too high



It's getting harder to make ends meet



I can't keep up with the cost of living



■ Disagree (1-3)

■ Neither (4)

■ Agree (5-7)

Canadian adults (n=1,604)

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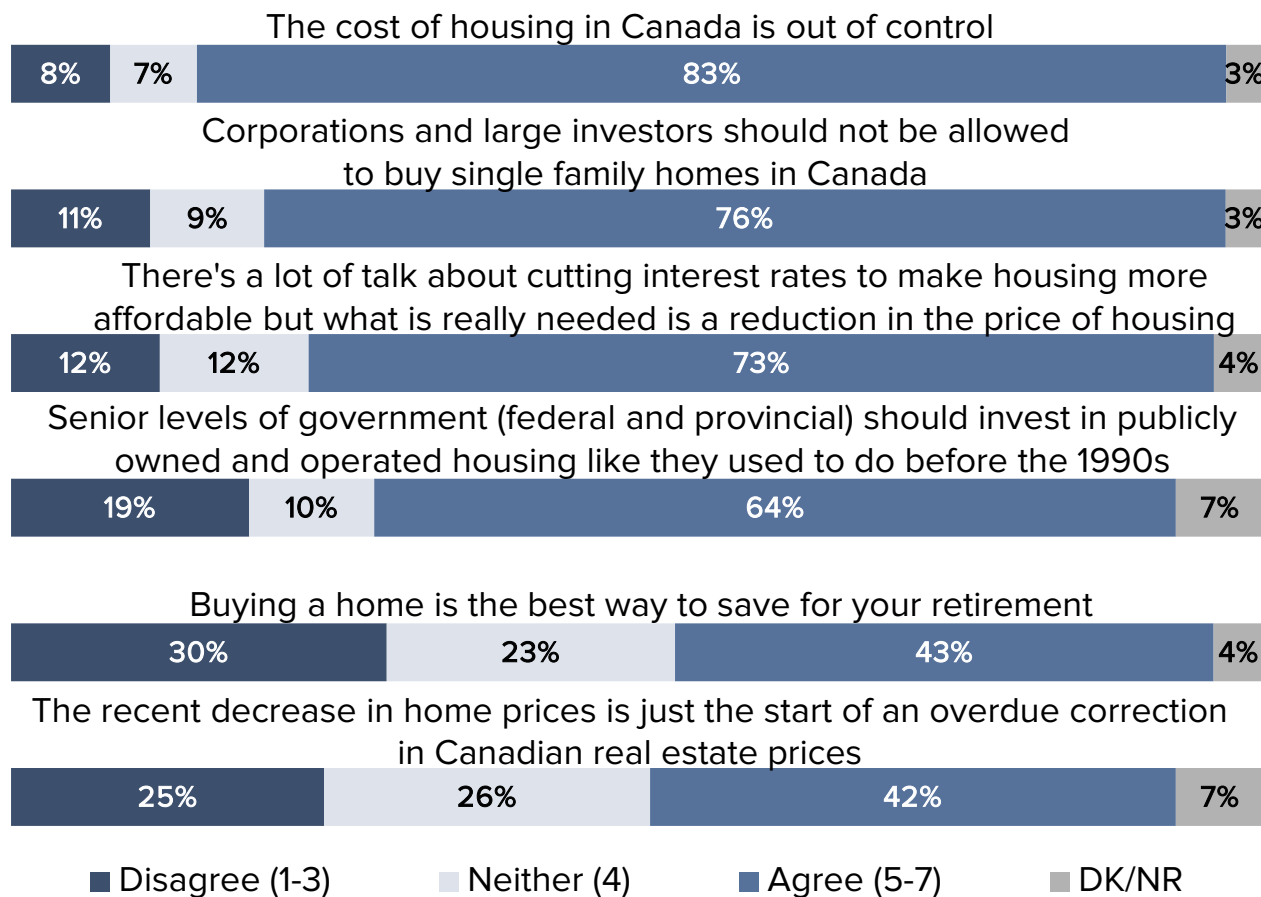
Housing Statements

A substantial majority of Canadians (over 80%) feel that the cost of housing in Canada is out of control. This is true across all regions.

- › About 75% of Canadians also think that large investors should not be allowed to buy single family homes and nearly two-thirds say that Government should own and operate housing.



How strongly do you agree or disagree with each of the following statements?



Canadian adults (n=1,604)

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Will Prices and Rents Increase or Decrease over Next 12 Months

75% of Canadians expect rents to increase while nearly two-thirds think that house prices will also.



In your view, do you think home prices and rents in your area will increase or decrease over the next 12 months?



■ Decrease (1-3)

■ Stay about the same (4)

■ Increase (5-7)

Canadian adults (n=1,604)

