

DYE & DURHAM CANADIAN PULSE REPORT Q4 2023



When being **certain** is everything

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ABOUT THE REPORT

The Dye & Durham Canadian Pulse Report uncovers trends and sentiments surrounding the Canadian economy, emerging technologies, and the real estate market based on the feedback of a representative sample of Canadians. It generates new data which offers valuable insight into current trends and consumer concerns and helps professionals in the legal industry plan for the future.

The Q4 report examined three key areas affecting citizens and businesses and compared some of the results to those from Q3:

- **Technology:** current and future role of technology in professional endeavours and which skilled service providers would benefit by incorporating more technology into their services.
- **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 November 8-9, 2023, among a nationally representative sample of n=1,003 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.



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TECHNOLOGY

Technology has become a crucial part of our work lives as the majority of employed Canadians say it plays an important role in their day-to-day professional life, with two in three describing it as very important or critical. Canadians have also come to expect the same level of convenience and efficiency from the services they receive. Nearly half of the respondents believe that lawyers and notaries would benefit from incorporating more technology into their services and how they deliver them.



45% of Canadians think that lawyers and notaries would benefit from incorporating more technology into the services they provide them, or how they provide those services.

This sentiment is highest in **Alberta** with **55%**

87% of employed Canadians say technology plays an important part in their day-to-day working role

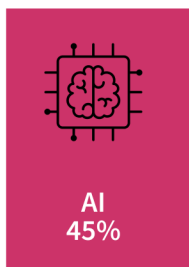
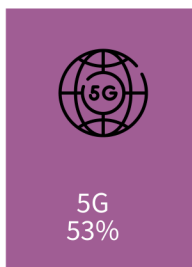
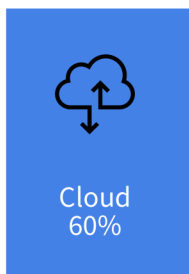
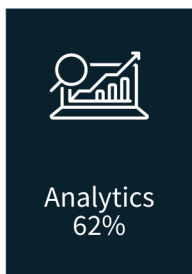


43% of Canadians say they would be unable to do their job without the use of technology



56% of **younger Canadians** aged 18-34 say they would be unable to do their job without the use of technology

In the next five years, Canadians feel the following technologies will become more vital to how they do their job



A focus on AI

- More than half (51%) of younger working Canadians believe AI will become increasingly important to their job over the coming years – significantly more than those aged 35-54 (45%) and 55+ (34%).
- 51% of workers in Alberta and 50% in Ontario feel AI will grow in importance in their roles.
- 25% workers in the Prairies (Sask/MB) think AI will become important to their work.



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ECONOMY

More Canadians feel worse off financially to start 2024 than in Q3 2023. High interest rates and inflation have played a considerable role in this as, on average, Canadians expect that they will need to spend more on necessities like groceries, gas and insurance and less on other areas like restaurant dining, vacations and personal savings. Nearly 60% of Canadians believe the country will enter an economic recession in the next 12 months, with 31% believing we are already in one. Only nine percent believe Canada will avoid a recession in the next 12 months.

The financial health of Canadians changed in the last quarter



I am worse off financially

This sentiment is highest in the Prairies:

Q4 (59%)

The most significant change was in Alberta:

48% in Q4 vs 33% in Q3



I am better off financially

This sentiment is highest in younger Canadians:

Q4 18-34 (30%), 35-54 (18%), 55+ (15%)

The most significant changes by age group and region occurred in:

35-54; 27% in Q3 vs 18% in Q4
Atlantic Canada; 20% in Q3 vs 30% in Q4

Canadians' outlook on the economy further declined in Q4 2023, with more people saying a recession is likely in the next 12 months

59%

59% of Canadians believe a recession is likely within the next 12 months, compared to 54% who believed so in Q3 2023

31%

31% say Canada is already in a recession

9%

9% of Canadians believe the country will avoid a recession, compared to 14% who believed so in Q3 2023

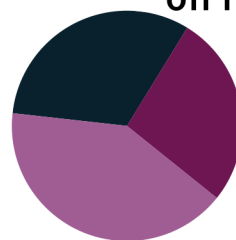


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Thinking ahead to 2024

32% of Canadians feel they will be worse off financially a year from now



27% feel they will be in a better place

Those aged 18-34 are feeling the most positive (39%)

41% say they expect to be neither better nor worse off financially

Percentage of Canadians expecting to spend more on these necessities in 2024 than they did in 2023

