

2024

HOMEOWNER TRENDS & FINANCIAL FITNESS STUDY



Key Themes:

- ① **Financial Fitness Index**
- ② **Home Ownership & Buyer Confidence Trends**
- ③ **Housing Affordability Solutions**
- ④ **Mortgage Ownership & Renewal Intentions**

Methodology & Respondent Profile

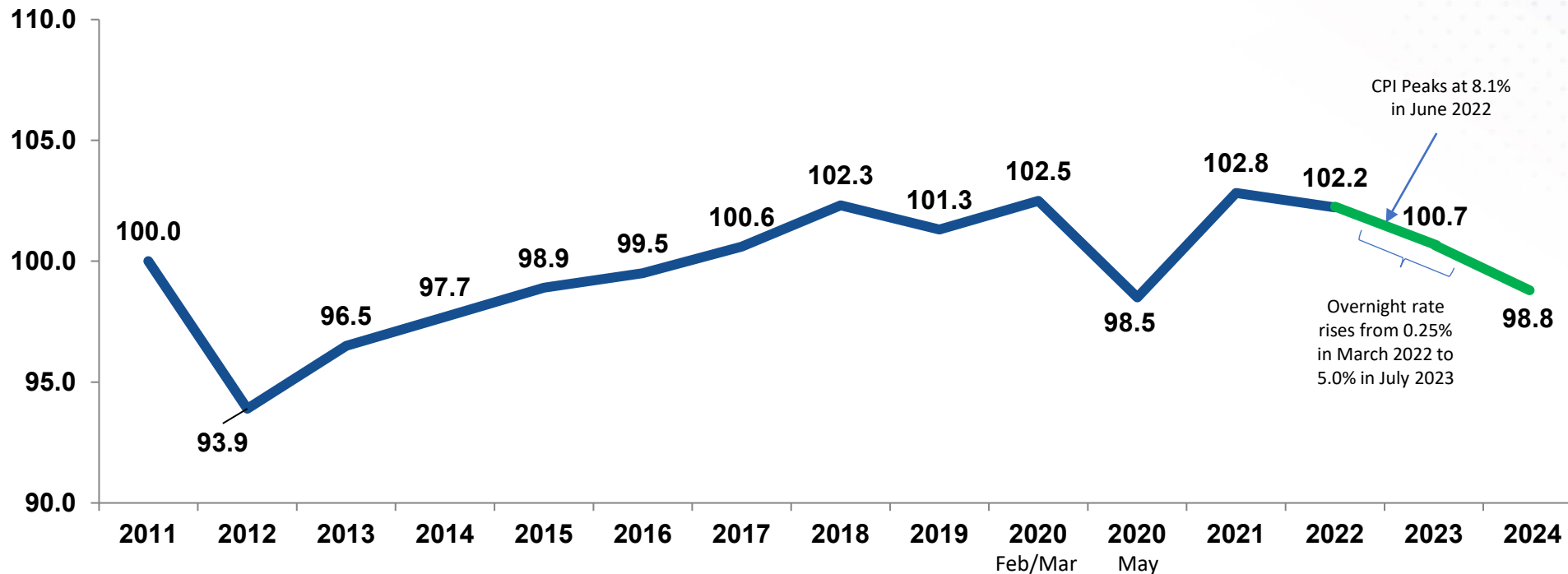
Methodology

- A total of 2,103 interviews were completed with Canadians aged 18+ using an online methodology.
- Interviewing was completed between March 1-7, 2024.
- Data weighting is applied by age, by gender and region, with a subsequent weighting to homeownership and mortgage ownership as reported by Statistics Canada's 2021 Census.
- Statistically significant differences vs. the total population and against 2023 data are highlighted. Due to rounding and the exclusion of minor don't know results, some charts may not add up to 100%.
- Throughout the report key differences are showed for the following groups:
 - **Recent Buyers:** Those who purchased their home in the last 24 months
 - **Future Intenders:** Those who plan to purchase a home in the next 24 months
 - **Renewing mortgage:** Those who plan to renew their mortgage in the next 1-5 years
 - **New mortgage intenders:** Those who plan to purchase a home in the next 24 months and anticipate needing a mortgage

Financial Fitness

Financial Fitness

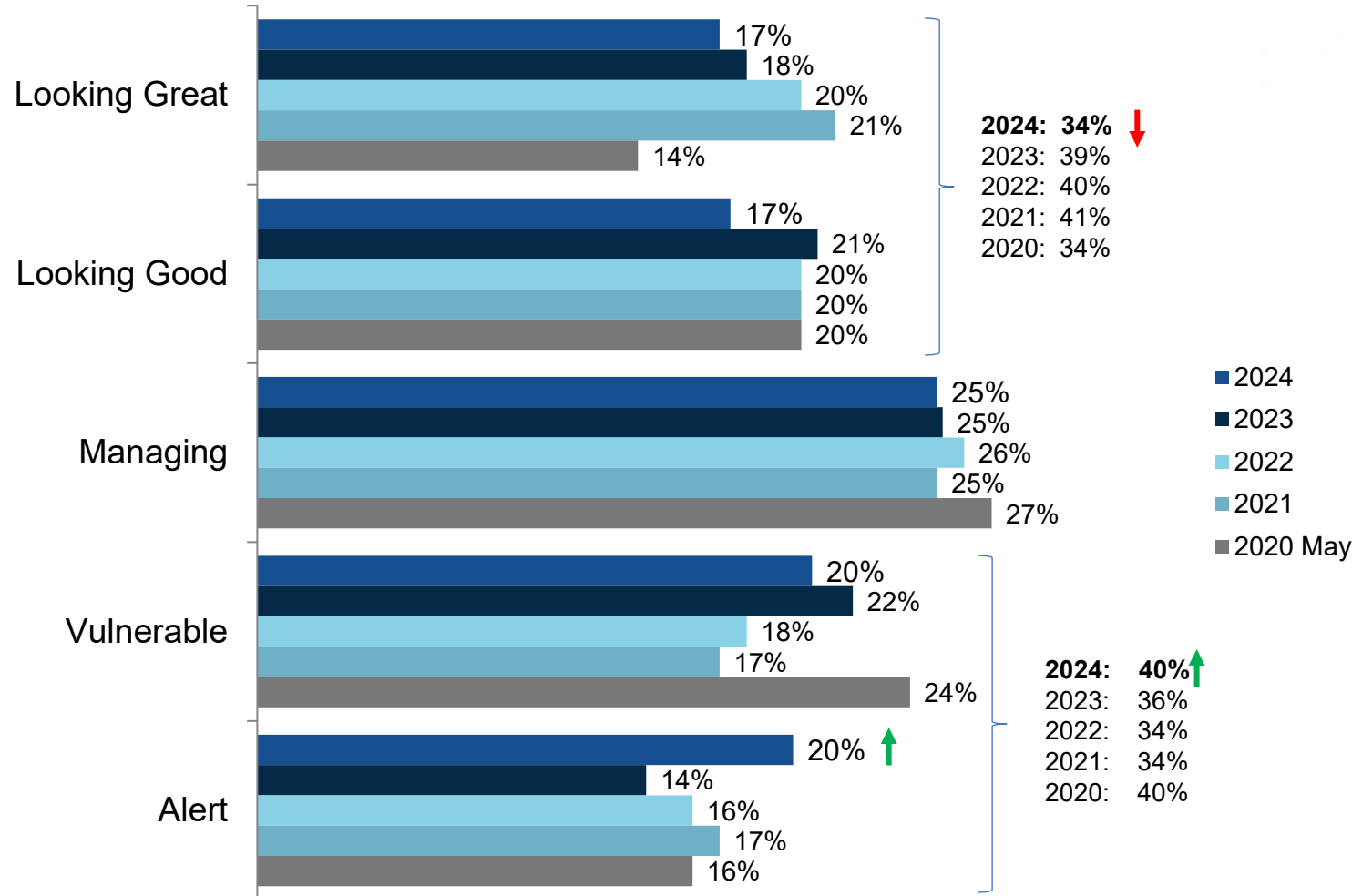
Set at 100 in 2011, the Financial Fitness Index initially declined but regained until 2020. The pandemic caused a sharp downward movement, but it would have been worse without government assistance. 2021 represents the highest Financial Fitness on record, with 2024 retreating almost to the levels in May 2020.



Canadian Association for Financial Empowerment



Growing concern as the proportion in the Alert segment rises significantly over 2023; 2023 had seen an increase in Vulnerable

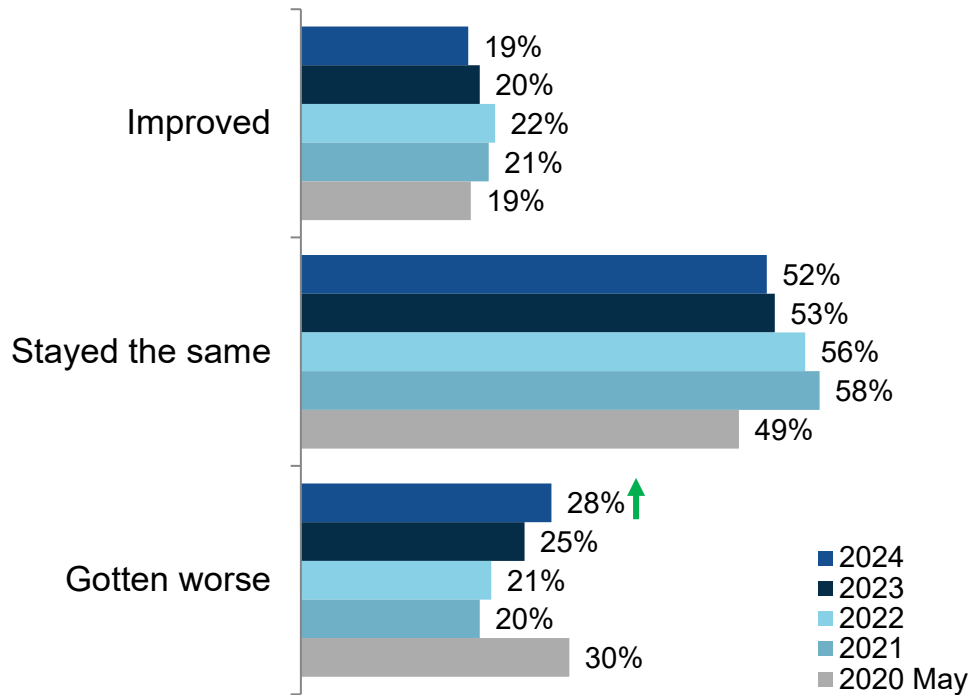


	Recent Buyers	Future Intenders
Looking Great	13%	14%
Looking Good	14%	18%
Managing	44%	31%
Vulnerable	21%	25%
Alert	8%	12%

 Significantly higher than average
 ↑ Significantly higher vs. 2023
 Significantly lower than average
 ↓ Significant lower vs. 2023

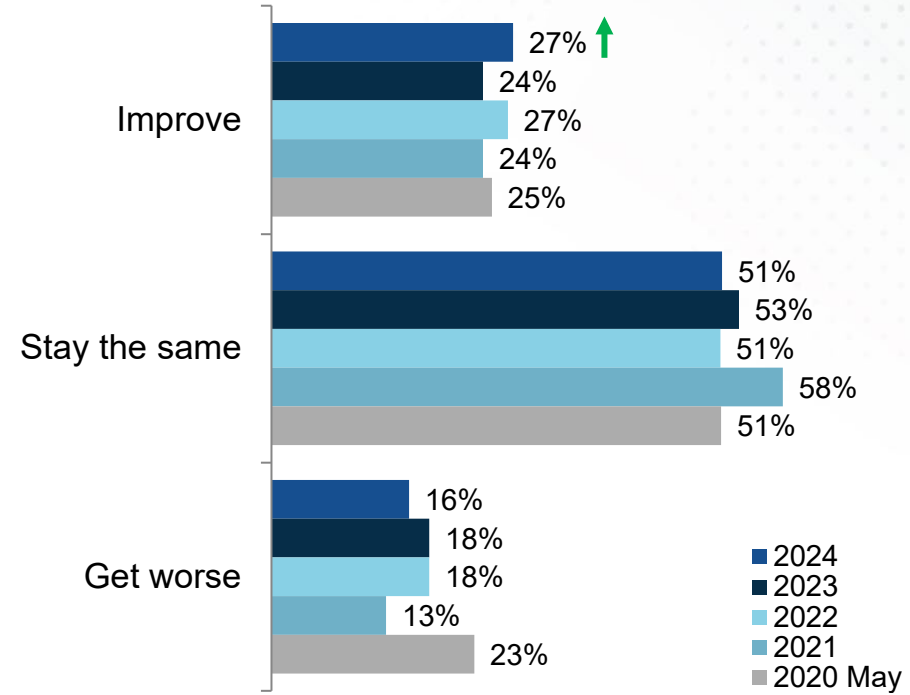
Significant rise in those feeling their situation worsened in the past 12 months, but also a significant rise in those anticipating improvement in the next 12 months

Financial situation past 12 months



	Recent Buyers	Future Intenders
Improved	24%	26%
Stayed the same	45%	53%
Gotten worse	31%	21%

Financial situation next 12 months



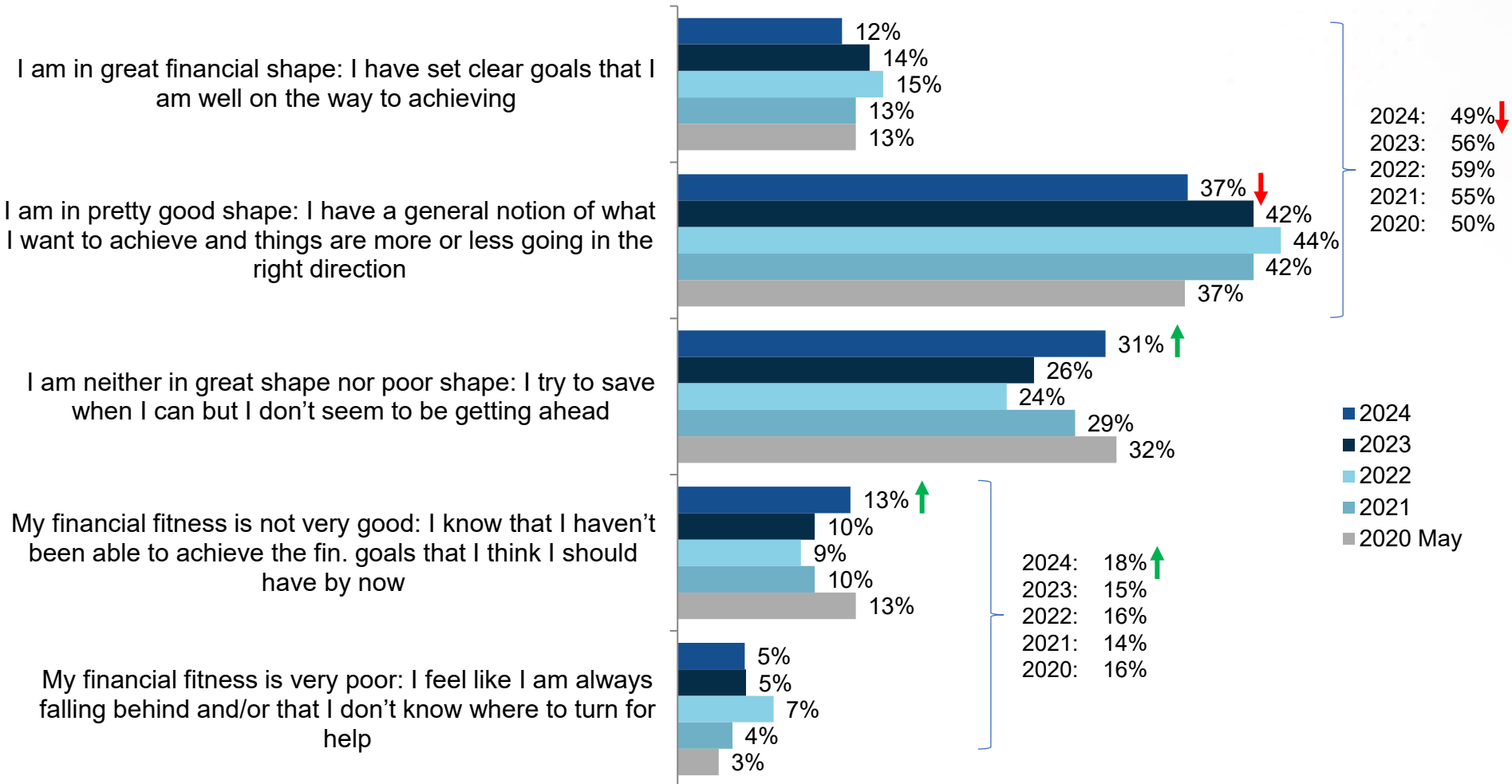
	Recent Buyers	Future Intenders
Improve	32%	42%
Stay the same	55%	38%
Get worse	8%	14%

○ Significantly higher than average
 □ Significantly lower than average

Q2. Compared to this time last year, has your financial situation...