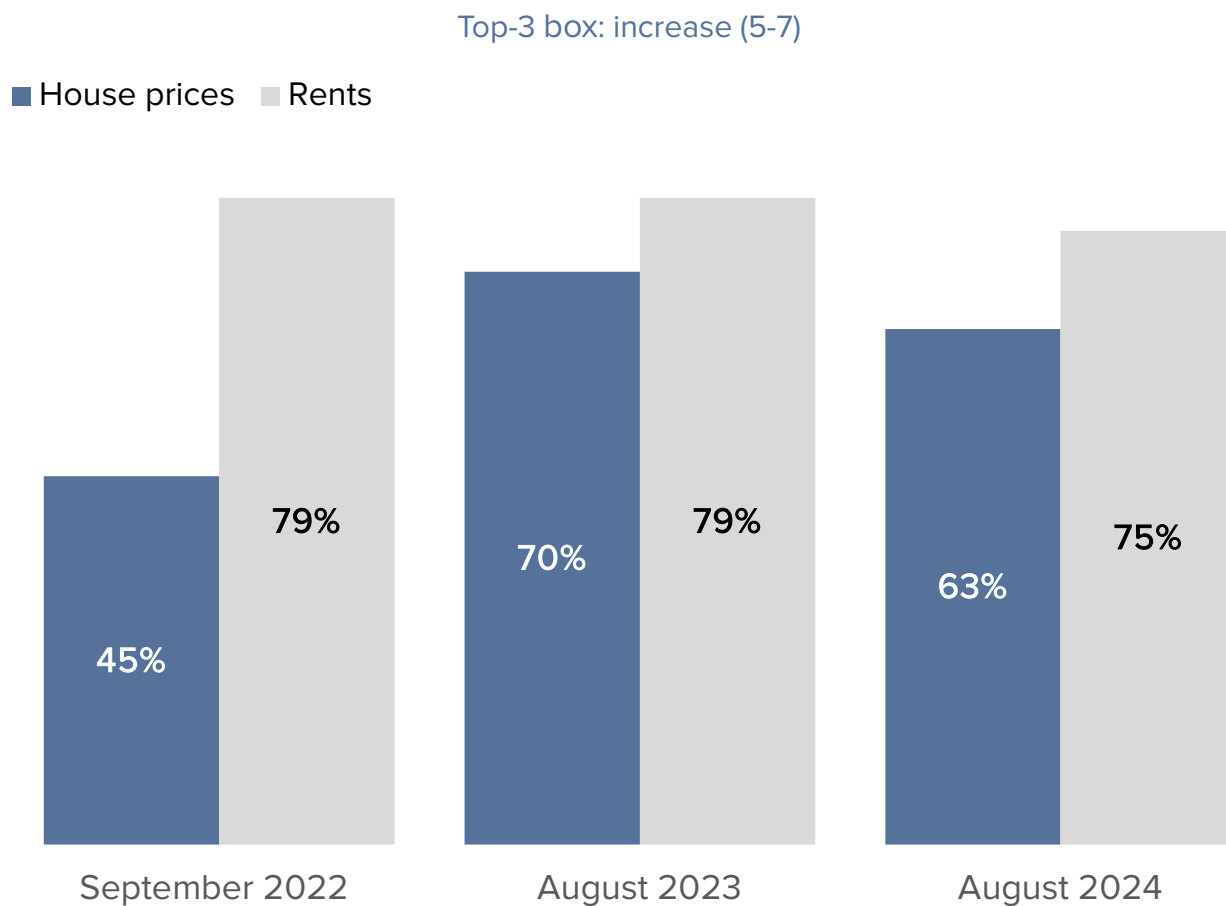
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Tracking Increase in House Prices and Rents

The expectation of increased rents and house prices is easing slightly.



In your view, do you think home prices and rents in your area will **increase** over the next 12 months?



Canadian adults (Sept. 22 n=1,007; Aug. 23 n=1,618; Aug. 24 n=1,604)

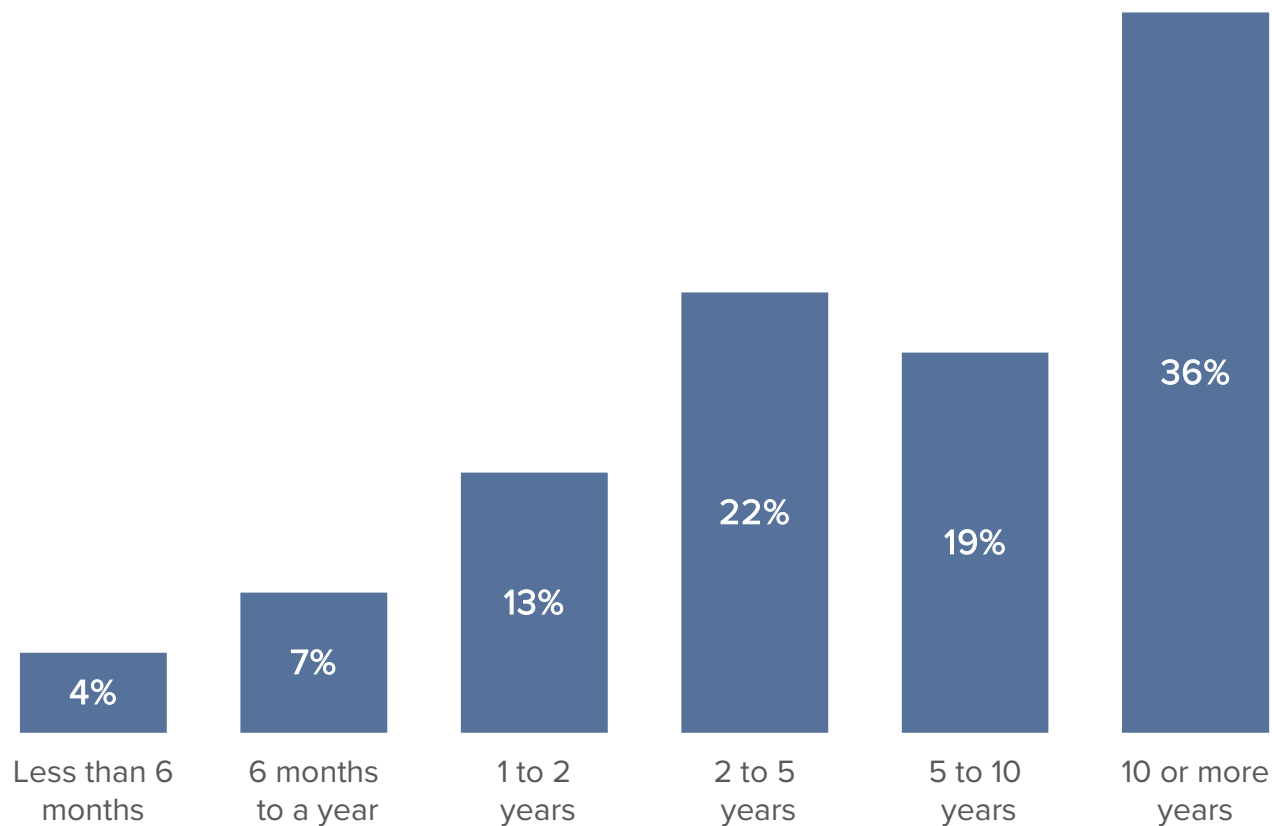
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How Long Lived in Current Residence

Most Canadians have lived in their current residence for 5 years or more and over a third for more than 10 years.



