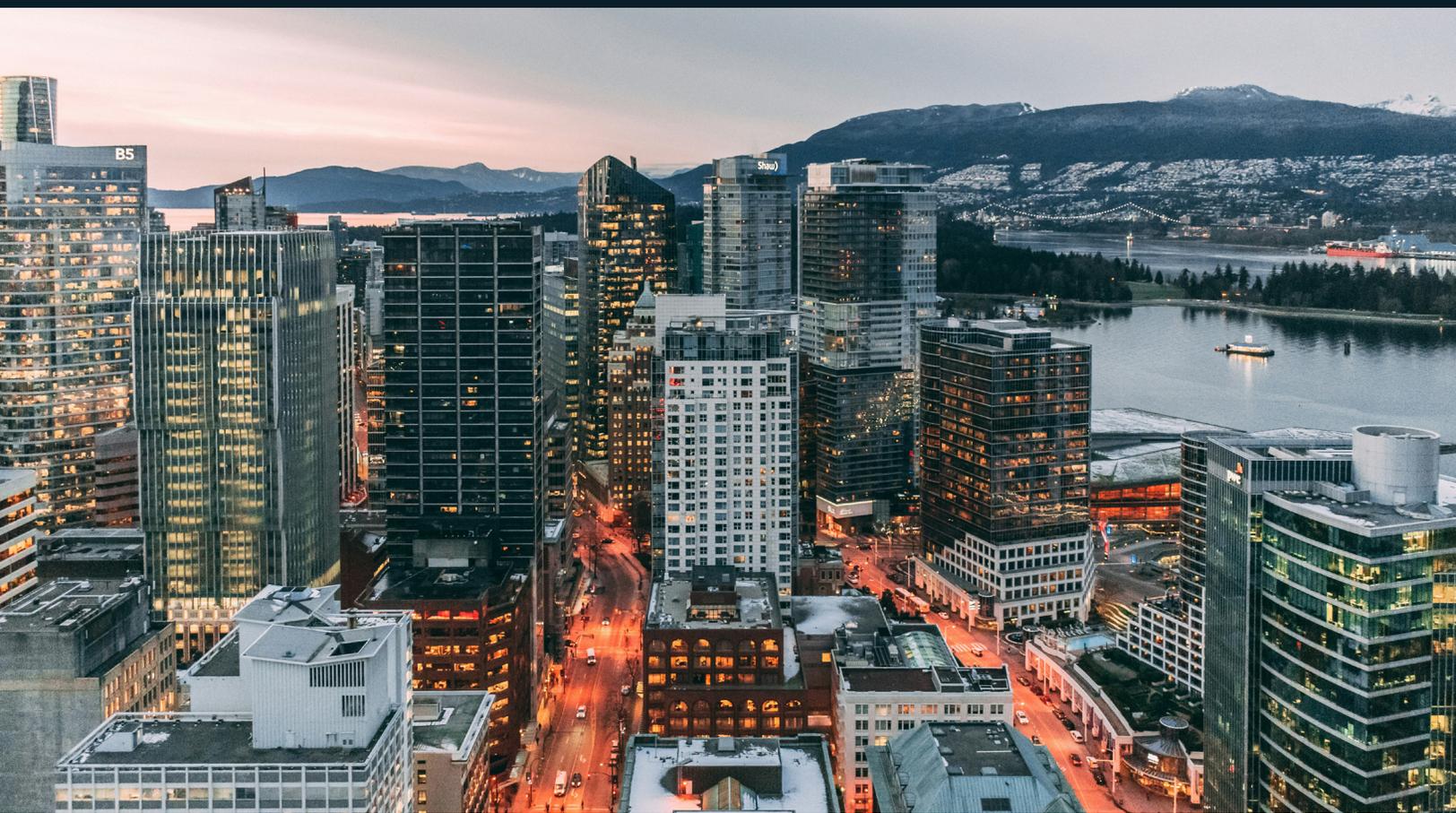


DYE & DURHAM CANADIAN PULSE REPORT Q1 2024



When being **certain** is everything

ABOUT

Conducted quarterly, the Dye & Durham Canadian Pulse Report is designed to uncover trends and insights into Canadian sentiment surrounding three key areas: the economy, technology, and the real estate market.