Q2b. Thinking of the next 12 months, do you expect that your personal financial situation will...

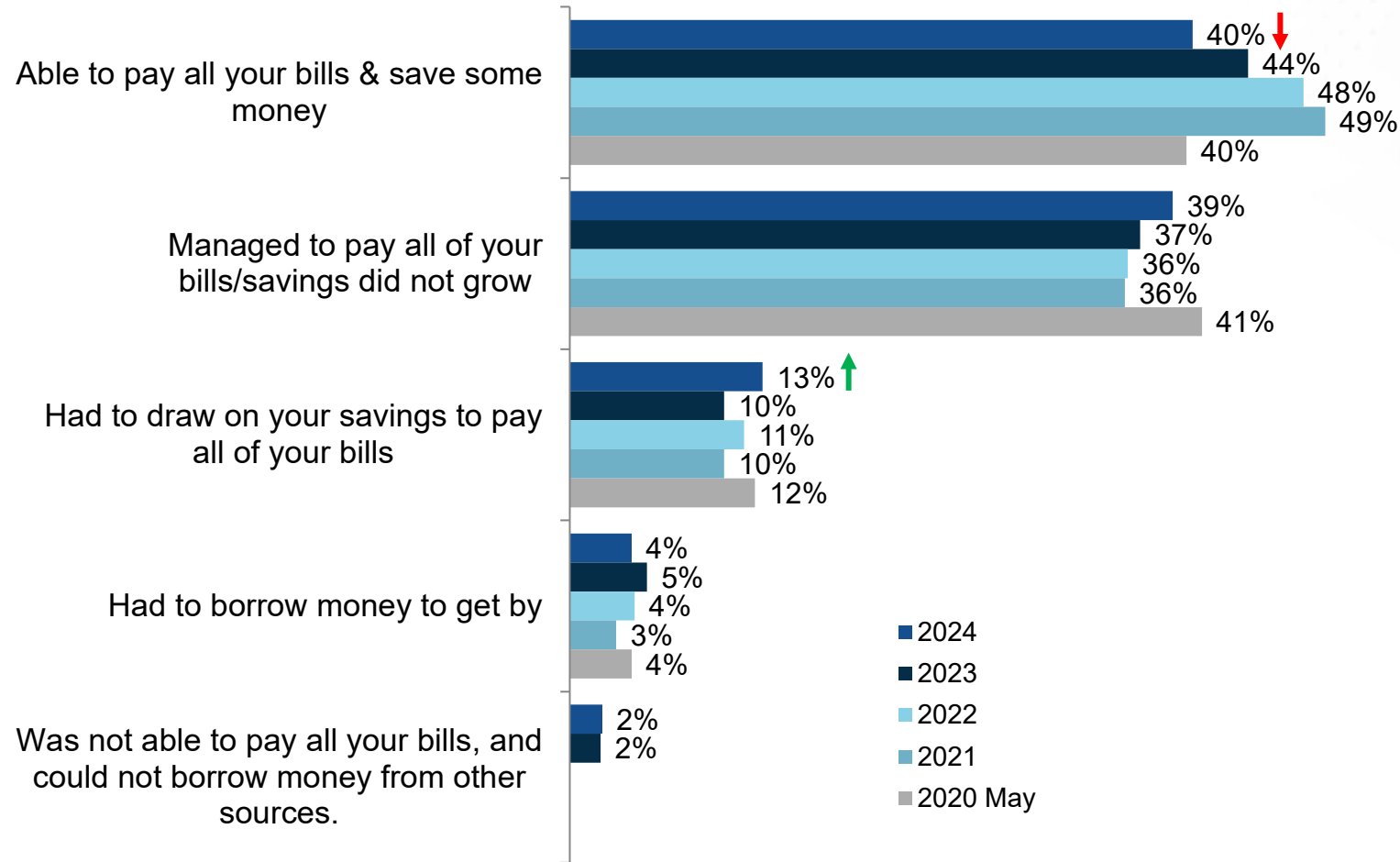
Since 2022, the proportion who feel they are in good/great shape has declined by 10%, reverting back to early pandemic days; most moving to the middle option



	Recent Buyers	Future Intenders
Great shape	10%	15%
Pretty good shape	41%	42%
Neither good/poor	36%	32%
Not very good	9%	7%
Very poor	2%	3%

Q1. Which of the following best describes your financial fitness?

Continued decline in perceptions of being able to pay bills and save; but most are making ends meet

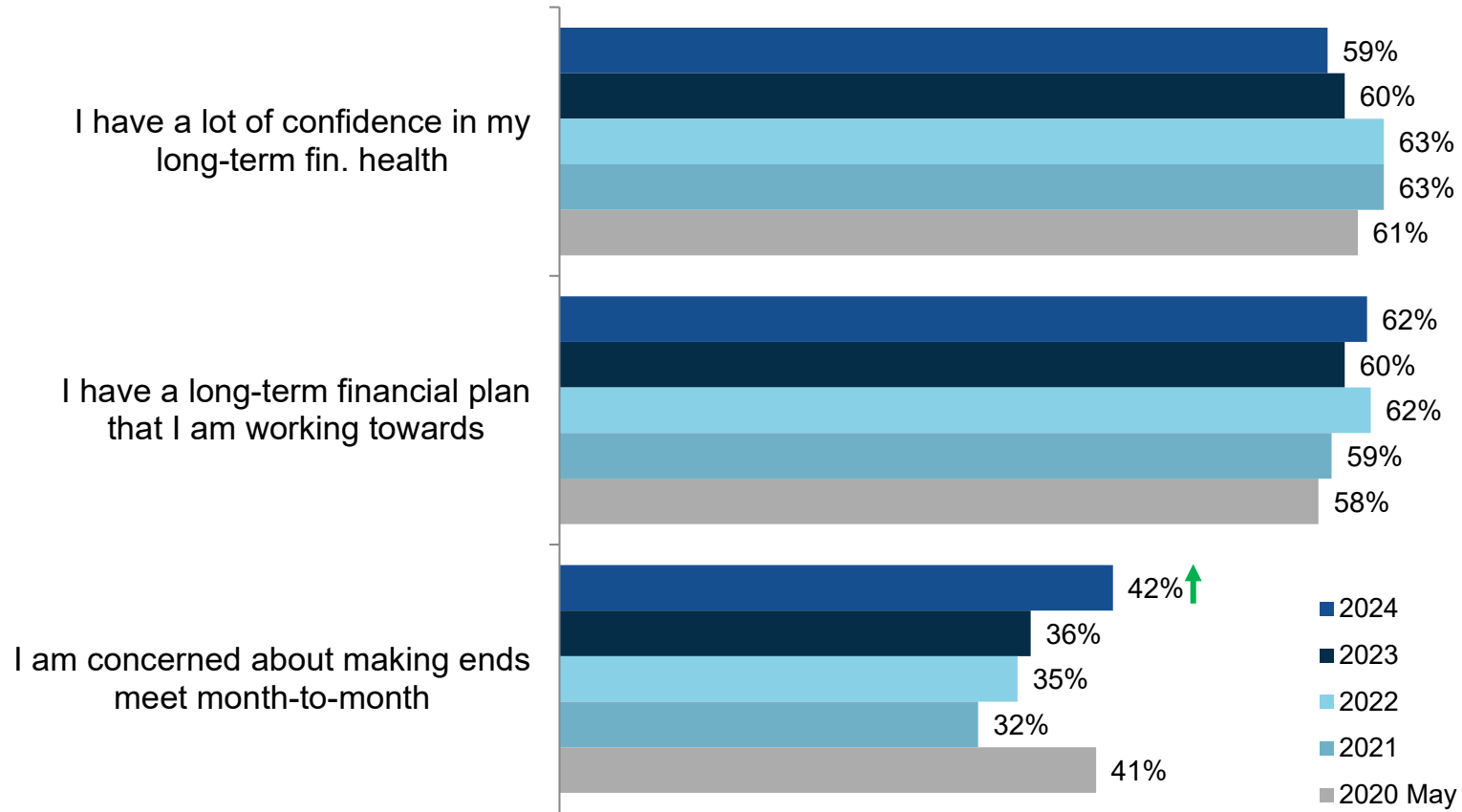


	Recent Buyers	Future Intenders
Able to pay bills/save	42%	39%
Pay bills/savings did not grow	46%	41%
Draw down savings to pay bills	8%	15%
Borrow to get by	4%	3%
Not able to pay/not able to borrow	0%	1%

↑ Significantly higher vs. 2023
↓ Significant lower vs. 2023

Q3. Thinking of your financial situation over the past year, which of the following most accurately reflects your situation:

While long-term confidence changes little, the proportion of those concerned about making ends meet continues to rise from the lows observed in 2021



	Recent Buyers	Future Intenders
Confidence in LT financial health	66%	68%
Have LT financial plan	76%	73%
Concerned about making ends meet	49%	51%

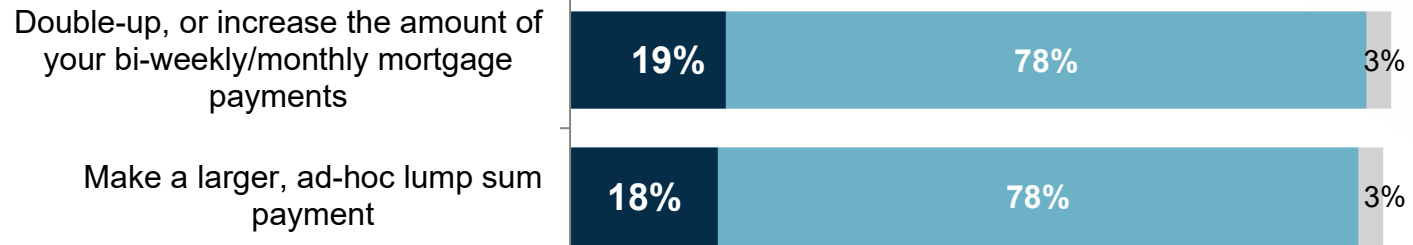
○ Significantly higher than average
 □ Significantly lower than average

↑ Significantly higher vs. 2023
 ↓ Significant lower vs. 2023

Q5. For each of the following, please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree...

Despite recent economic conditions, five times as many mortgage owners have made double-up or lump-sum payments than have delayed mortgage payments, with recent buyers even more likely to have done so

Additional Payments

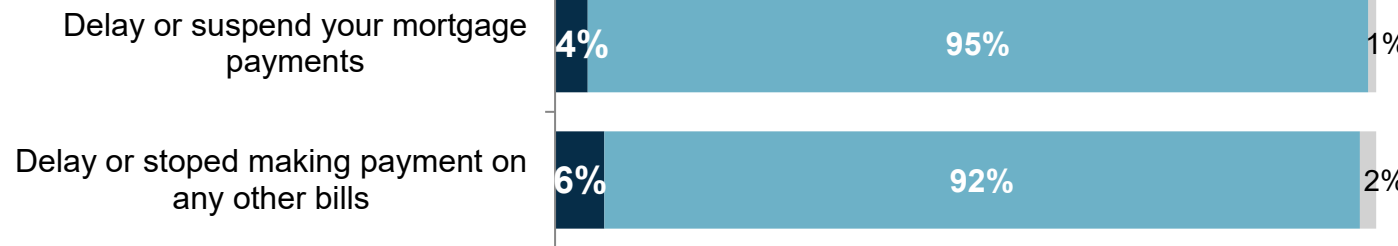


Recent Buyers

33%

23%

Delayed Payments



Recent Buyers

2%

7%

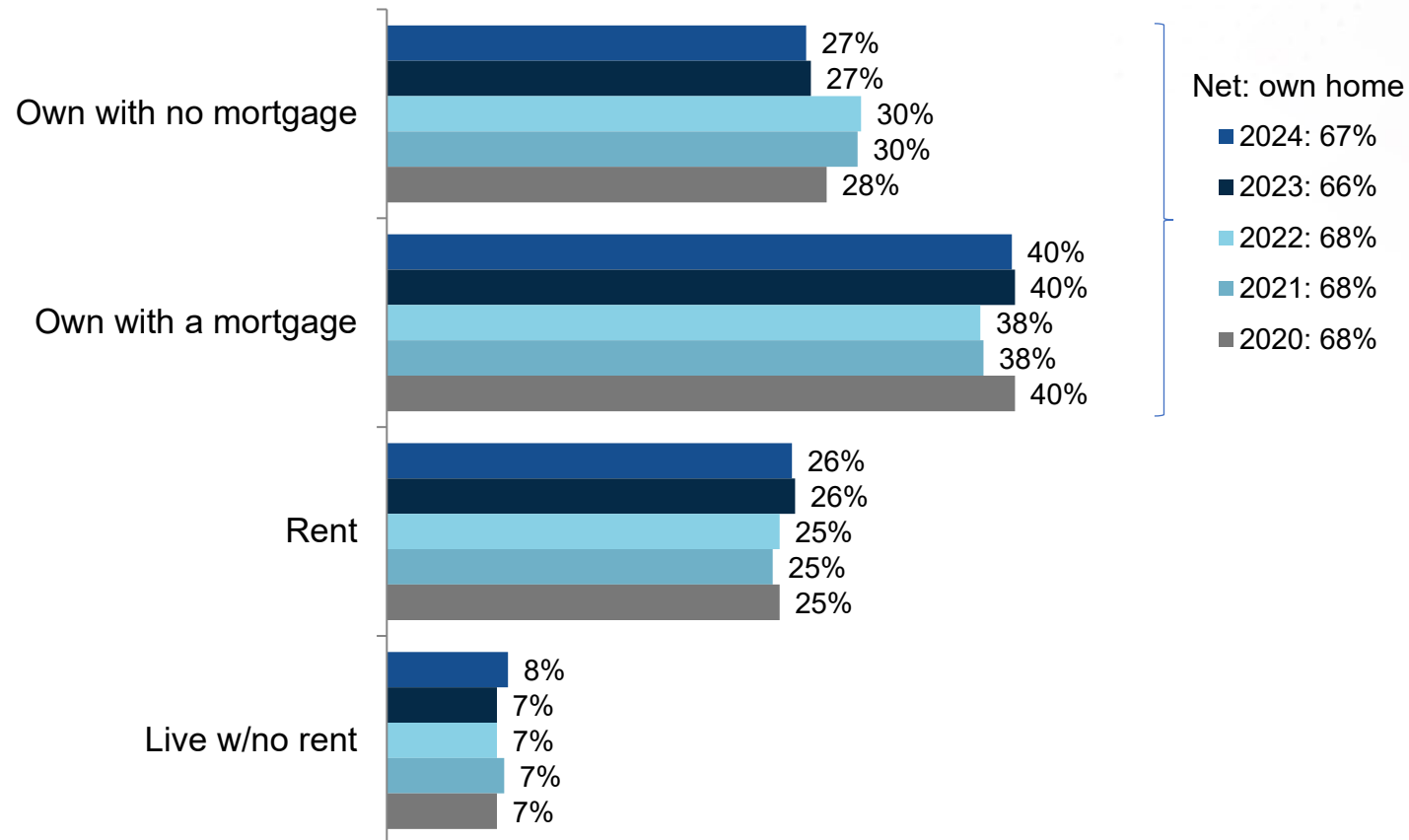
■ Yes ■ No ■ Don't know/not sure

○ Significantly higher than average
 □ Significantly lower than average

Q14ad. OWNS WITH A MORTGAGE: In the past year, have you done any of the following to pay off your mortgage faster?
 Q14ae. In the past year have you had to...
 (base: own with mortgage – n=659)