For about how long have you lived in your current residence?



Canadian adults (n=1,604)

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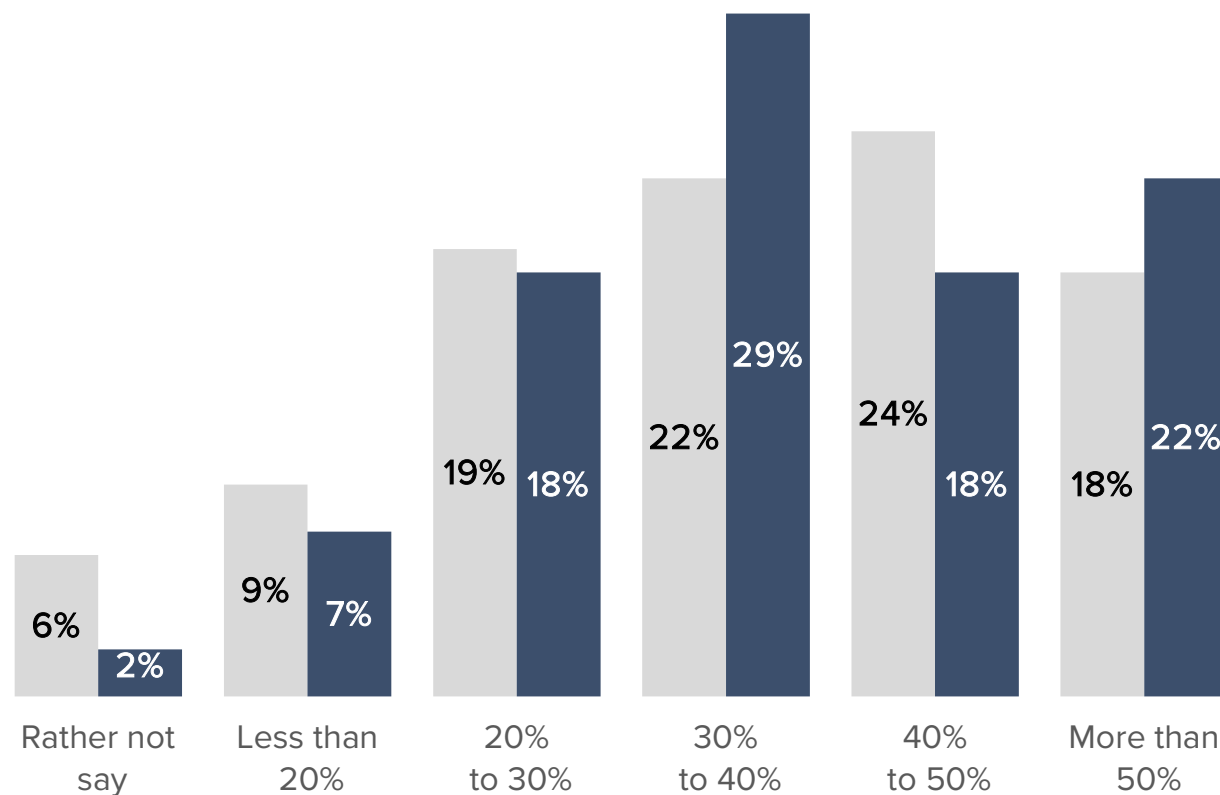
Percentage of Income on Rent

The percentage of Canadian renters paying over 30% of their gross income on rent has increased to nearly 70% (vs. 64% a year ago) and over 1 in five now spend more than 50%.



Approximately what percentage of your household's gross monthly income is spent on rent?

■ August 2023 ■ August 2024



Canadian renters (Aug. 2023 n=383 Aug. 2024 n=362)