The Q1 2024 report examined three key areas affecting citizens and businesses and compared the results to those from the past year:

Technology: perceptions of the role of generative AI in personal and professional endeavors and comfort levels with service providers incorporating AI 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 February 28 - March 3, 2024, among a nationally representative sample of n = 1,015 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 +/- 3.1 percentage points, 19 times out of 20. The survey was offered in both English and French.

TECHNOLOGY

The use of Generative AI tools continues to grow among Canadians, with **39%** saying they have experimented with them for personal and professional reasons, compared to **27%** in Q3 2023. Still, many Canadians remain cautious about skilled service providers incorporating AI into their services. A better understanding of how AI is used is crucial in helping the average Canadian become more comfortable with skilled professionals like lawyers and notaries adopting these tools.

Canadians report experimenting with Generative AI tools (like ChatGPT) for:

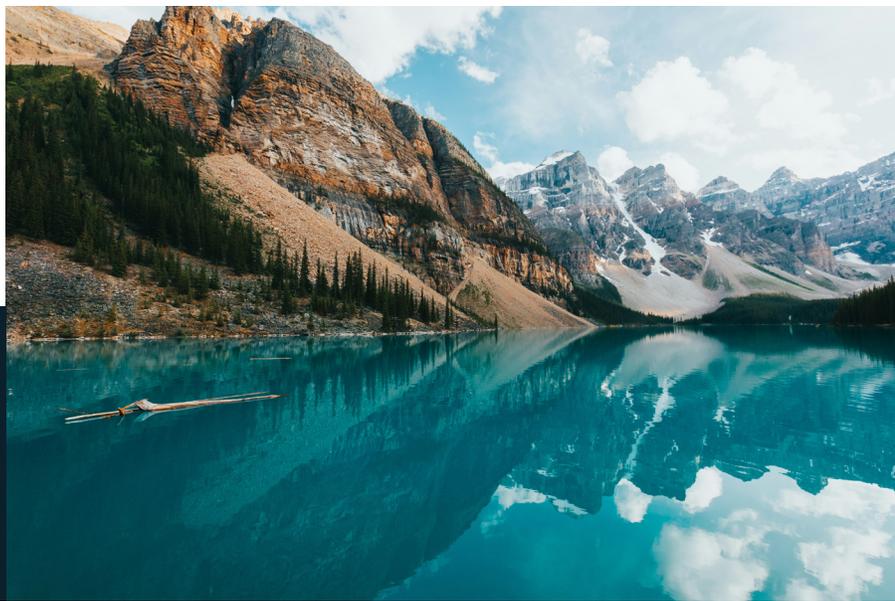
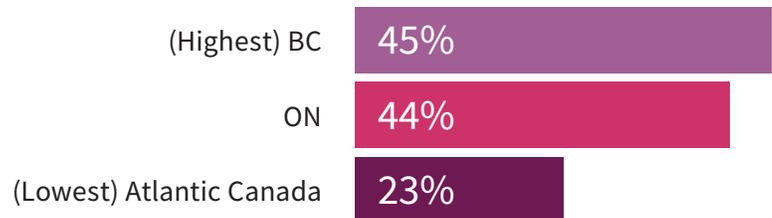
45% **36%**
Personal reasons only

39% **27%**
Both personal and professional

33% **24%**
Professional reasons only

Q1 2024 Q3 2023

Regional AI Use Comparison



More Canadians feel AI will impact their jobs, with the younger cohort feeling most positive about its impact and those aged 35 - 44 most concerned about AI replacing them