Homeownership and Buyer Confidence Trends

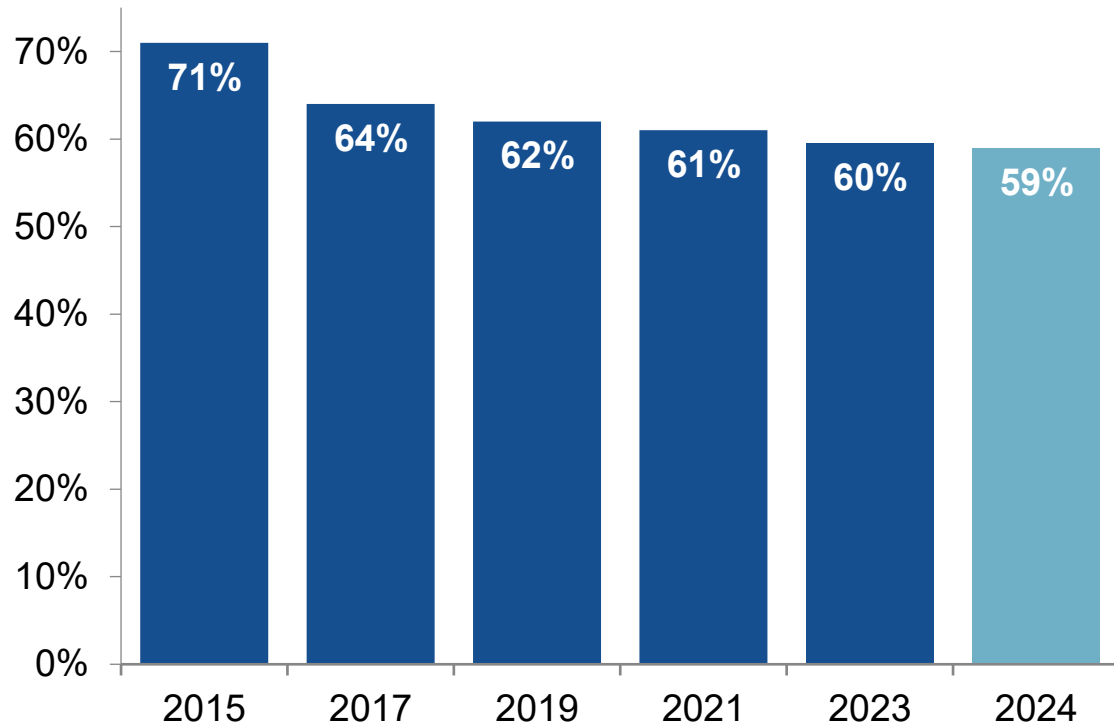
Homeownership patterns reflect Statistics Canada Census 2021 distributions



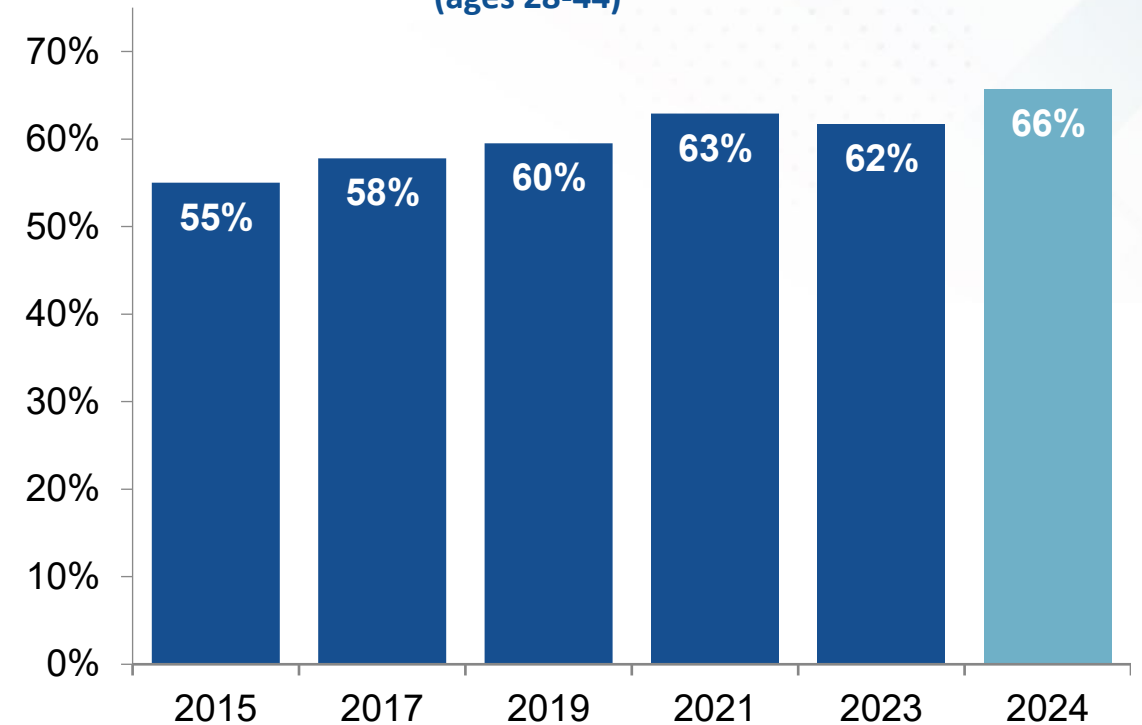
Q6. Do you currently...? Weighted to Statistics Canada 2021 Census for homeownership and mortgage ownership. Previously weighted according to Statistics Canada 2016 census and 2019 Statistics Canada Survey of Financial Security data

Homeownership among 25-40 year-olds reaches lowest levels; Millennials achieve their highest ownership rates

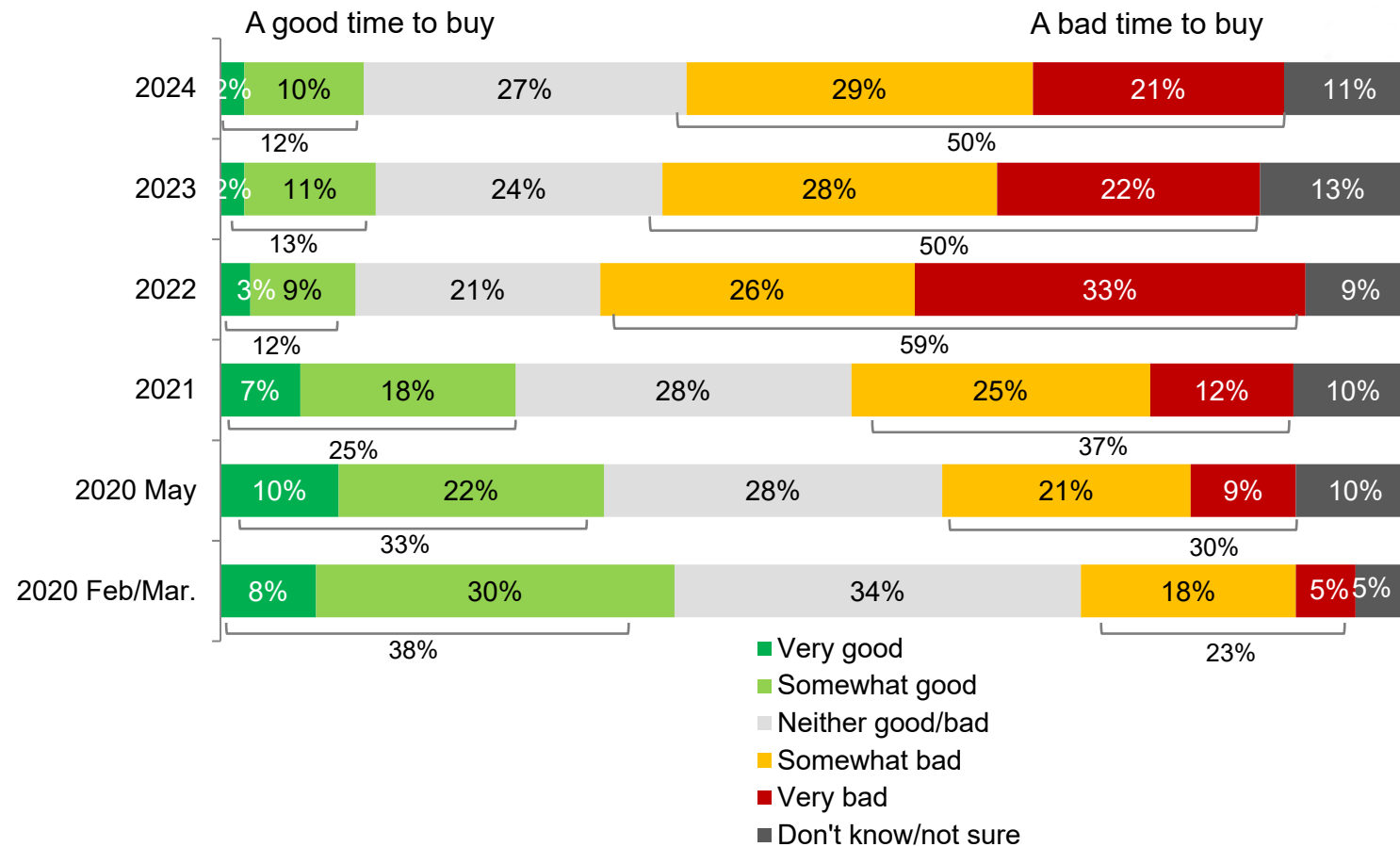
Home ownership: 25-40 year-olds



Home ownership: Millennials (ages 28-44)



Most continue to feel now is not a good time to buy a home, unchanged from 2023; intenders are more confident than recent buyers

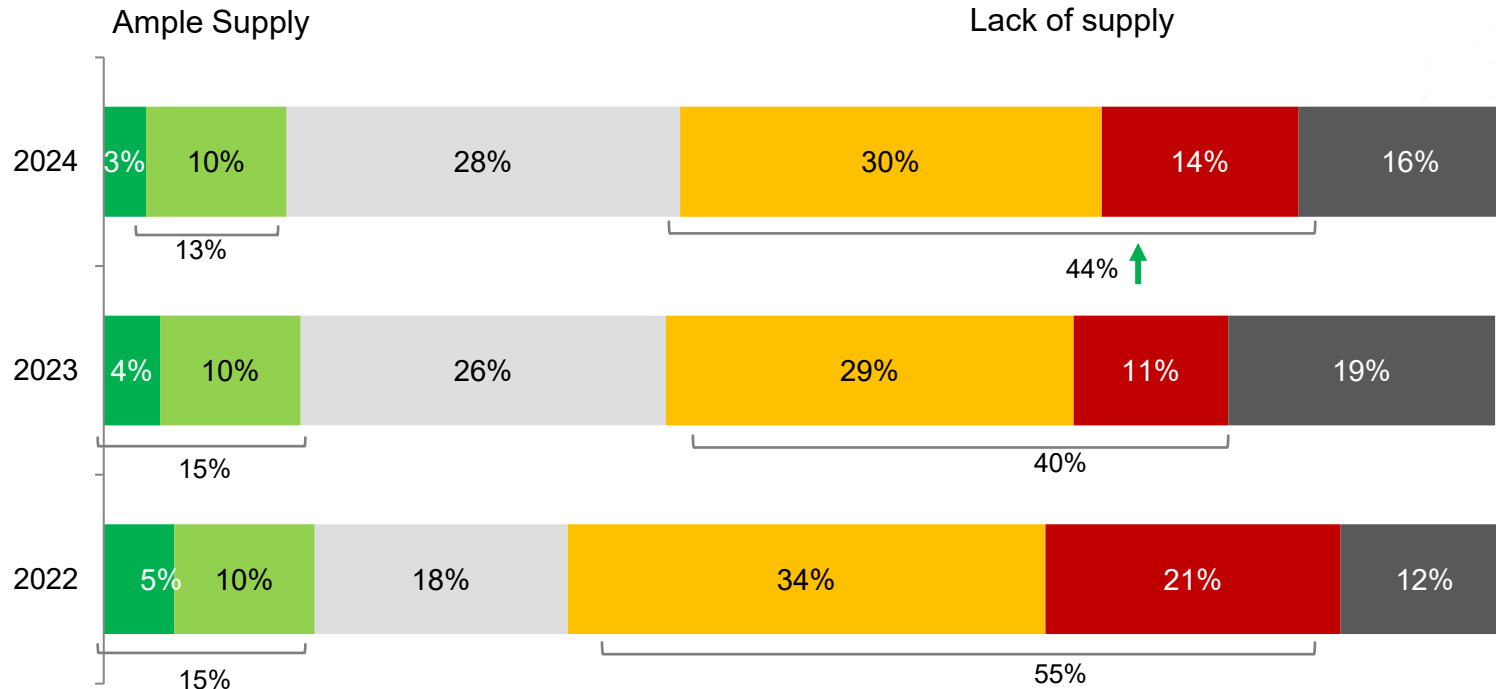


	Recent Buyers	Future Intenders
Good time to buy	24%	33%
Neither good/bad	35%	37%
Bad time to buy	36%	28%
Don't know/not sure	5%	2%

 Significantly higher than average
 Significantly lower than average

Q14. Regardless of whether you plan to buy a home or not, given the state of your local real estate market, would you say that now is...