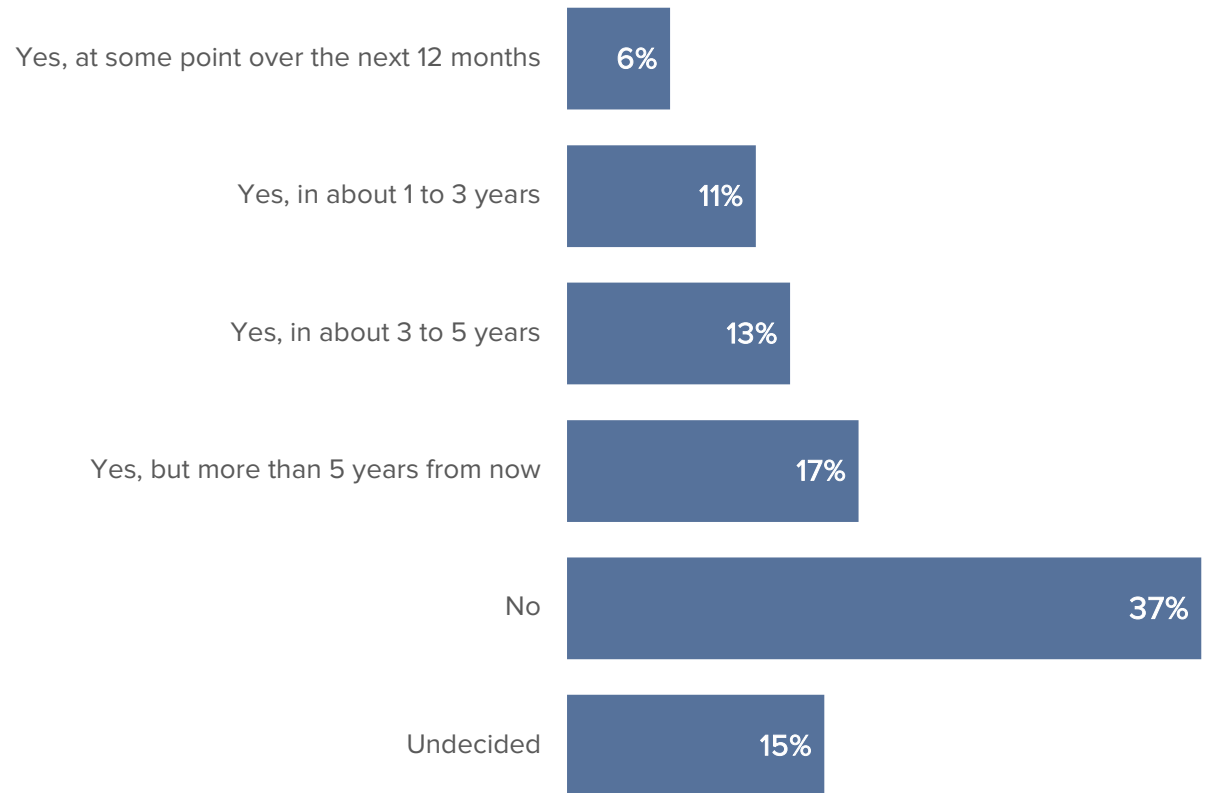
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Plans to Buy a Home

Less than 20% of people who do not currently own their home expect to buy within the next three years and the majority either have no plans to do so or are undecided.



Do you have any plans to buy a home in the future?

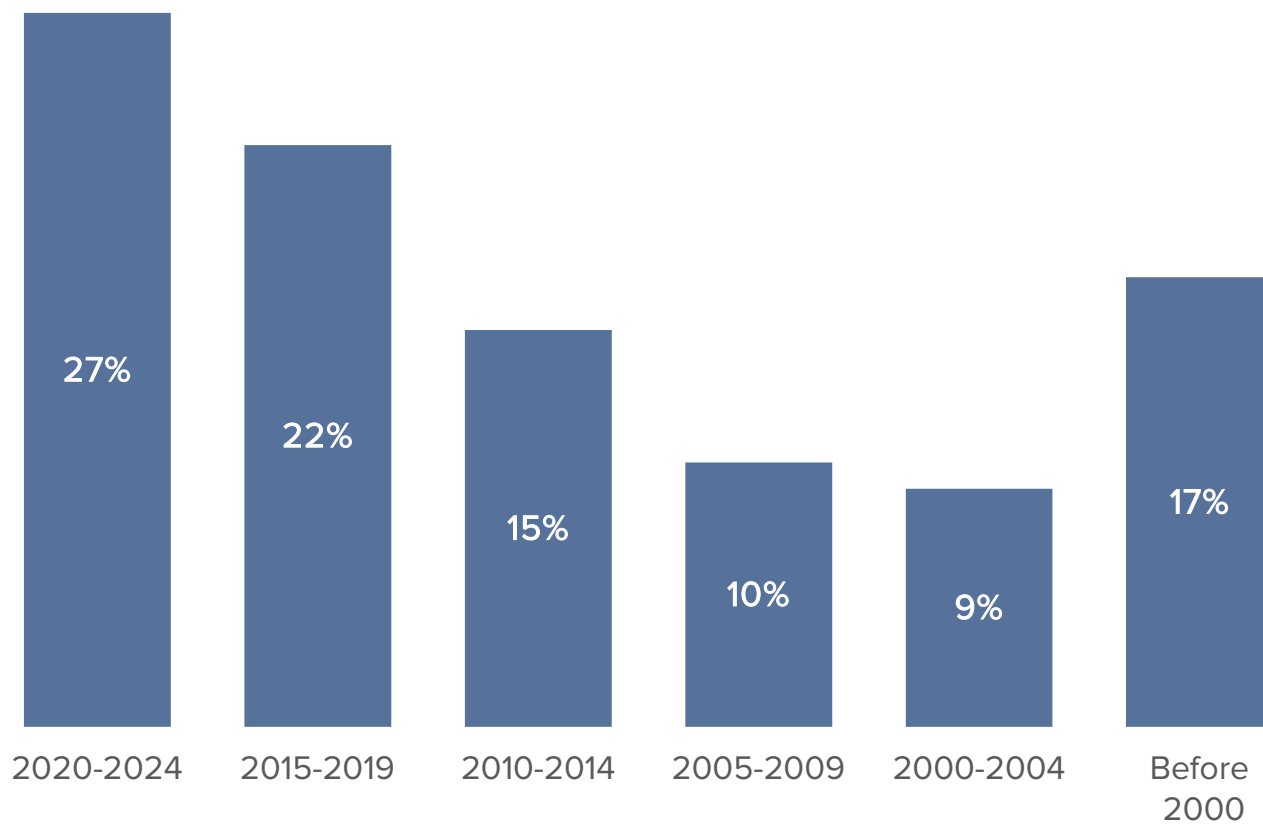


Year Range of Home Purchase

Among homeowners, almost half of current residences were purchased in the last 10 years.



In what year did you purchase your current residence?



