

DYE & DURHAM CANADIAN PULSE REPORT Q3 2023



When being **certain** is everything

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ABOUT THE REPORT

The Dye & Durham Canadian Pulse Report is designed to uncover trends and sentiments surrounding the Canadian economy, emerging technologies, and the real estate market, based on the feedback of a representative sample of Canadians. The intent of the report is to generate new data that can offer valuable insight into current trends and consumer concerns and help professionals in the legal industry plan for the future.

The Q3 Canadian Pulse Report looked at three key areas that impact all citizens and businesses, including legal professionals:

- **Technology:** personal and professional adoption of AI tools, and comfort with AI tools being used by skilled professionals in their service to customers.
- **Economy:** confidence in the economy, personal financial wellness and the impact of high interest rates on consumer spending.
- **Real Estate:** participation in the real estate market over the past year, plans for the next 12 months and perceptions surrounding housing affordability and mobility.

METHODOLOGY

The findings of the report are the result of a survey conducted by Dye & Durham from August 16-18, 2023 among a nationally representative sample of n=1,001 Canadians who are members of the online Angus Reid Forum, balanced and weighted on age, gender, region and education. For comparison purposes only, a probability sample of this size has an estimated margin of error of +/- 2.5 percentage points, 19 times out of 20. The survey was offered in both English and French.



Find out more at www.dyedurham.ca



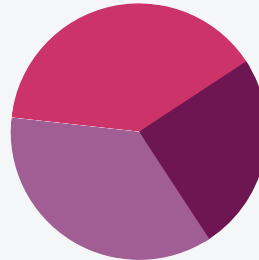
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ECONOMY

Many Canadians are feeling concerned about the state of the economy, with more than half anticipating that the country will enter a recession in the coming year and almost a third believing that Canada is already in a recession. Inflation has played a considerable role in this, as most Canadians say they've had to spend more on necessities while decreasing spending in other areas (like savings and charitable giving). As rates begin to hold steady and eventually decline, we expect a corresponding upswing in real estate transactions, business originations and other areas.

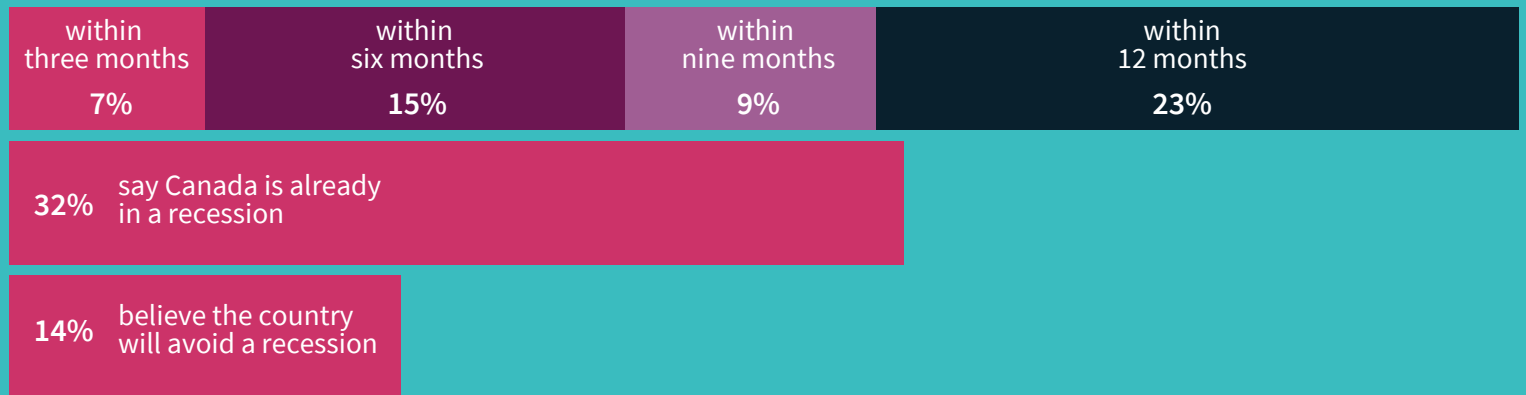
39% of Canadians feel they are now worse off financially compared to last year



25% feel they are in a better place

36% say they are neither better nor worse

54% of Canadians believe a recession is likely within the coming year:



Percentage of Canadians who have had to decrease spending in non-essential areas like:

Personal savings	Emergency fund	Retirement/ RRSP	Charitable donations	Gifts for family/ friends	Vacation expenses	RESP / education savings
53%	45%	35%	45%	40%	30%	20%

While increasing spending on necessities in the last year due to high interest rates

Groceries	Gas	Dining in or take-out	Auto insurance	Home insurance	Wellness products & services	Rent	Mortgage	Health insurance	Purchase price of new home/ property
76%	65%	59%	58%	56%	44%	40%	39%	36%	33%



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TECHNOLOGY

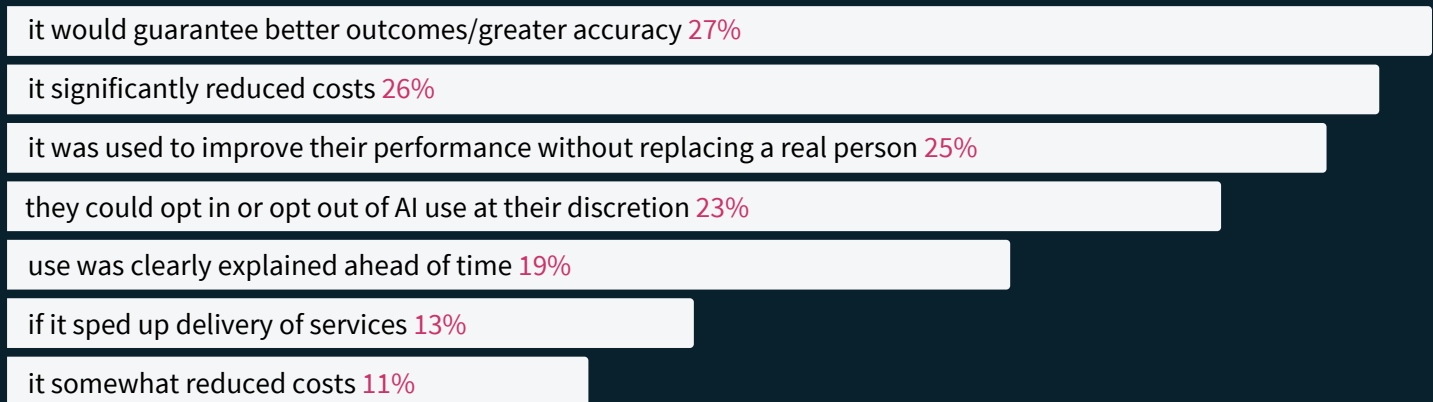
Canadians are getting comfortable with AI in their own hands, but considerable concern remains about skilled providers incorporating AI into their services. 60% of Canadians say that the idea of lawyers or notaries using AI to support or conduct the services they provide makes them uncomfortable – but a better understanding of usage and benefits would significantly increase their comfort levels.

Canadians have experimented with Generative AI tools (like ChatGPT) for:		Frequent usage (weekly or more often)
Personal and professional reasons	27%	7%
Professional reasons only	24%	7%
Personal reasons only	36%	8%

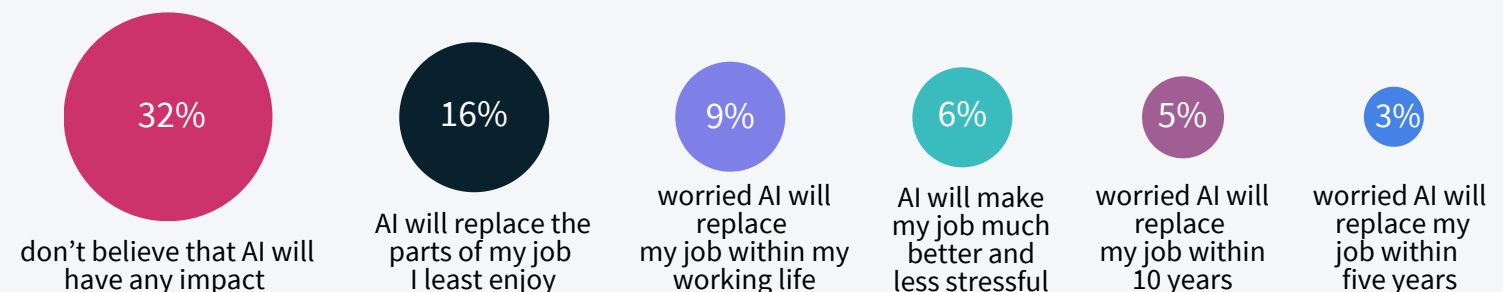
Percentage of Canadians uncomfortable with the following professionals incorporating AI into their services:



Canadians would be more comfortable with lawyers/notaries incorporating AI into their services if:



Canadians have mixed outlooks about the prospect of AI tools impacting their own job



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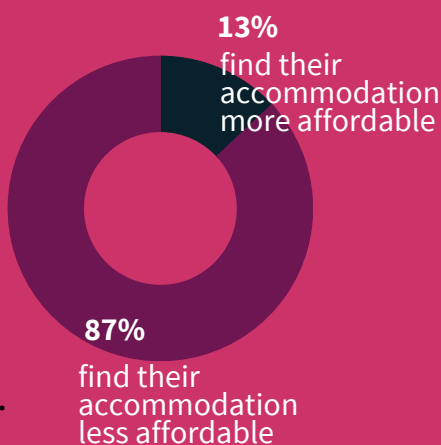
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REAL ESTATE

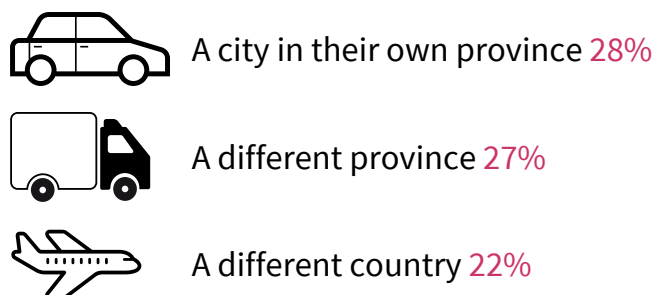
The high interest rate environment has slowed the Canadian property market over the past year, with a sizable portion of the market continuing to watch from the sidelines. However, this could change in the next year. Compared to last year, nearly twice as many respondents say they'll be selling their primary residence and purchasing a new one in the next year, with similar increases seen for first time home buying, investment/income property and secondary/vacation property in the coming year

65% of respondents own their primary residence, while **30%** rent.

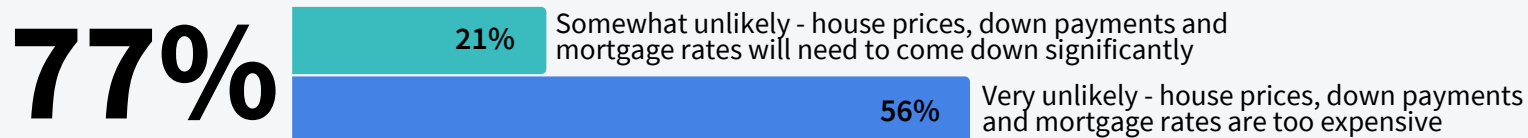
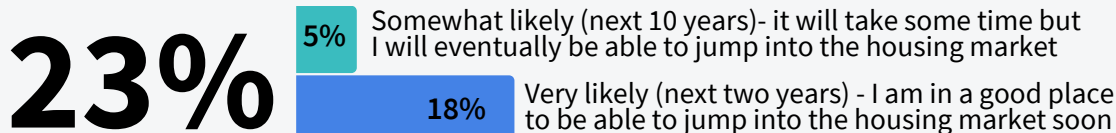
Both demographics felt the same regarding the change in affordability to their primary residence in the last year.



50% would consider moving to find more affordable housing, but how far would they consider moving:



Many renters feel it is unlikely they will be able to afford their own home



Canadians report taking the following actions:	In the past year	Plan to next year
Waiting until purchase prices drop to buy a house / property	26%	24%
Waiting until interest rates drop to buy or sell a house / property	25%	23%
Waiting until sale prices increase to sell a house / property	11%	14%
Selling primary residence and purchase new primary residence	5%	10%
Buying secondary/vacation property (e.g., cottage, cabin, vacation home, trailer or 2nd home)	5%	8%
Buying first owned home	4%	8%
Buying investment/income property (e.g., rental)	4%	8%



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