More feel there is an insufficient supply or a normal supply of homes available in their areas while slightly fewer feel there is ample supply



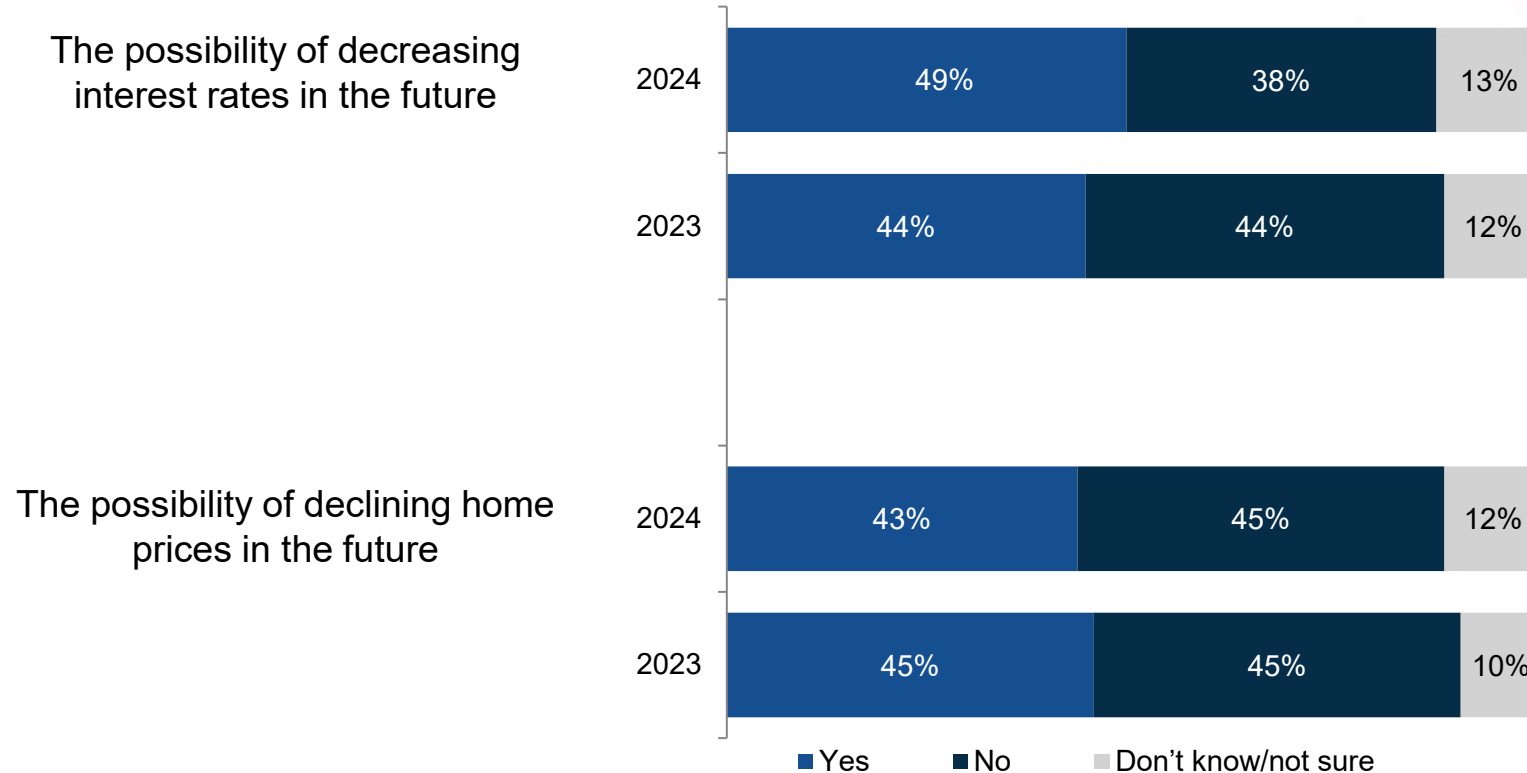
- There is an excessive supply of homes available
- There is ample supply of homes available
- There is a normal supply of homes available
- There is insufficient supply of homes available
- There is a very serious lack of supply of homes available
- Don't know/not sure

	Recent Buyers	Future Intenders
Ample/excess supply	14%	25%
Normal supply	33%	29%
Lack of supply	47%	39%
Don't know/not sure	6%	6%

○ Significantly higher than average
 □ Significantly lower than average

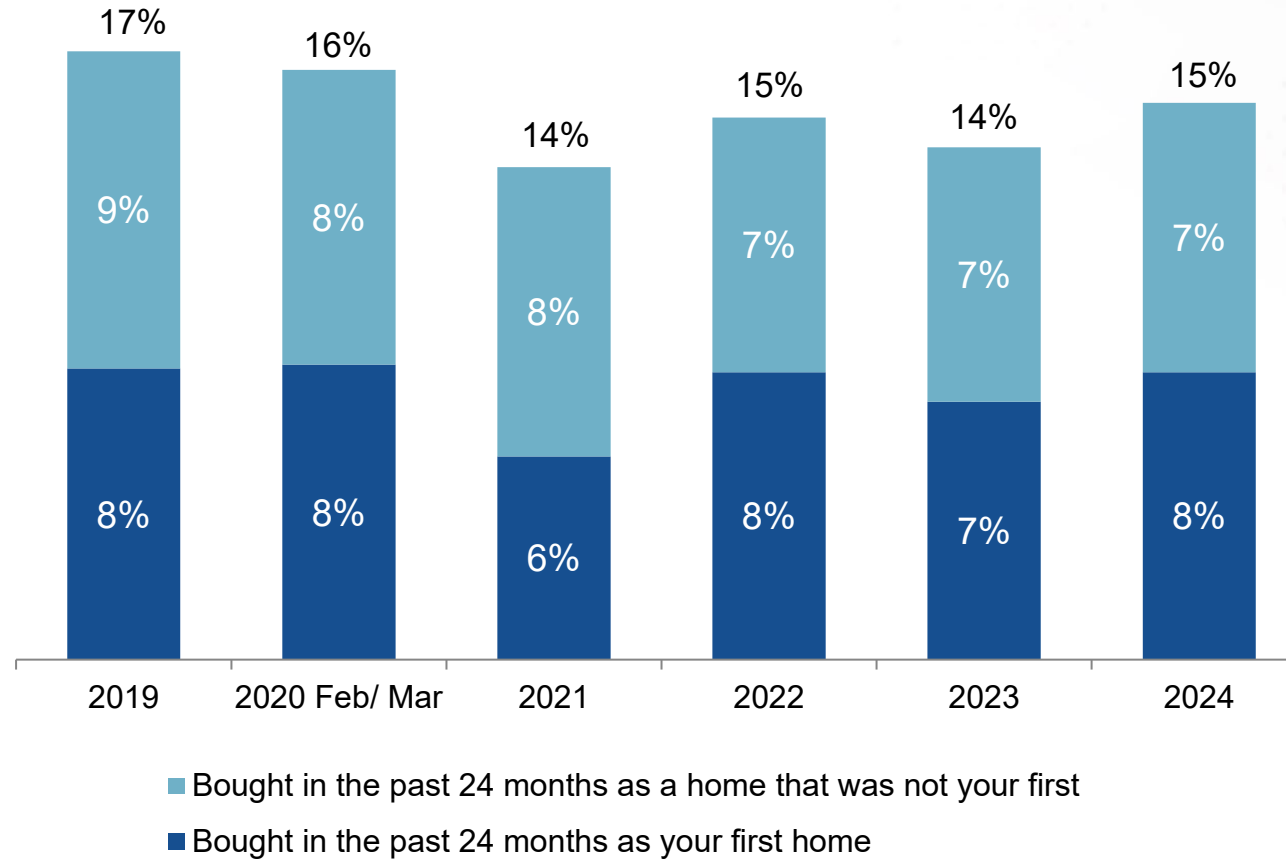
Q14aa. In an economy like Canada's, market conditions are determined by the balance between the volume of sellers and buyers (i.e. supply and demand). Which of the following best reflects conditions in your area?

Among intenders, more now are delaying the purchase of their home in anticipation of *lower interest rates*, while slightly fewer mention delaying for *the possibility of declining home prices* in the future



Q14ac. INTENDERS: Have either of the following caused you to delay the timing of purchasing your home?
(base: plans to buy home in next 24 months – n=275)

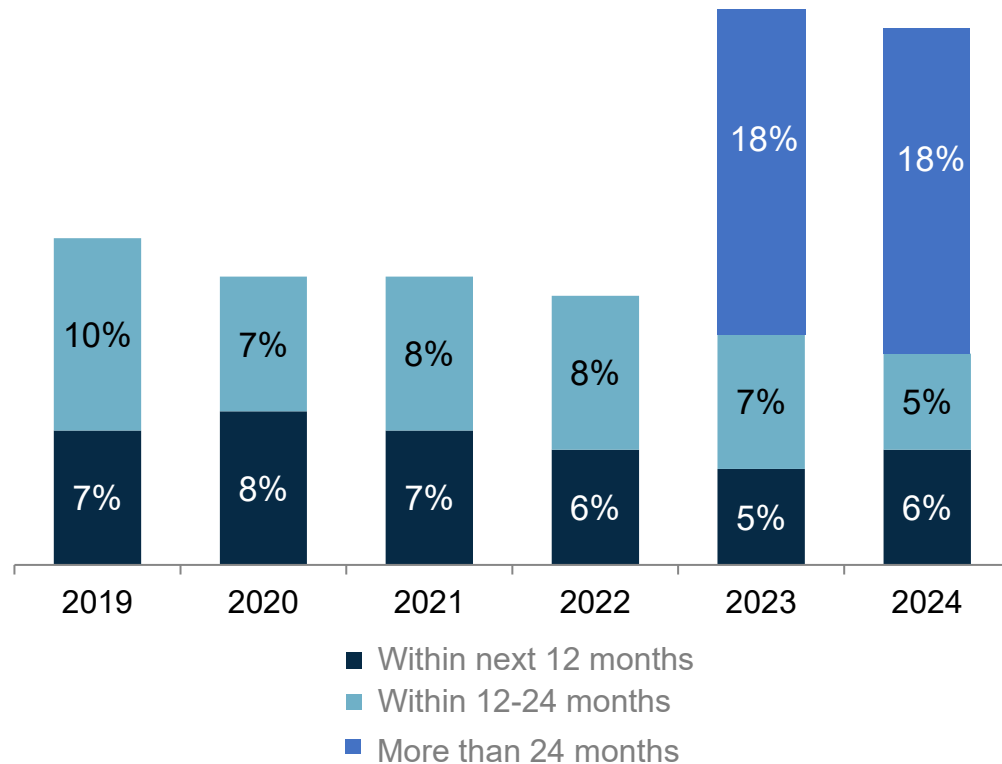
Slight increase in the proportion buying a home in the past 24 months but still below pre-pandemic rates



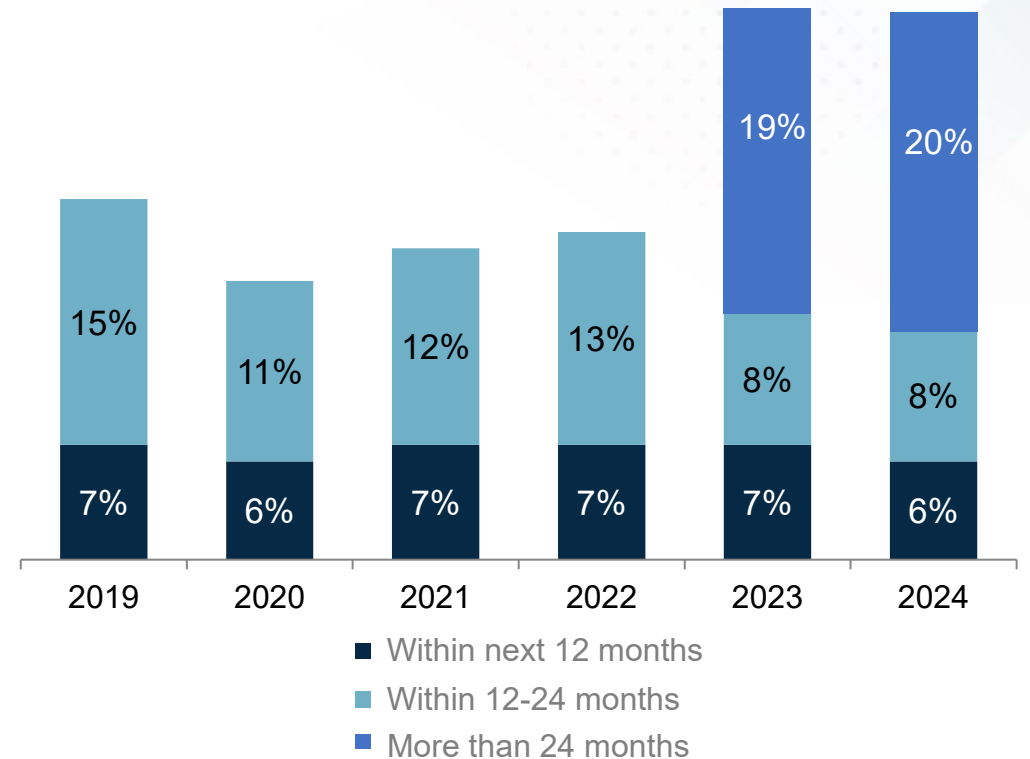
Q7. Homeowners: Was the home you own... (base: Homeowners— n=1337).