Canadian homeowners (n=1,191)

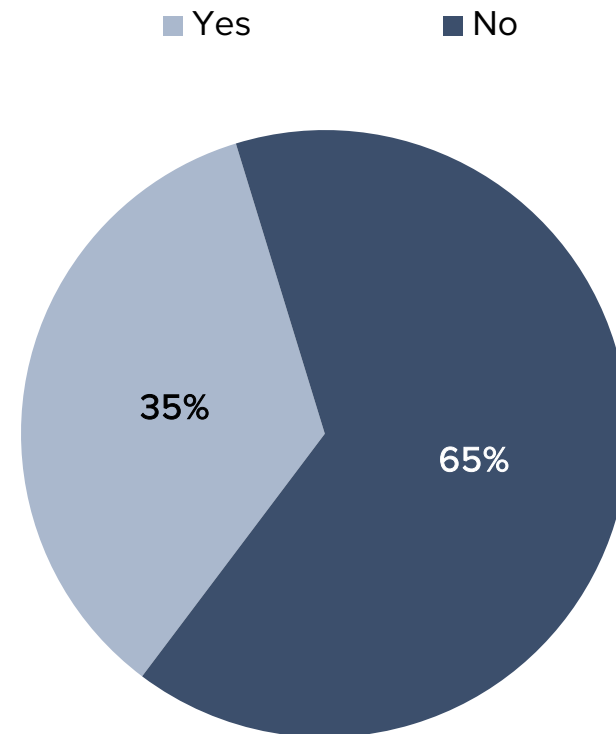
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First Home Purchase

About two thirds of Canadian homeowners indicated this was their first home purchase.



Was this your first home purchase?



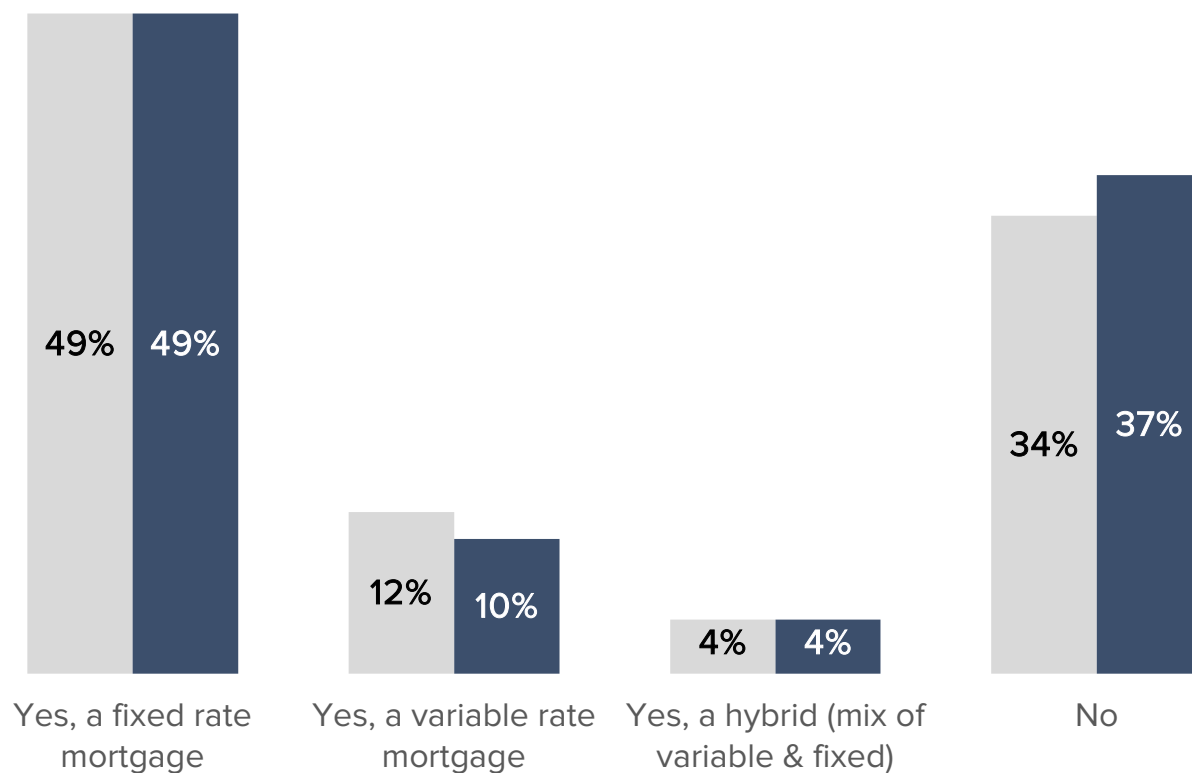
Type of Mortgage

Nearly 40% of homeowners do not have a mortgage and, among those who do, 75+% have a fixed rate mortgage.



Do you have a mortgage on your current residence?

■ August 2023 ■ August 2024



Canadian homeowners (Aug.23 n=1,181; Aug. 24 n=1,191)