Q1 2024 Q3 2023

11% 6%

AI will make my job much better and less stressful

Q1 2024 Q3 2023

17% 16%

AI will replace the parts of my job I least enjoy

Q1 2024 Q3 2023

12% 9%

AI will replace my job within my working life

Q1 2024 Q3 2023

27% 32%

Don't believe that AI will have any impact



18-34

Most optimistic about positive impacts of AI on their job

23% AI will make my job better and less stressful

29% AI will replace the parts of my job I least enjoy

25% AI will not impact my job



35-44

Most concerned about AI replacing their job

18% AI will replace my job within my working life

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

Q1 2024 Q3 2023

Doctors / Medical Providers

62% 63% 

Lawyers / Notaries

61% 60% 

Investment, Financial or Tax Advisors

57% 53% 

Insurance Brokers

52% 49% 

Mortgage Brokers

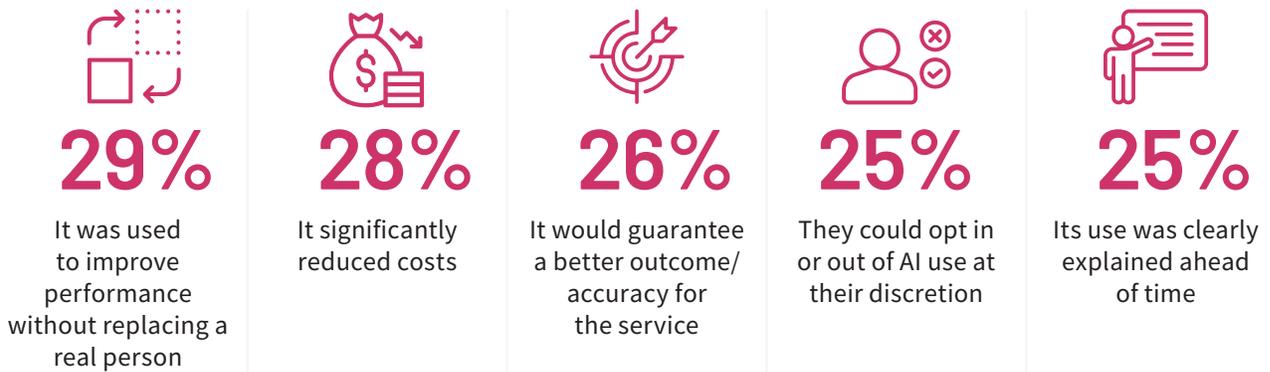
51% 48% 

Real Estate Agents / Brokerages

49% 46% 

Respondents in **BC** report the least discomfort with lawyers/notaries using AI (**53%**) compared to other regions in Canada

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



Regional differences on what would most increase comfort levels



Atlantic Canada are least interested in:

- Reducing costs significantly (**13%**) or slightly (**3%**)
- Guaranteeing a better outcome or better accuracy (**20%**), or speed up service (**7%**)



BC residents are the most comfortable with lawyers/notaries incorporating AI into their services (**24%**). They indicate increased comfort levels if:

- It is utilized to improve performance without replacing a person (**33%**)
- It guarantees better outcomes/accuracy (**32%**)



The most significant contributors to increased comfort levels in **Ontario** are:

- If its use was clearly explained ahead of time (**28%**)
- If it sped up delivery of service (**15%**)

ECONOMY

Despite a growing number of Canadians believing that the country is already in a recession, there has been a notable increase in optimism about the economy's short-term strength. **20%** of respondents now believe the country will avoid a recession altogether, up from only **9%** in Q4 2023. Canadians are also less pessimistic about their finances, with more people feeling that they are in a better financial position than they were a year ago, compared to Q3 and Q4 2023 levels. However, high interest rates continue to impact spending, and more Canadians anticipate having to increase how much they spend in all surveyed categories over the next **12** months.