No change in the proportion of non-owners seeking to buy or repeat buyers seeing a new home; still below 2021/earlier

Current Owners Selling & Buying New



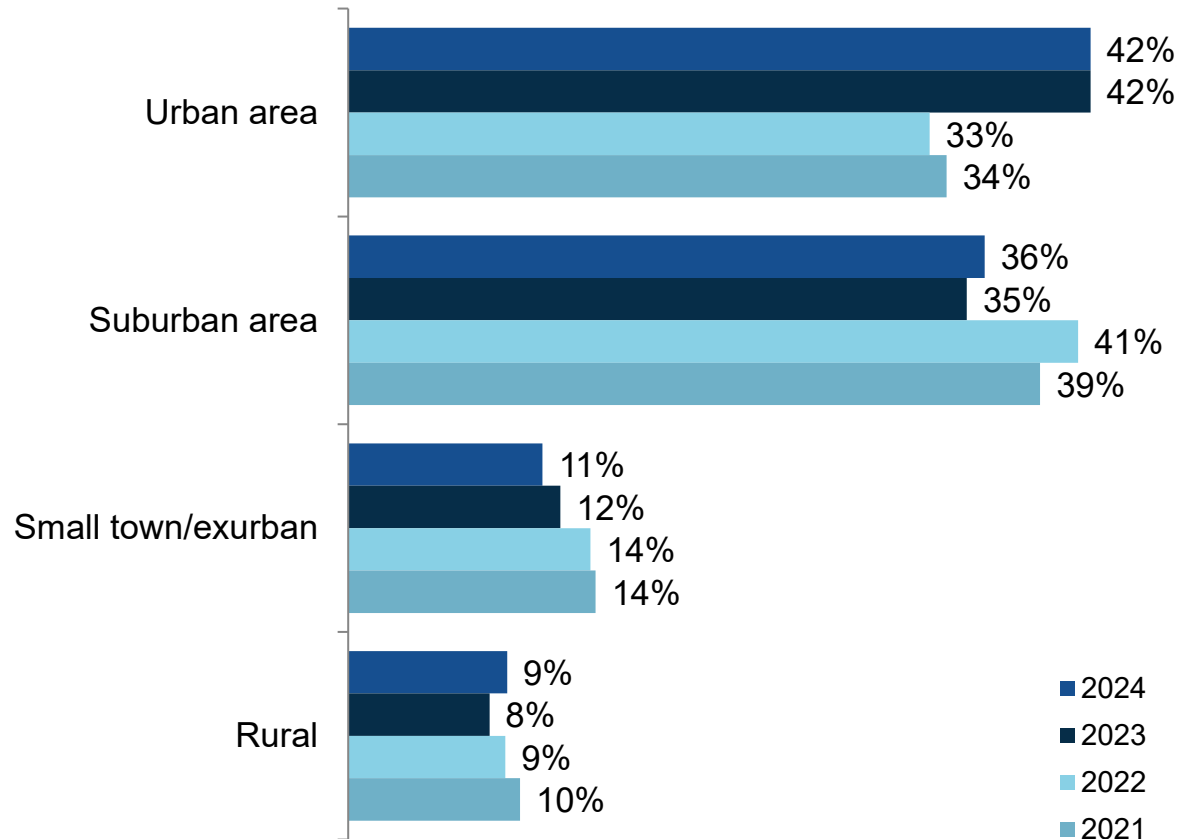
Non-Owners Buying a New Home



Q8a. Homeowners: Whether you bought one recently or not, do you expect to sell your current home and buy another home... (base: Homeowners- n=1337)

Q8b. Non-homeowners: Do you expect to buy a home within... (base: Non-homeowners- n=766)

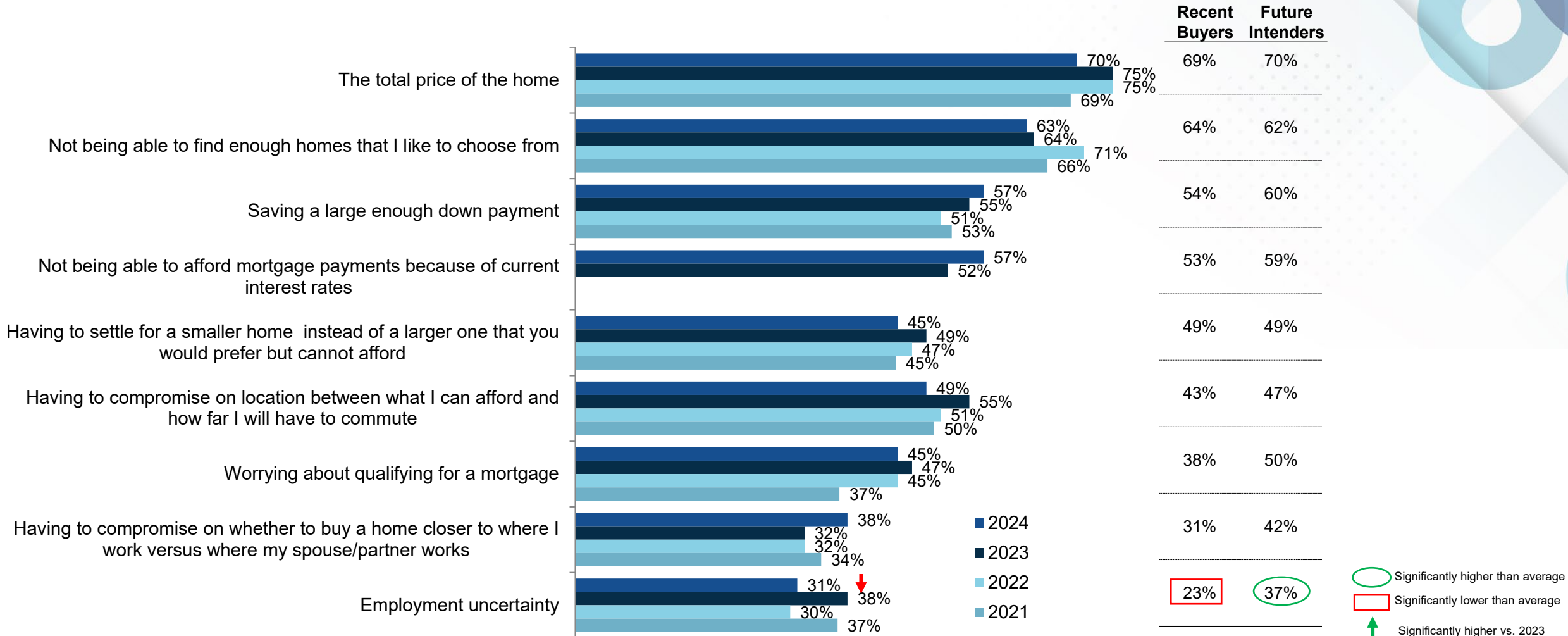
Urban areas continue to lead as the community of choice, followed by suburban areas



	Recent Buyers	Future Intenders
Urban area	39%	43%
Suburban area	37%	36%
Small town	13%	9%
Rural	10%	8%

Q9. IF BOUGHT HOME IN PAST 24 MONTHS: What kind of area did you recently buy a home in?
 IF PLANS TO BUY HOME IN NEXT 24 MONTHS: What kind of area do you expect to buy your next home in?
 (base: bought a home in the past 24 months or plans to buy a home in next 24 months – n=400)

Home prices and lack of supply continue to be the top home shopping challenges; Directional increase for affordability of mortgage payments to high interest rates and the compromise between proximity to work for self and spouse/partner

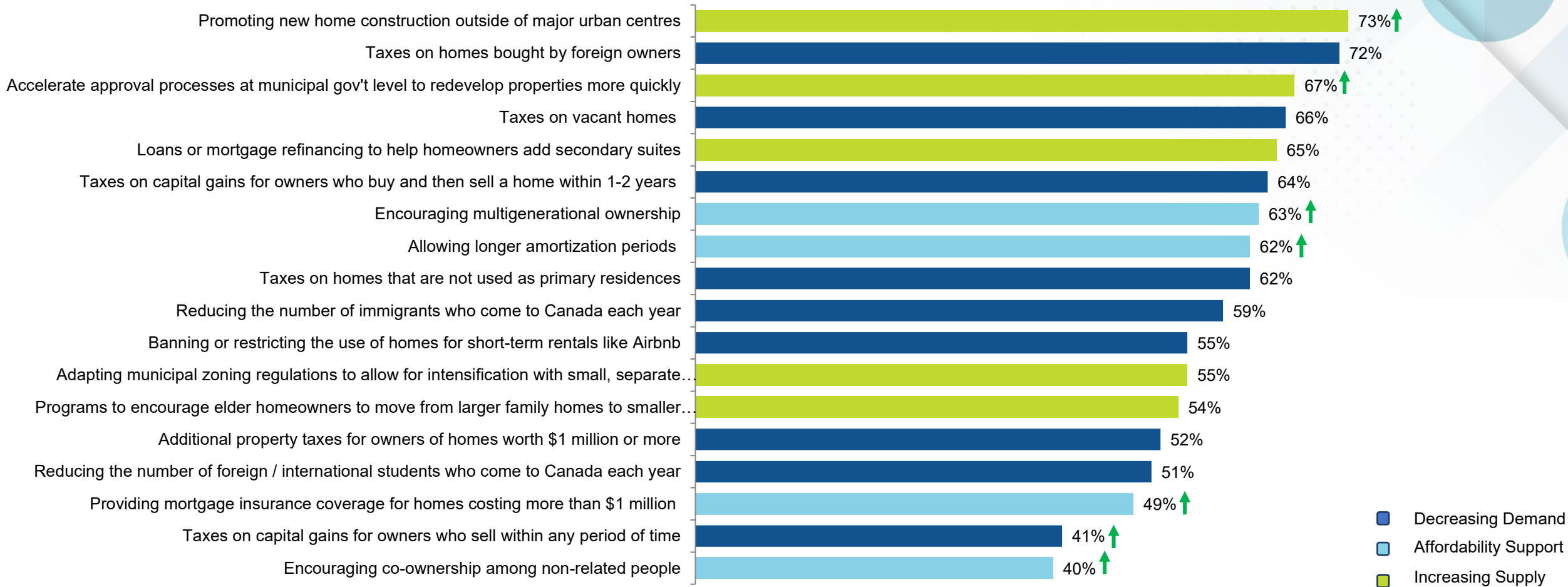


Q13. IF BOUGHT HOME IN PAST 24 MONTHS: Thinking of when you were looking for the home you recently bought, how significant a challenge were each of the following?
 IF PLANS TO BUY HOME IN NEXT 24 MONTHS: Thinking of looking for the home you plan to buy, how significant a challenge do you anticipate each of the following will be?
 (base: bought home in the past 24 months or plans to buy home in next 24 months – n=400)

○ Significantly higher than average
 □ Significantly lower than average
 ↑ Significantly higher vs. 2023
 ↓ Significant lower vs. 2023

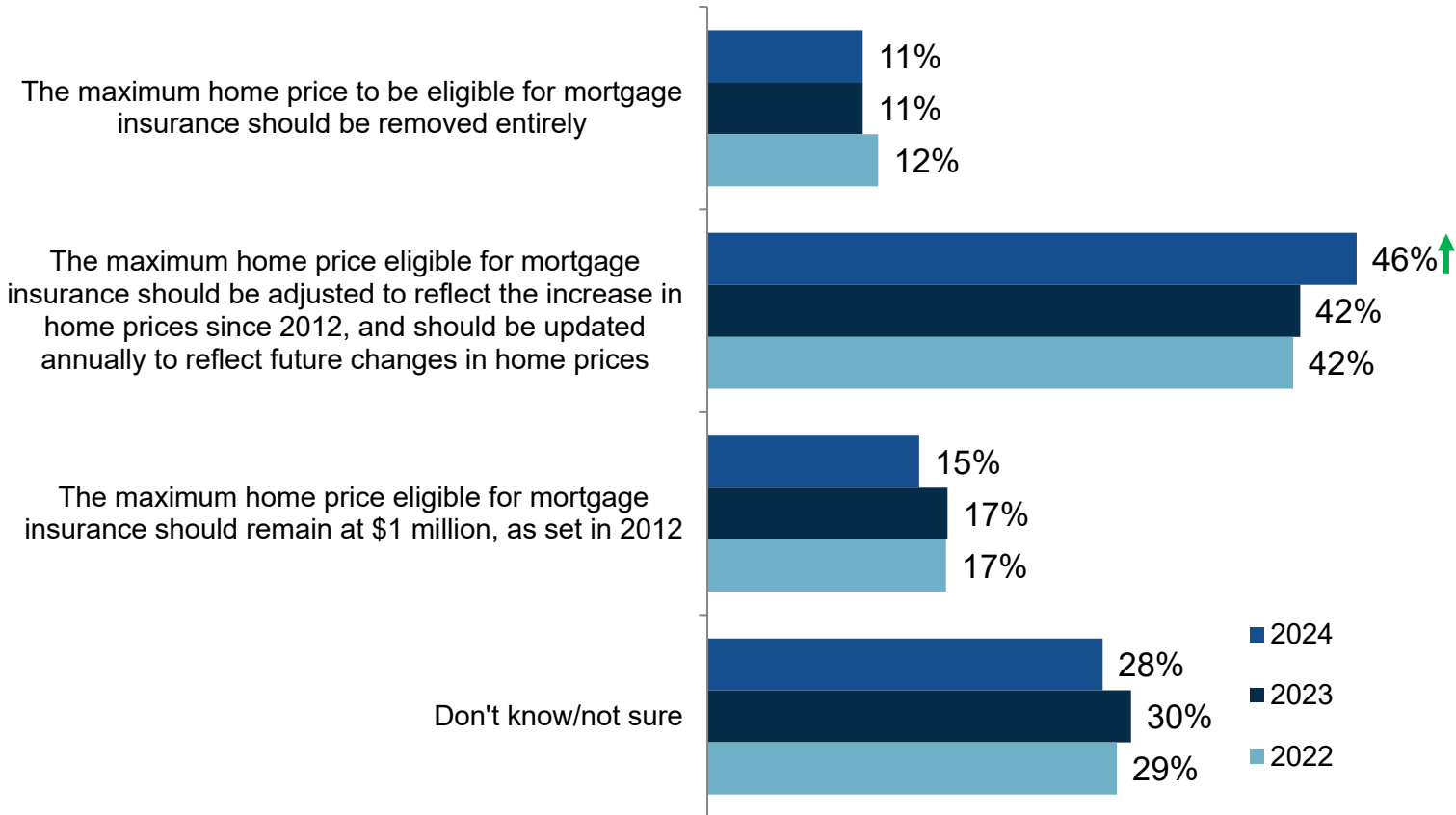
Affordability Solutions

Promoting new home construction outside of major urban centres, taxes on homes bought by foreign owners and accelerating the approval process at the municipal government level to redevelop properties more quickly are the three most supported policy options to deal with housing affordability



Q15. In many parts of Canada, home prices have increased significantly in recent years, raising concerns about the affordability of homes for those seeking to buy them. Please indicate the extent to which you favour or oppose each of the following policy options to deal with housing affordability

Significantly more feel that the maximum home price for mortgage insurance should be adjusted to reflect home price inflation

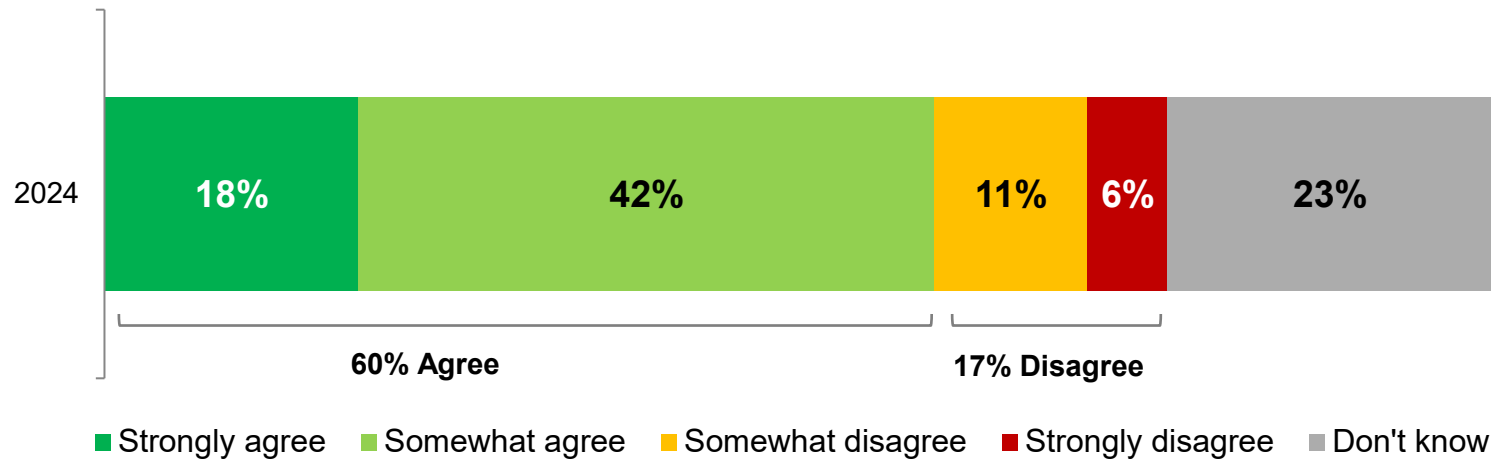


	Recent Buyers	Future Intenders
Remove max. price entirely	15%	12%
Fully adjust price for inflation	52%	40%
Max. should remain at \$1 mn	16%	25%
Don't know	23%	20%