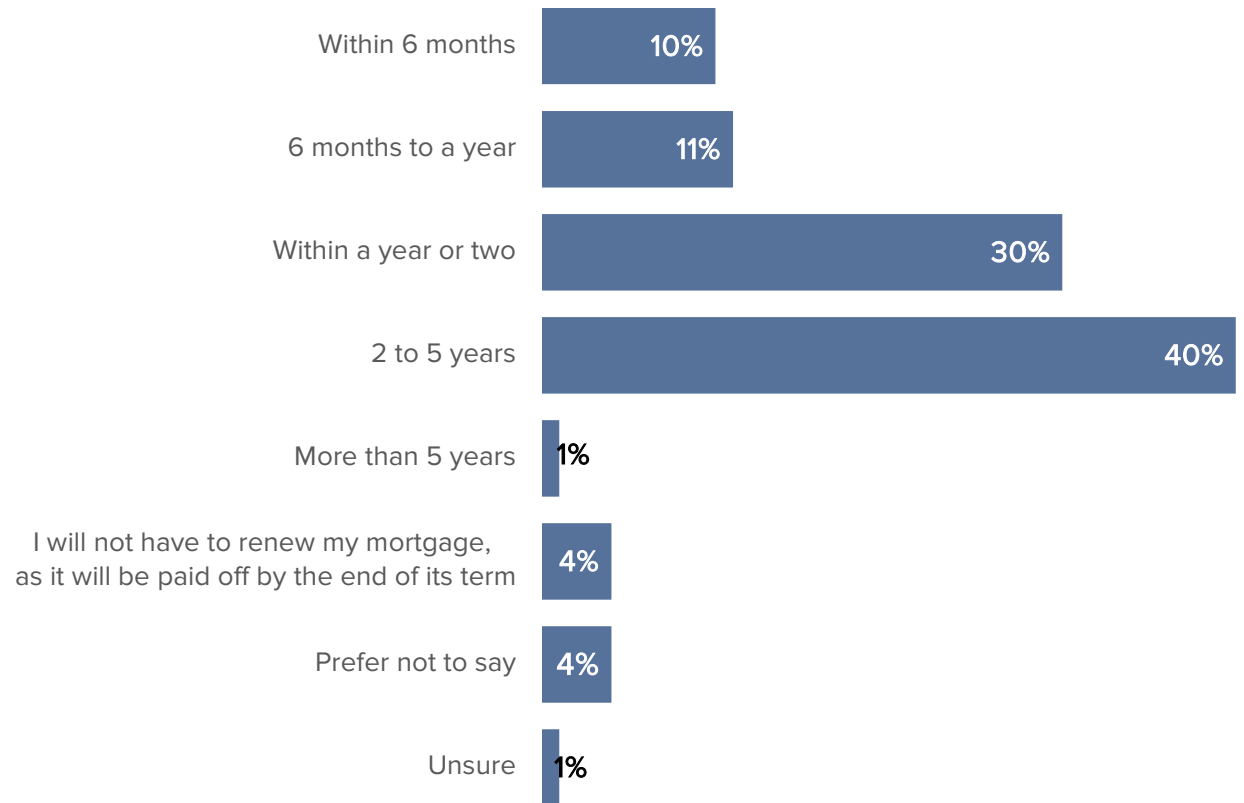
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When Mortgage Renewal is Due

Most mortgage holders have the mortgage falling due within the next 2 years and 20% within a year.



When will your mortgage be up for renewal?



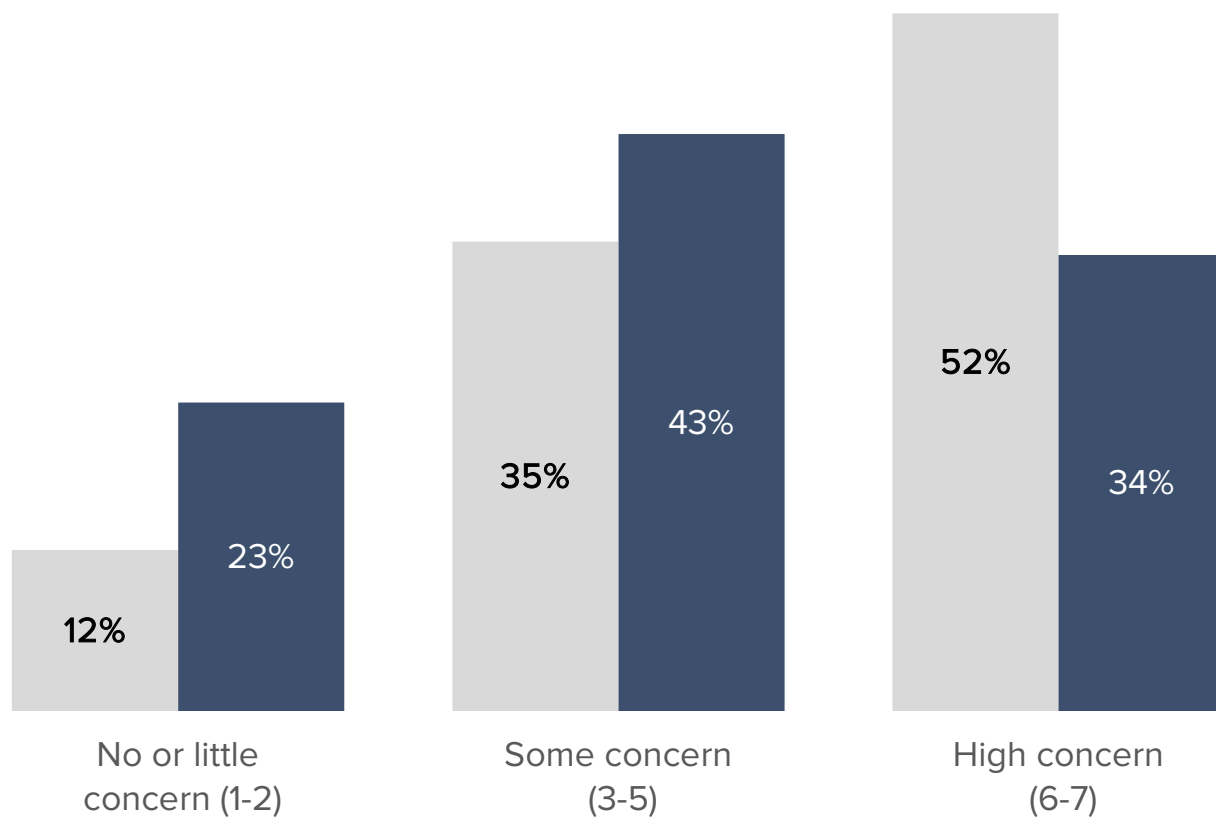
Mortgage Renewal Concern

Canadian homeowners concern about their mortgage renewal has dropped significantly over the last year.



How concerned are you about renewing your mortgage?