More Canadians feel they are in a better financial position today than a year ago

Q1 2024

Q4 2023

28% **20%**

Better place

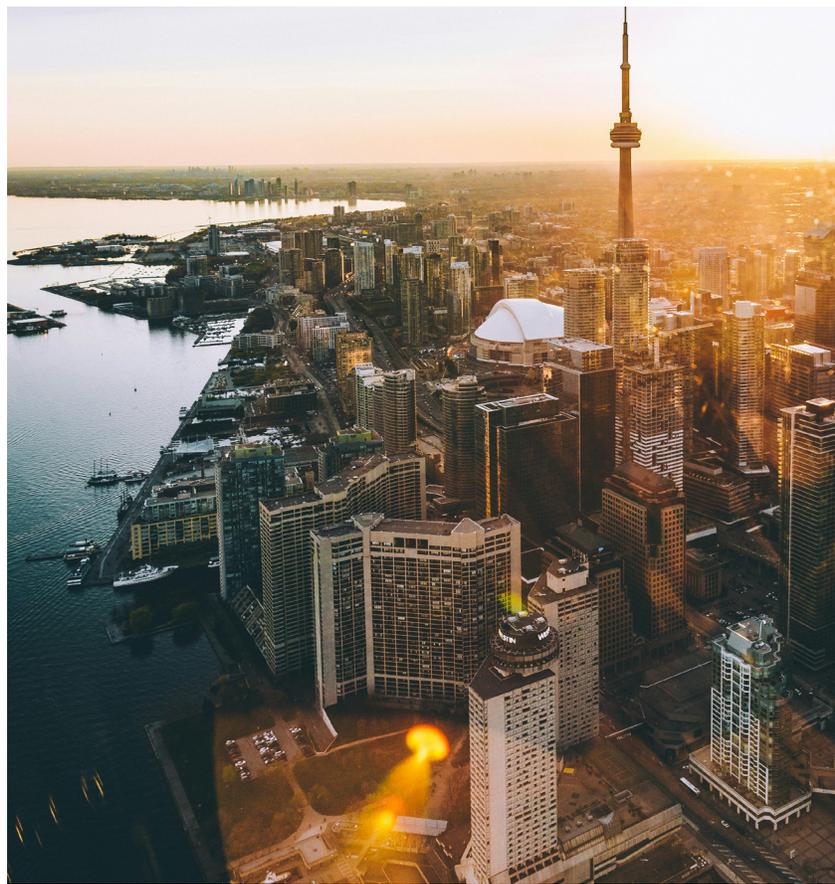
39% **44%**

Worse place

33% **36%**

Neither better nor worse

- Those in **Ontario** were the most likely to report being in a better place (**33%**).
- Respondents in **BC** (**43%**) and **Atlantic Canada** (**44%**) were the most likely to report feeling worse-off.



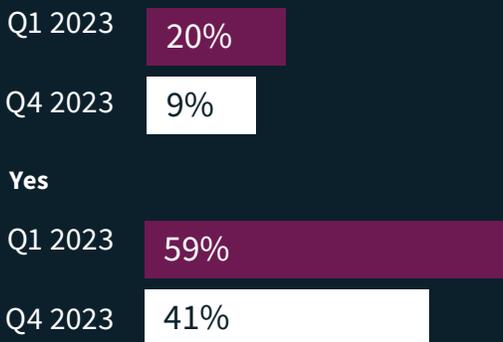
Fewer people believe Canada is heading towards a recession, but more think the country is already in one. Although a lower percentage, more people also feel the country will avoid one.

Perceptions on a possible economic recession

I believe Canada is already in a recession



I believe Canada will avoid a recession



35-54

- Least likely to believe Canada will avoid a recession (**12%**)
- Most likely to think a recession is likely in the next year (**46%**)



55+

- Most likely to believe Canada will avoid a recession (**29%**)
- Least likely to believe Canada is already in a recession (**34%**)



Canadians in **BC** are the least likely to believe the country is already in a recession (**36%**) and most likely to say a recession is probable within the next 12 months (**46%**).