Q16. Home buyers who make a down payment of less than 20% of the purchase price of their home are required to obtain mortgage default insurance and must meet minimum creditworthiness. The availability of mortgage insurance allows prospective home buyers to purchase their homes sooner than they otherwise would be able to if they had to save larger down payments. Currently, mortgage insurance is not available for homes costing more than \$1 million, a level that has not been changed since 2012, despite the fact that many homes sell for this price or more in major urban centres. Please indicate which of the following you agree with most:

○ Significantly higher than average
 □ Significantly lower than average
 ↑ Significantly higher vs. 2023
 ↓ Significant lower vs. 2023

A majority agree that for those making down payments of 20 percent or less, the maximum amortization period should be increased from 25 to 30 years

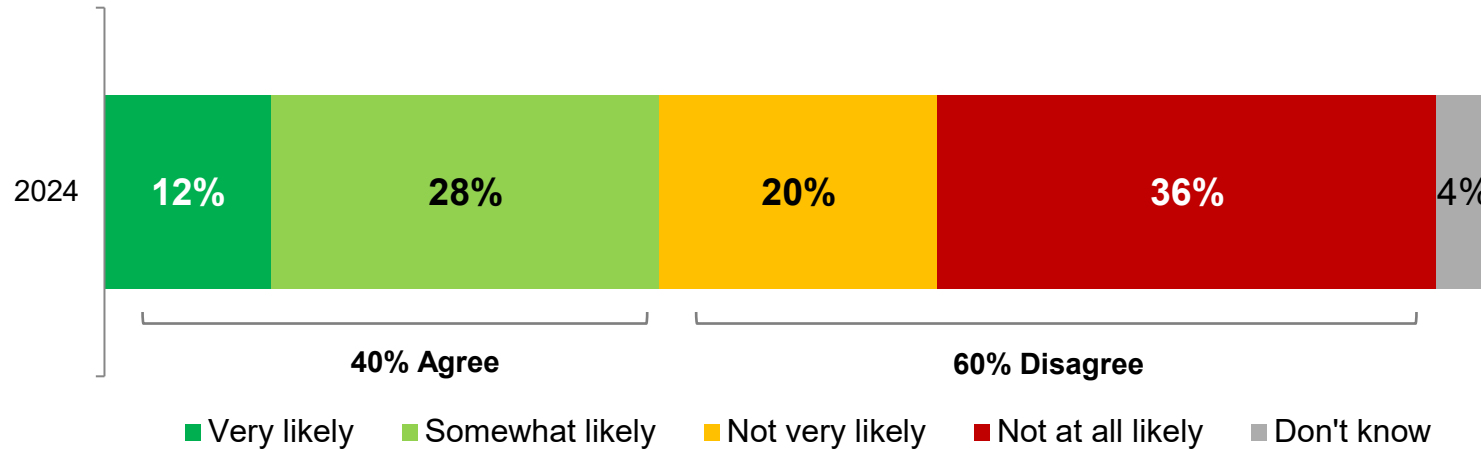


	Recent Buyers	Future Intenders
Agree	60%	68%
Disagree	21%	15%
Don't know	19%	16%

○ Significantly higher than average
 □ Significantly lower than average

Q16a. In addition to the prior question, for those requiring mortgage insurance for downpayments of less than 20 percent of the purchase price of their home, the maximum amortization period (the total length of time to pay off the mortgage balance in full) is 25 years. All other things being equal, extending the maximum amortization period to 30 years would allow for lower monthly mortgage payments, but would result in higher total interest payments being paid over the total loan period. To what extent would you agree or disagree that for those making downpayments of 20 percent or less, the maximum amortization period should be increased from 25 to 30 years?

Four in ten who own a home with a mortgage or who are considering buying a home would consider borrowing to create a secondary rental suite

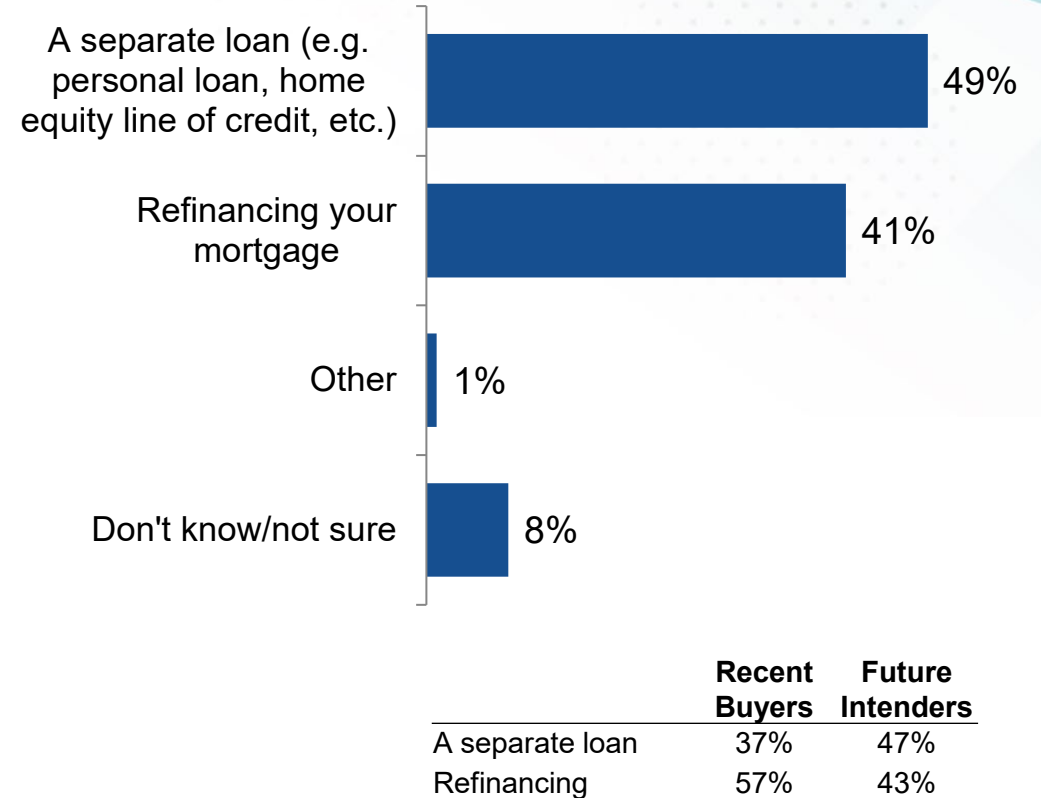
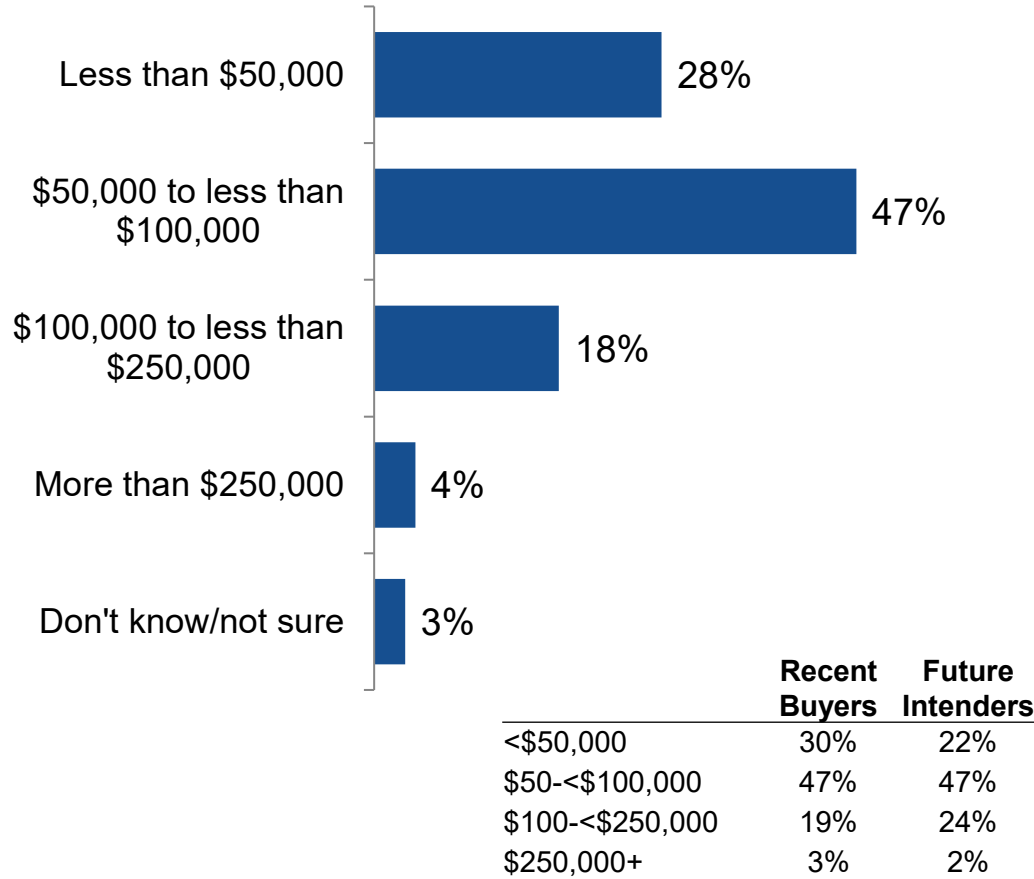


	Recent buyers	Future intenders
Agree	51%	61%
Disagree	45%	36%
Don't know	4%	3%

○ Significantly higher than average
□ Significantly lower than average

Q15a. How likely would you be to consider borrowing funds to create a secondary suite within your home that you could rent out for extra income? (base: owns with a mortgage or intends to buy a home in the future – n=777)

Half would expect to pay \$50-\$100k to create a secondary suite, with slightly more opting for a separate loan over refinancing their current mortgage

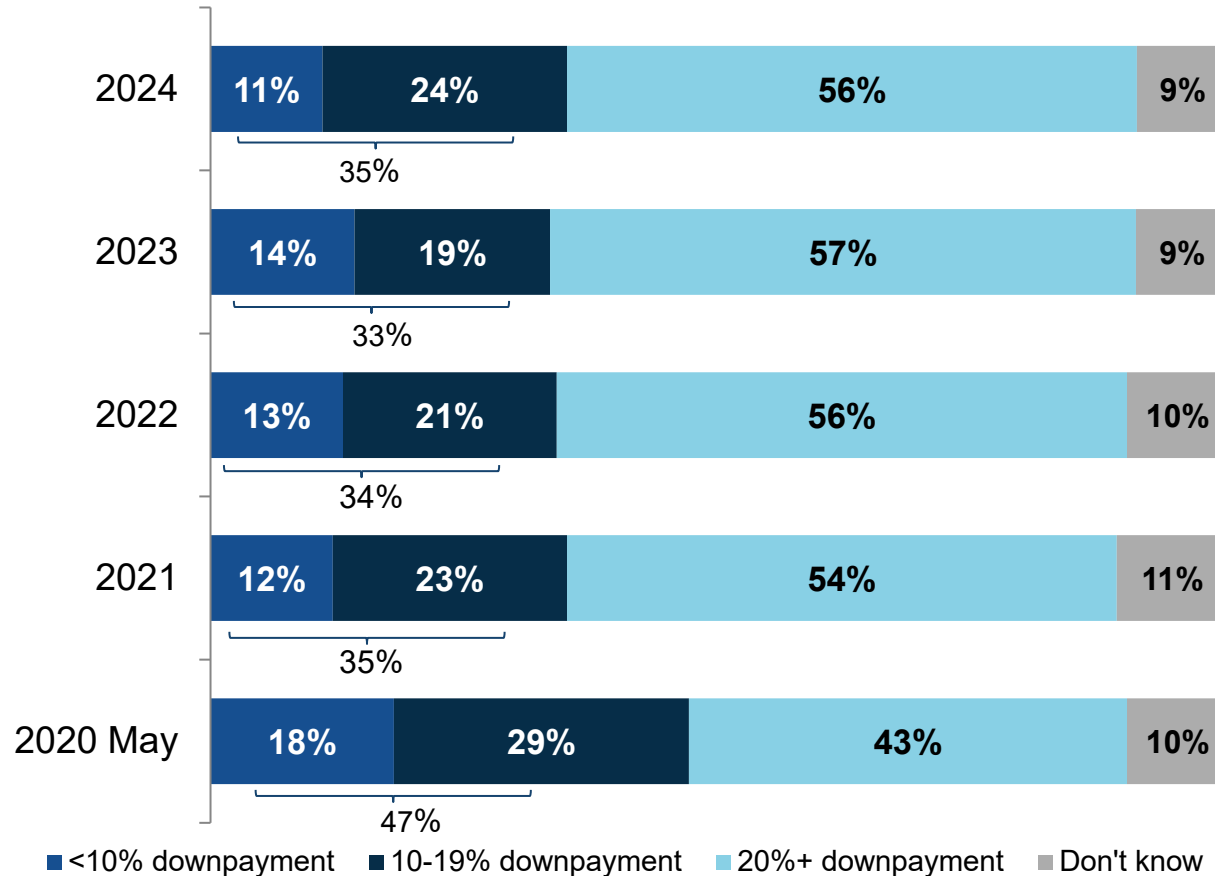


Q15b. IF LIKELY TO CONSIDER BORROWING FUNDS TO CREATE A SECONDARY SUITE: How much would you expect to need to borrow to create a secondary suite in your home? – n=341

Q15c. Which of the following would you be most likely to use as a source to borrow the funds to create a secondary suite in your home? – n=341

Mortgage Ownership & Renewal Intentions

Compared to 2023, slightly more are using or expecting to use high ratio mortgages