■ August 2023 ■ August 2024



Canadians with mortgage (August 2023 n= 746; August 2024 n=660)

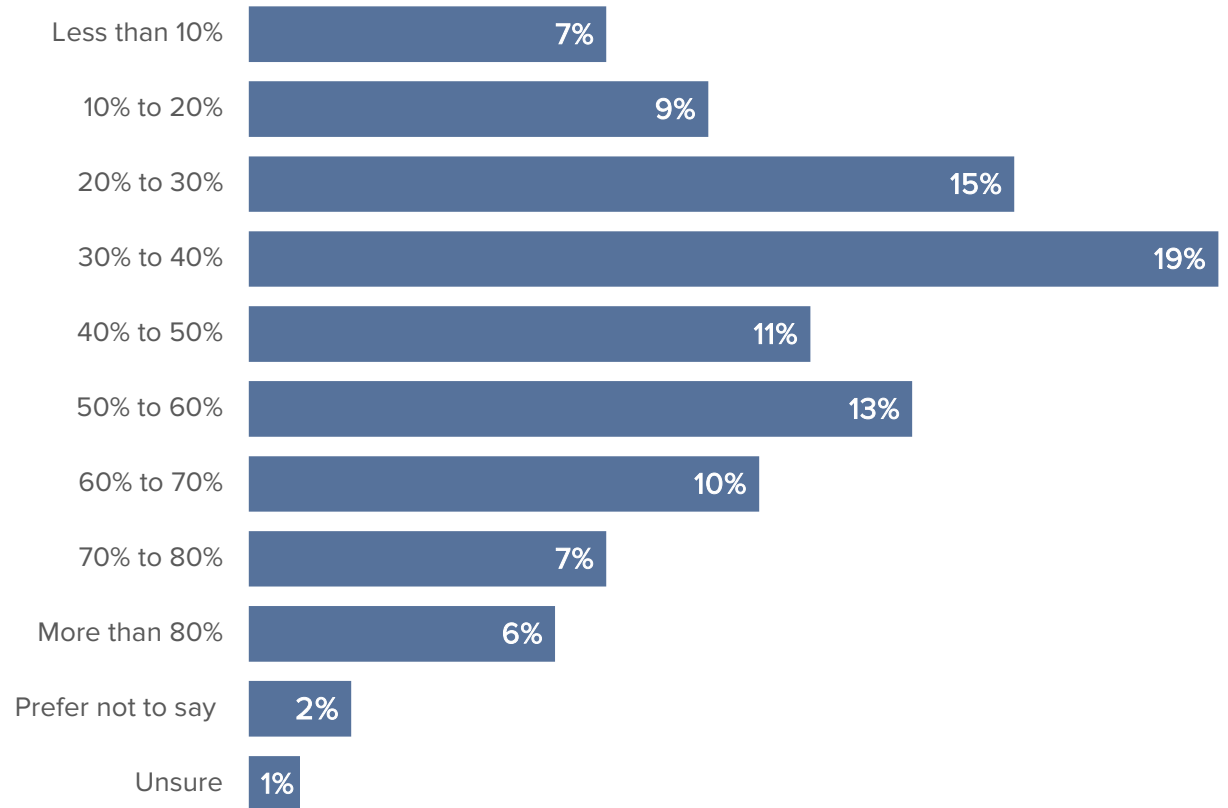
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Percentage of Value of Residence Amount Owing on Mortgage

Roughly 50% of mortgage holders have 40% or more of their home's value on their mortgage and nearly a quarter have mortgaged 60% or more of their home's value.



Approximately what percentage of the value of your current residence is the outstanding amount owing on your mortgage?

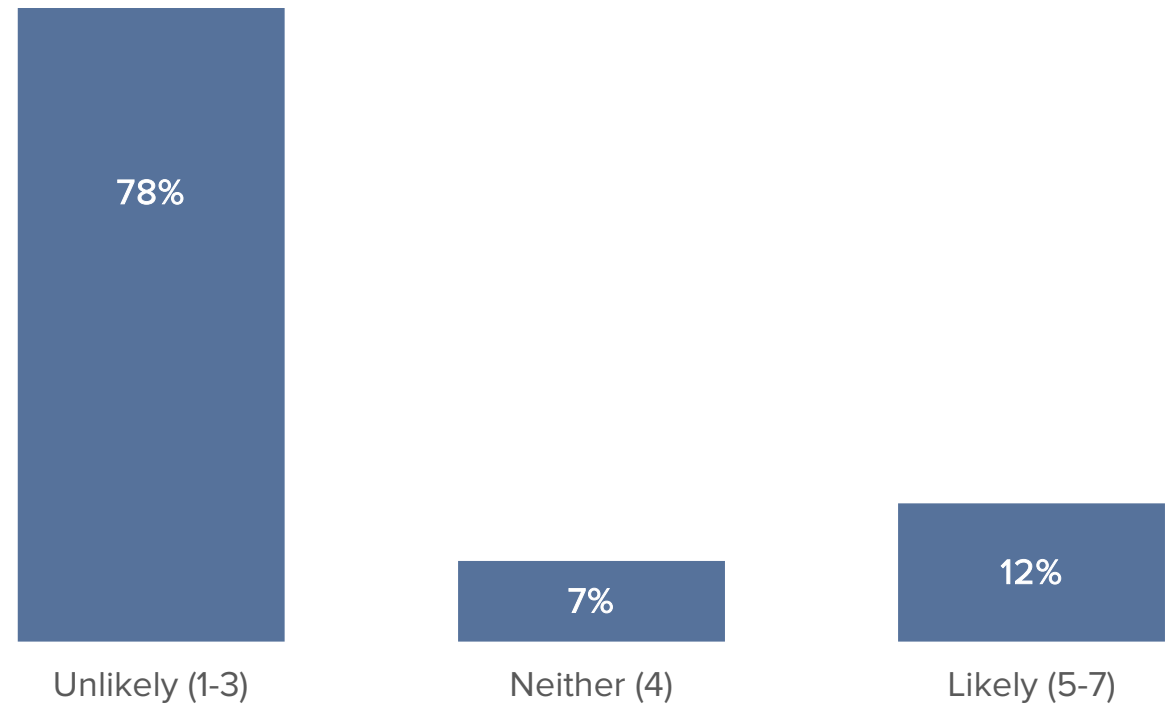


Sell in Next 12 Months?