Expenses

This sentiment is strongest in:



Groceries
57%

Prairies residents (65%) and British Columbians (64%)



Gas
41%

Atlantic Canadians (52%) and British Columbians (48%)



Auto Insurance
30%

Alberta (43%)



Home Insurance
28%

Albertans (41%) and British Columbians (35%)



Rent
25%

Quebec (31%) and Atlantic (17%)



Mortgage
19%

Prairies residents mortgage (26%)

While planning to spend less on these items in 2024 than in 2023

In-restaurant dining and take-out	Entertainment	Vacations	Gifts for family/friends	Personal savings	RRSP / retirement savings
50%	44%	40%	40%	40%	21%

Those aged 35-54 are expecting to cut back on discretionary spending more than other demographics

56%	50%	45%	49%	40%	27%
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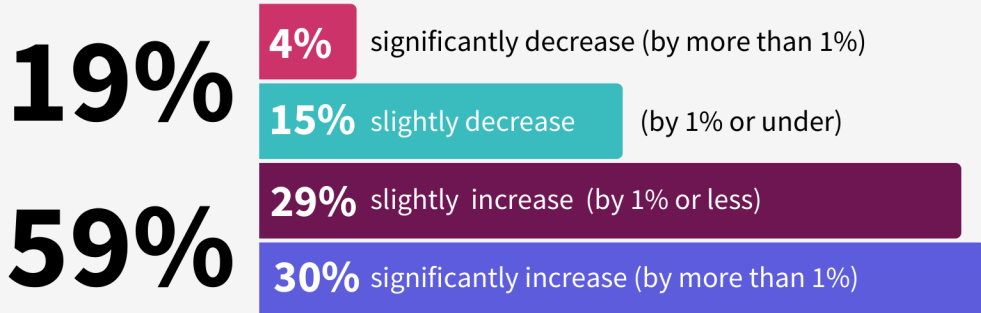
REAL ESTATE

Fewer Canadians say they are planning to wait for house prices and interest rates to decrease before buying a property, indicating that patience for well-priced real estate opportunities has begun to wane. While Canadians appear more bullish on their real estate plans, they do not anticipate the cost of home ownership to be in their favour in 2024. More than half expect prices to increase in their areas, nearly a third expect mortgage rates to jump by more than one percentage point, and almost as many expect them to increase by one percentage point or less in the next 12 months.

Canadians appear to be losing patience with waiting for house prices and interest rates to decrease

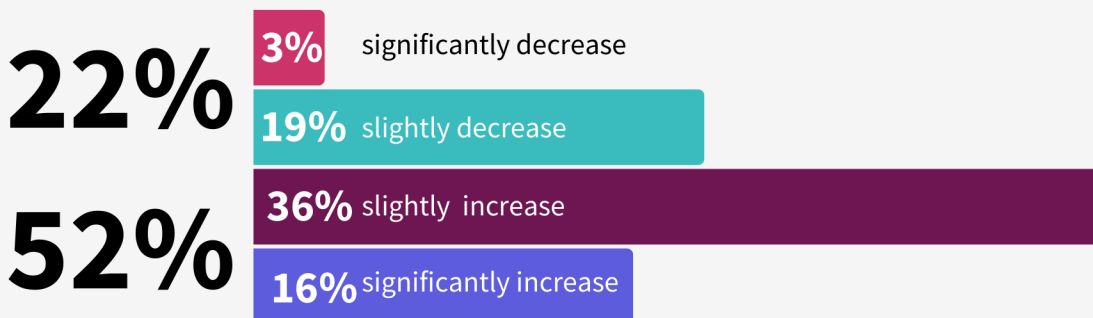
Q3 2023 In the past year	Q4 2023 In the past year	Canadians report taking the following actions:	Q3 2023 Plan to next year	Q4 2023 Plan to next year
26%	19%	Waiting until purchase prices drop to buy a house/property	24%	20%
25%	20%	Waiting until interest rates drop to buy or sell a house/property	23%	21%
5%	5%	Selling primary residence and purchasing new primary residence	10%	12%
4%	5%	Buying first owned home	8%	8%
4%	4%	Buying investment/income property (e.g., rental)	8%	9%

Expectations of mortgage rate movement in the next 12 months



46% of people living in the Prairies expect rates to increase by more than one percentage point in the next 12 months

Expectations of housing price movement in the next 12 months



30% of people in Ontario believe prices will decrease

62% of Albertans and 60% of those in British Columbia feel prices will increase



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