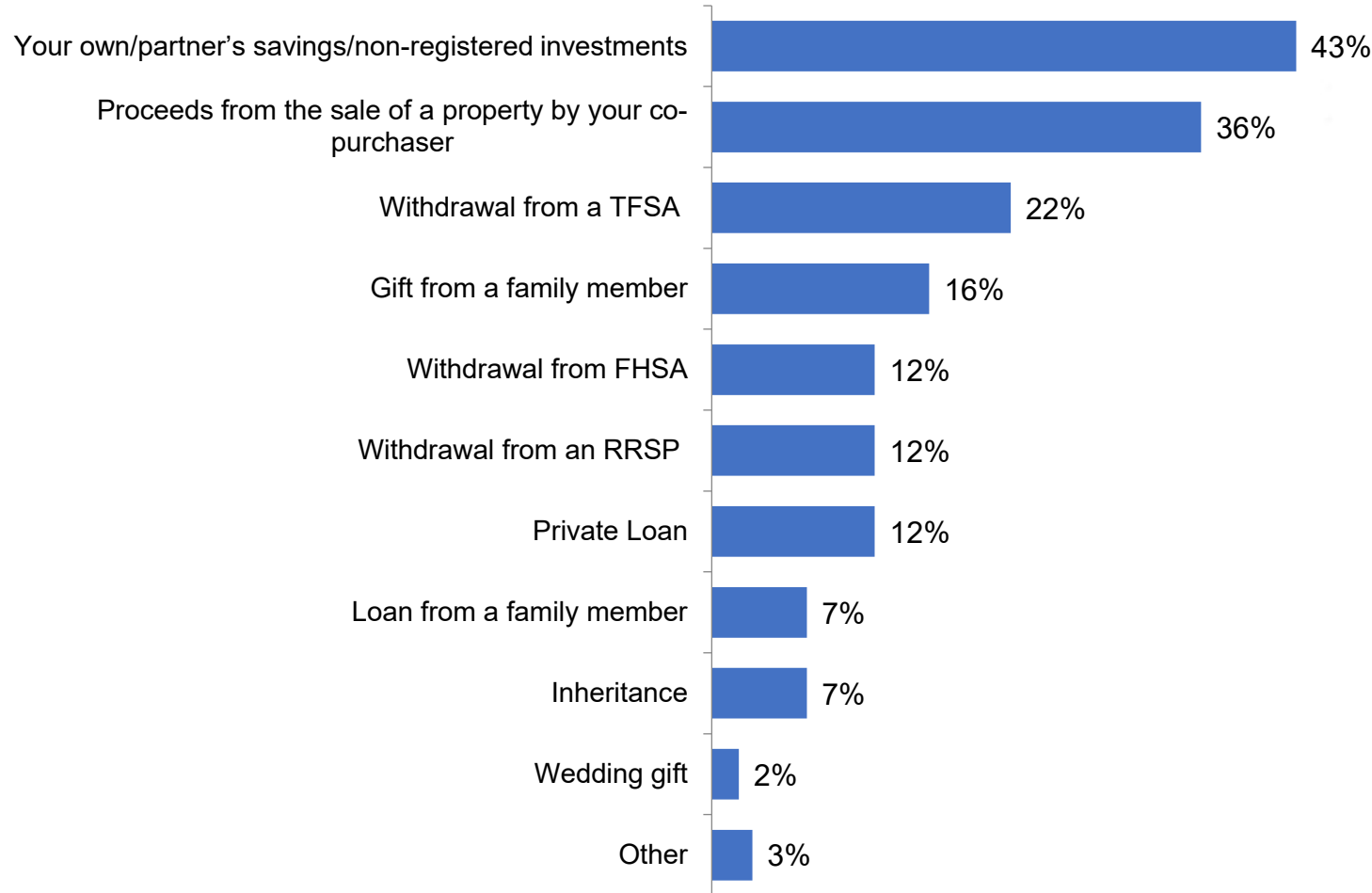


Downpayment as percent of purchase price

	Recent Buyers	Future Intenders
<20%	37%	34%
<10%	14%	8%
10-19%	22%	26%
20%+	55%	56%

Q11. IF BOUGHT HOME IN PAST 24 MONTHS: How much of a down payment did you make as a proportion of the total purchase price when you bought your current home? IF PLANS TO BUY HOME IN NEXT 24 MONTHS: How much of a down payment do you anticipate making as a proportion of the total purchase price when you buy your next home? (base: bought home in the past 24 months or plans to buy home in next 24 months – n=400)

Top downpayment sources include *savings/non-registered investments* and *proceeds from the sale of a property by their co-purchaser*

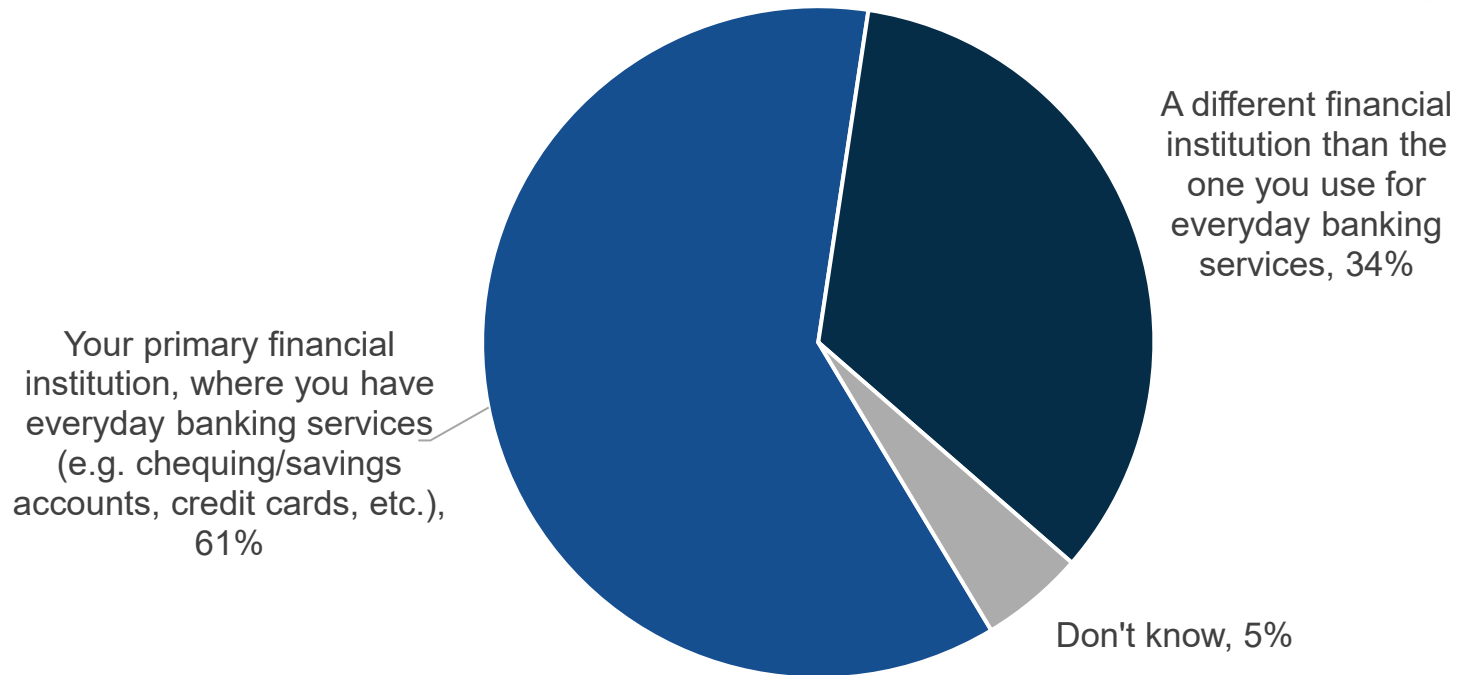


	Recent Buyers	Future Intenders
Your own/partner's savings/non - registered investments	48%	40%
Proceeds from the sale of a property by your co-purchase	32%	39%
Withdrawal from a TFSA	15%	27%
Gift from a family member	18%	14%
Withdrawal from an RRSP	11%	13%
Private Loan	7%	15%
Withdrawal from FHSA	8%	14%
Inheritance	10%	5%
Loan from a family member	7%	7%
Wedding gift	2%	2%

 Significantly higher than average
 Significantly lower than average

Q11b. IF BOUGHT HOME IN PAST 24 MONTHS: From which of the following sources did you obtain the funds for your downpayment?
 IF PLANS TO BUY HOME IN NEXT 24 MONTHS: From which of the following sources do you expect to obtain the funds for your downpayment?
 (base: bought a home in the past 24 months or plans to buy a home in next 24 months – n=400)

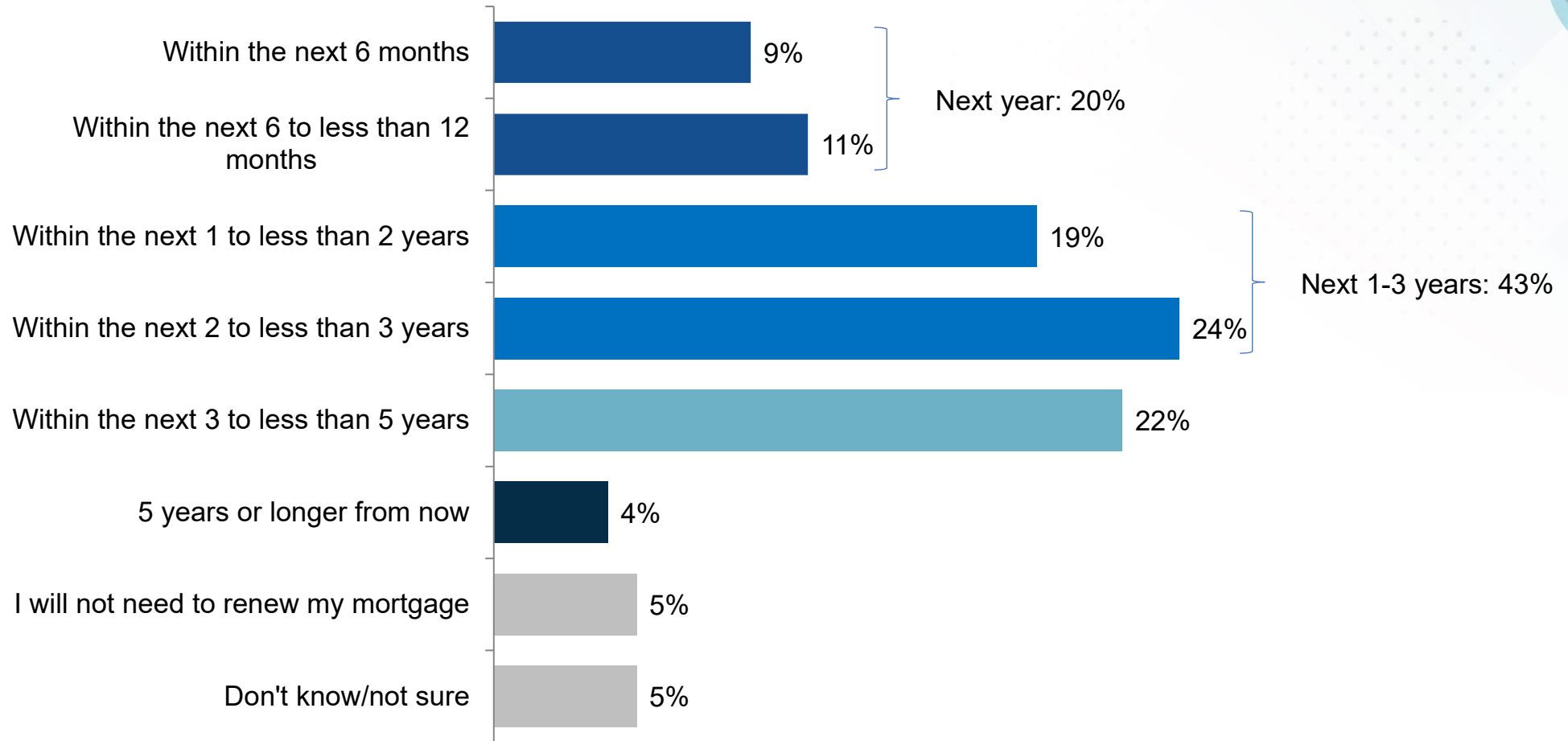
A majority say their mortgage is either with or will be with their primary financial institution, particularly intenders



	Recent Buyers	Future Intenders
Your primary FI	65%	50%
A different FI	35%	46%

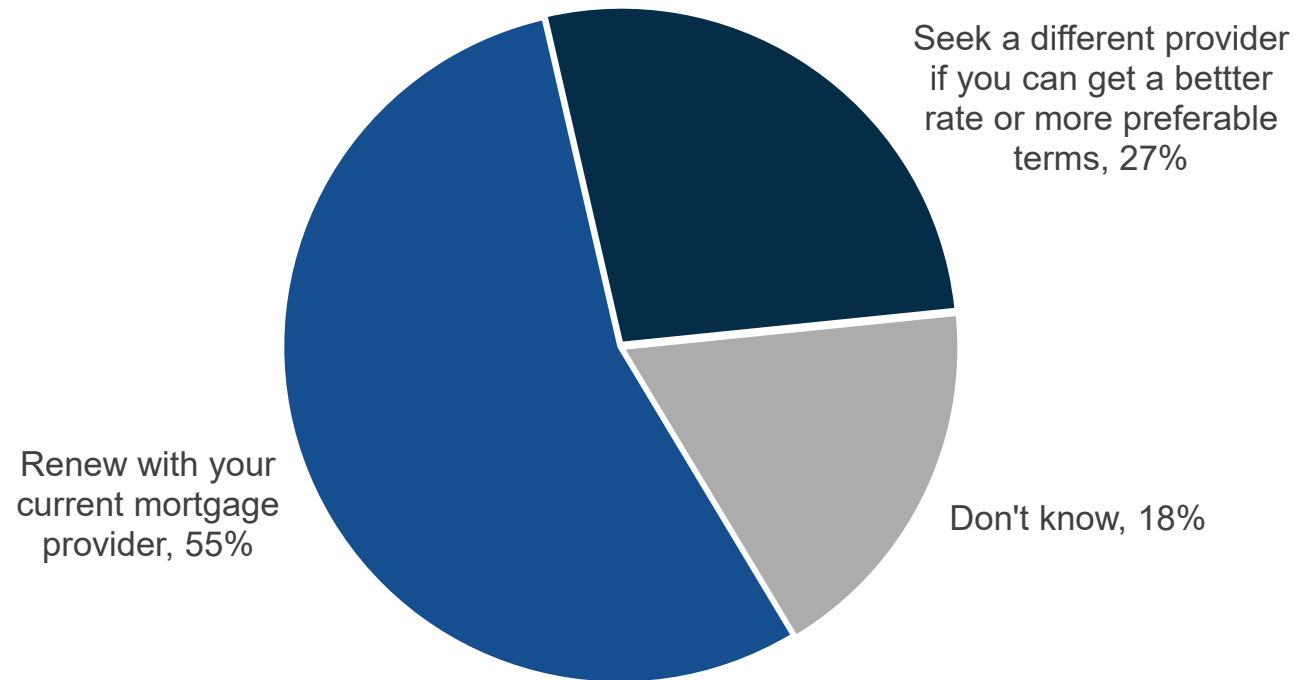
Q14d. IF OWNS WITH A MORTGAGE: Is your current mortgage with...
 IF INTENDS TO BUY HOME AND ANTICIPATES GETTING MORTGAGE: Are you most likely to obtain your mortgage from...
 (base: owns with a mortgage or intenders who anticipate needing a mortgage— n=789)

Four in ten mortgage holders expect to renew their mortgage within the next two years



Q14e. IF OWNS WITH A MORTGAGE: When do you expect to have to renew your current mortgage?
(base: owns with a mortgage— n=659)