Almost 8 in 10 Canadians say they will not list their home for sale in the next twelve months.



All things considered, how likely is it that you will list your home for sale within the next 12 months?



Canadian homeowners (n=1,191)

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Housing Statements

- › Seven out of ten Canadians believe the price of homes will increase over the next 10 years.
- › Half of Canadian homeowners say that they will ride out any downturn in real estate market even if takes 10 years.
- › Opinion is split on whether extending mortgage amortization periods beyond 25 years is a good way to make home ownership more affordable.
- › Nearly two-thirds disagree that rising mortgage rates do not worry them very much.



How strongly do you agree or disagree with each of the following statements?

The price of homes in Canada will continue to increase over the next 10 years, much like they have over the past 10 years



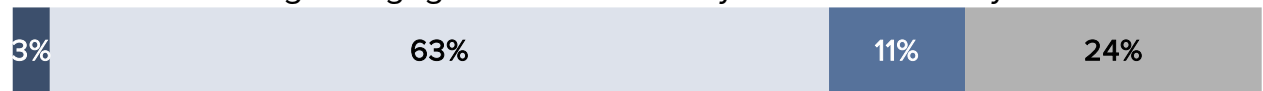
I am prepared to ride out any downturn in the real estate market, even if it takes 10 years*



Extending mortgage amortization periods beyond 25 years is a great way to make home ownership more affordable



Rising mortgage rates don't really concern me very much



■ DK/NR

■ Disagree (1-3)

■ Neither (4)

■ Agree (5-7)

Canadian adults (n=1,604) *Canadian homeowners (n=1,191)

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Percentage of Income on Housing Costs

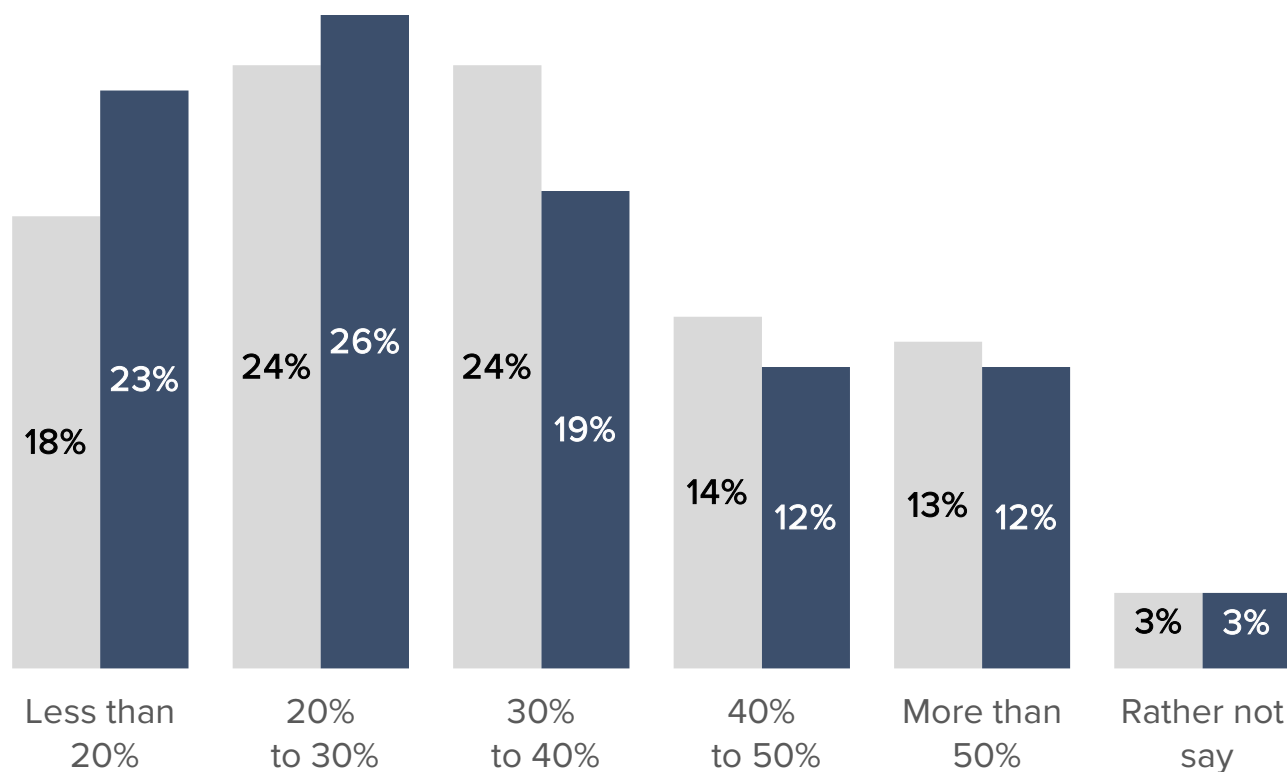
In marked contrast to renters less than half of homeowners spend more than 30% of their gross income on housing (vs. 70% for renters) and this has decreased from 54% a year ago (vs. renters where it has increased from 64%).

- › Still 15% of homeowners spend more than half their income on housing vs. 22% of renters.



Approximately what percentage of your household's gross monthly income is spent on housing costs?

■ August 2023 ■ August 2024



Canadian homeowners (August 2023 n=1,181; August 2024 n=1,191)

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Real answers from real people