Canadians believe that high interest rates have led to increased spending in both essential and non-essential areas

	Q1 2024	Q3 2023		Q1 2024	Q3 2023
	87%	76%		70%	56%
Groceries			Home insurance costs		
	78%	65%		58%	40%
Gas			Rent		
	57%	39%		40%	26%
Mortgage costs			Personal savings		
	69%	58%		36%	22%
Auto insurance costs			RRSP / retirement savings		
	54%	31%		75%	59%
Sale price of an owned home/property			In-restaurant dining or take-out		
	57%	33%		51%	31%
Purchase price of a new home/property			Professional services (like lawyers, accountants)		

SK/MB respondents were the most likely to report increased spending on the following:

- Home insurance (**77%**)
- Mortgage (**70%**)
- Retirement savings (**59%**)
- Professional services (**58%**)



and the least likely to report increased spending on:

- Purchase price of a new home/property (**51%**)
- Rent (**51%**)

REAL ESTATE

More than a quarter (**26%**) of Canadians in Q1 plan to wait for interest rates to drop before buying or selling a property, up from **21%** in Q4 2023. Perceptions of home affordability remain consistent, with **87%** feeling that it is less affordable to own a home today than it was a year ago. Despite this, Canadians' willingness to relocate for more affordable housing remains stable with more than half (**53%**) of respondents indicating they would consider moving to a different city, province or country for this purpose, up from **50%** in Q3 2023.

Canadians report planning to take the following actions in the next 12 months:

	Q1 2024	Q4 2023	Q3 2023
Waiting until purchase prices drop to buy a house / property	24%	20%	24%
Waiting until interest rates drop to buy or sell a house / property	26%	21%	23%
Waiting until sale prices increase to sell a house / property	18%	14%	14%
Selling a primary residence and purchasing a new one	12%	12%	10%
Buying secondary vacation property	6%	8%	8%
Buying a first owned home	7%	8%	8%
Selling a primary residence and moving to a rental	8%	7%	7%
Selling investment / income property (e.g. rental) and purchasing new investment property	5%	6%	6%



Regional patterns:



BC respondents were the most likely to indicate planning to:

- Sell their primary residence and move to a rental (**2%**).
- Buy their first owned home (**4%**).
- Wait for interest rates to drop (**22%**) before buying or selling.



SK/MB respondents were the most likely to indicate planning to:

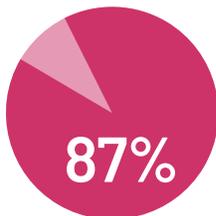
- Wait until interest rates drop to buy or sell (**30%**), as well as waiting for sales prices to increase before they sell.
- They are also the most likely to sell their primary residence and move to a rental (**11%**).



- **26%** of respondents in **Atlantic Canada** are waiting for purchase prices to drop to buy a property or home, the highest of all regions. But they are not planning to wait to sell until purchase prices increase; they tie with **Quebec** for the lowest response at **14%**.
- Those who already own homes plan to stay in their current residence (at **7%**, they had the lowest responses for selling a primary residence and purchasing a new one). Those with an investment or income property plan to sell and buy a new one (**2%**). However, this doesn't mean the demand for real estate in the East is low; more people are planning to buy their first-owned home in **Atlantic Canada (12%)**.

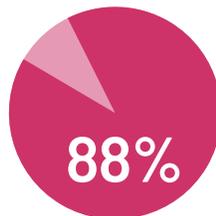
Both homeowners and renters are finding housing costs less affordable than a year ago

Home Owners



Find it less affordable, no change from Q3 2023

Renters



Find it less affordable, **1%** increase from Q3 2023

53%

of Canadians would consider moving to a different city, province or country to find more affordable housing

Q1 2024

Q3 2023

32% 28%

Would consider moving to a more affordable city in their own province

26% 22%

Would consider moving to a more affordable country

24%

Would consider moving to a more affordable city in a different province

47%

None of these



Respondents in **Ontario** are the most likely to consider:

- Moving in general (**60%**)
- Moving to a more affordable city within the province (**41%**)
- Moving to a different country (**31%**)



BC residents tie with **Ontario** for the most likely to consider moving within their own province (**41%**)



Those in **Quebec** are the least likely to say that they would consider:

- Moving in general (**41%**)
- Moving to a more affordable country (**15%**)