Over half of those who expect to renew their mortgages, say they will renew it with their current provider

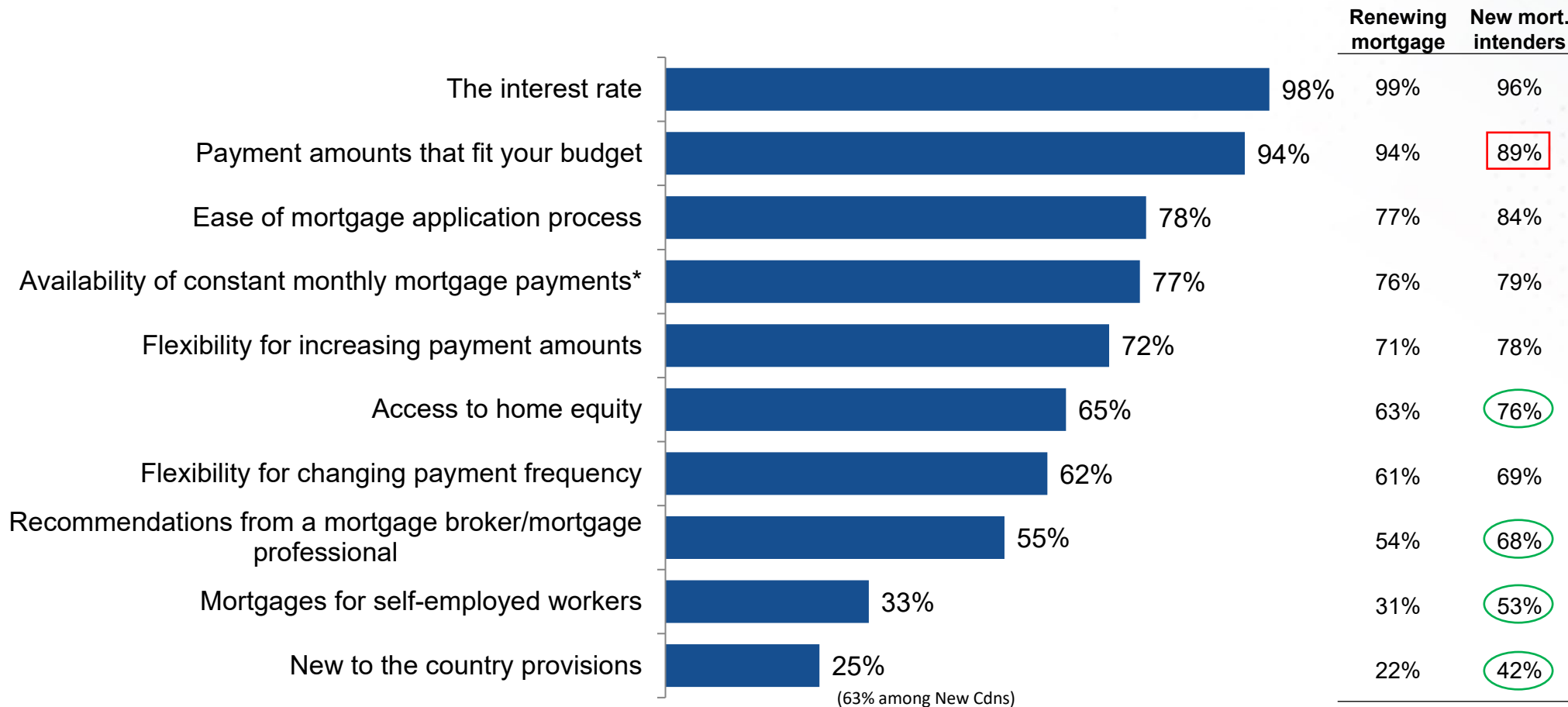


	Current Mortgage	
	Primary FI	Other FI
Renew with current provider	63%	42%
Seek a different provider	22%	35%
Don't know	15%	23%

 Significantly higher than average
 Significantly lower than average

Q14f. IF EXPECTS TO RENEW MORTGAGE: When your current mortgage term ends, will you be most likely to...
 (base: expects to renew mortgage– n=596)

The top two factors in determining which source they will use to renew their mortgage include *the interest rate* and *the payment amounts that fit their budget*

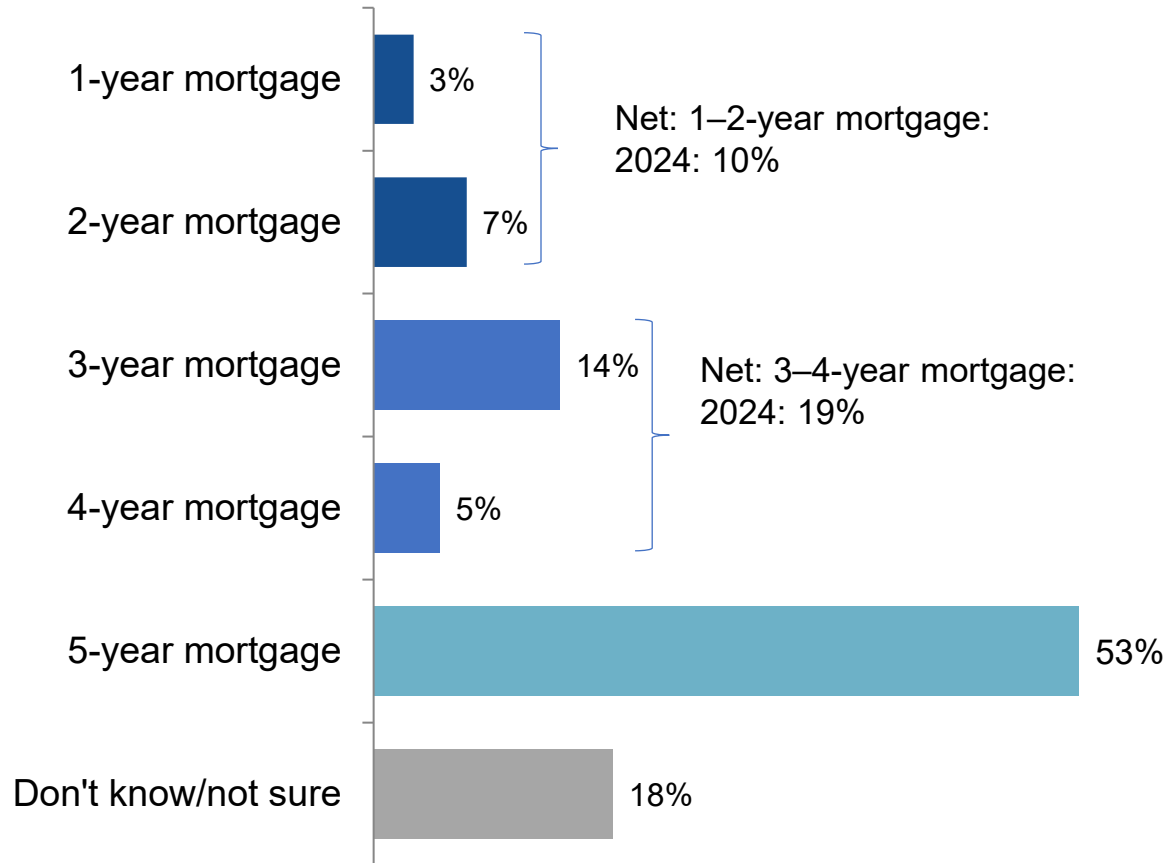


* i.e. payments do not increase or decrease as interest rates change, but the amount that is used to pay down your outstanding principal each period will change as interest rates change

○ Significantly higher than average
 □ Significantly lower than average

Q14ff. IF EXPECTS TO RENEW MORTGAGE/IF INTENDER EXPECTING TO NEED A MORTGAGE: How important will each of the following factors be in determining which source you will use to renew your mortgage? INTENDERS WHO ANTICIPATE NEEDING A MORTGAGE: How important will each of the following factors be in determining which source you will use to obtain your mortgage? (base: expects to renew mortgage or intenders who anticipate needing a mortgage – n=727)

Over half expect to get a 5-year mortgage



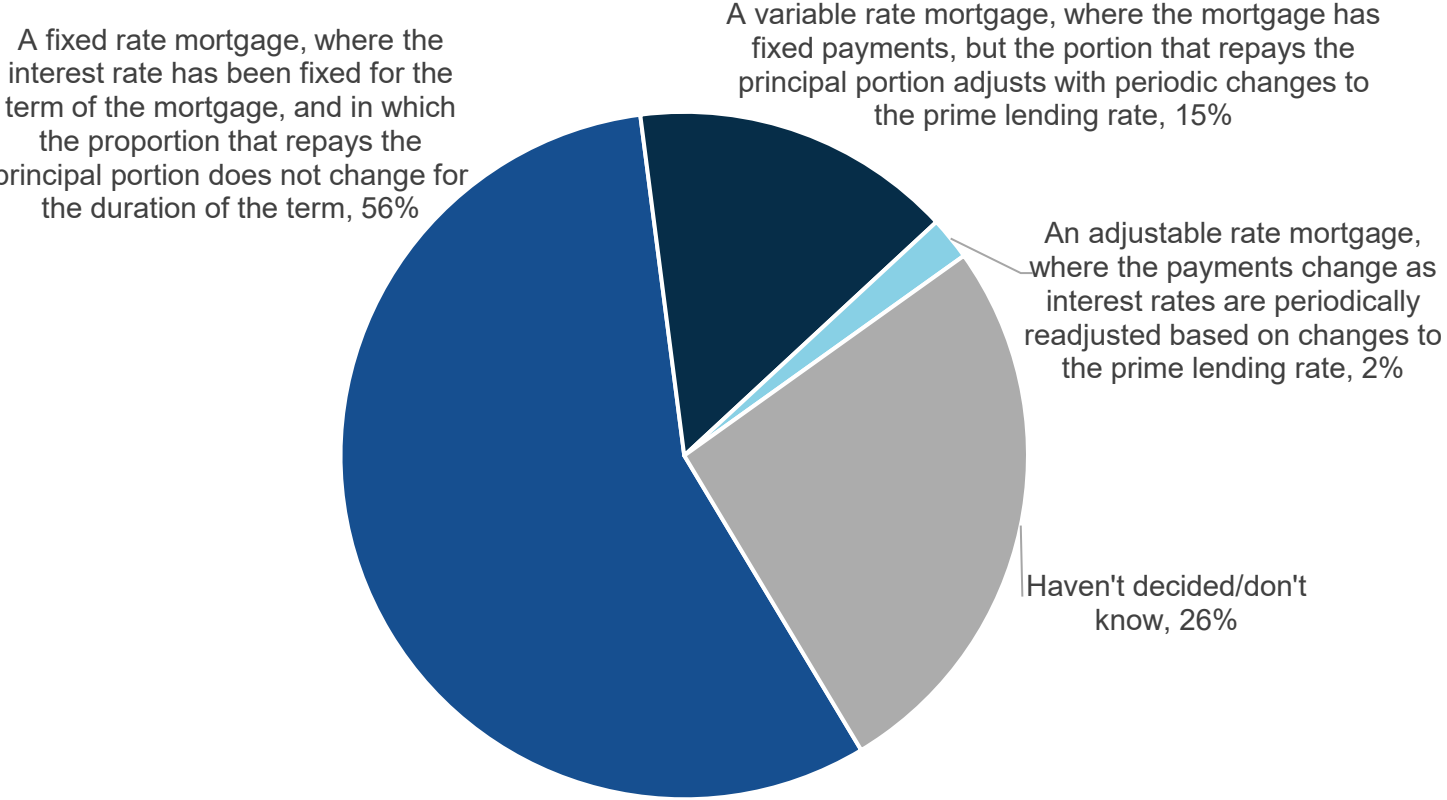
	Renewing mortgage	New mort. intenders
1-2-year mortgage	9%	17%
3-4-year mortgage	19%	20%
5-year mortgage	55%	49%
Don't know/not sure	18%	15%

	Current Mortgage Renewal Time		
	<1 yr	1- <3 yrs	3+ yrs
1-2-year mortgage	23%	6%	2%
3-4-year mortgage	18%	23%	12%
5-year mortgage	35%	58%	64%
Don't know/not sure	24%	13%	22%

Q14h. IF EXPECTS TO RENEW MORTGAGE (Q9c6=01-06): What length of mortgage term do you expect to get when you renew your mortgage? IF INTENDERS WHO ANTICIPATE NEEDING A MORTGAGE ((q7a=01-03 & q7c=01) OR (q7b=01-03 & q7c=01)): What length of mortgage term do you expect to get when you obtain your new mortgage? (base: expects to renew mortgage or intenders who anticipate needing a mortgage – n=728)

○ Significantly higher than average
 □ Significantly lower than average

Over half expect to get a fixed rate mortgage



	Renewing mortgage	New mort. intenders
Fixed rate	57%	50%
Variable rate	14%	29%
Adjustable rate	3%	1%
Haven't decided/don't know	27%	20%

	Future Expected Mortgage Term		
	1-2 yrs	3-4 yrs	5 yrs
Fixed rate	48%	63%	65%
Variable rate	29%	20%	14%
Adjustable rate	5%	2%	2%
Haven't decided/don't know	18%	14%	20%

Q14g. IF OWNS WITH A MORTGAGE: What type of mortgage do you expect to get when you renew your mortgage?
 IF INTENDS TO BUY HOME AND ANTICIPATES GETTING MORTGAGE: What type of mortgage do you expect to get when you obtain your mortgage?
 (base: expects to renew mortgage or intenders who anticipate needing a mortgage – n=728)

 Significantly higher than average
 Significantly lower than average

Key Takeaways

Key Takeaways: Financial Fitness & Homebuyer Confidence

- 1** **Financial Fitness declines** to May 2020 levels (early pandemic), but remains above the lowest levels recorded in 2012. However, key behavioural metrics remain steady and most are optimistic about the future.
- 2** **Five times as many mortgage holders have made extra monthly payments as have missed payments**, even more so among recent buyers
- 3** **Continued weak overall homebuyer confidence** driven by tight supply, high prices and interest rate uncertainty, but recent buyers and intenders are far more confident that now is a good time to buy

Key Takeaways: Market Mentality

- 4** **Potential intenders continue to sit on the sidelines, anticipating lower interest rates / prices** with activity well below pre-pandemic levels, particularly among current non-owners
- 5** **Price, available supply, saving a large enough down payment, and affording mortgage payments** are top concerns when shopping, but employment uncertainty diminishes particularly among recent buyers
- 6** **Strong support for 30-year ams & raising maximum prices for MI coverage:** strong support to increase supply and decrease demand, but many also favour affordability supports

Key Takeaways: Lender Loyalty & Future Loans

- 7** **Loyalty to lenders should not be taken for granted** as 6-in-10 who have their mortgage with their primary financial institution are likely to renew with them compared to 4-in-10 who have their mortgage with another financial institution
- 8** **Duration dilemma – renewal horizon impacts term plans** with those facing renewal in the next 12 months more likely than average to lean towards 1-2 year mortgages, while those not renewing for 3+ years favouring 5-year mortgages
- 9** **Expected term length impact fixed vs. variable decisions** fixed rates are preferred overall and for those expecting 5-year mortgages, but those anticipating 1-2 year terms are more likely to prefer variable rate terms

2024

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