

DYE & DURHAM CANADIAN PULSE REPORT Q2 2024



When being **certain** is everything

ABOUT

Released quarterly, the Dye & Durham Canadian Pulse Report is designed to unveil trends and provide insights into Canadian consumer sentiment across three areas: the economy, technology, and the real estate market.

The Q2 2024 report examined these key areas that impact individuals and businesses, comparing the results to those from the past year:

Economy: interest rate expectations and impact on spending decisions over the coming months.

Real Estate: impact of anticipated declining interest rates on involvement in the real estate market over the next 12 months.

Technology: comfort levels with skilled service providers incorporating AI into their services.

METHODOLOGY

The findings of the report are the result of a survey conducted by Dye & Durham from May 7-9, 2024, among a nationally representative sample of n=1,516 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.

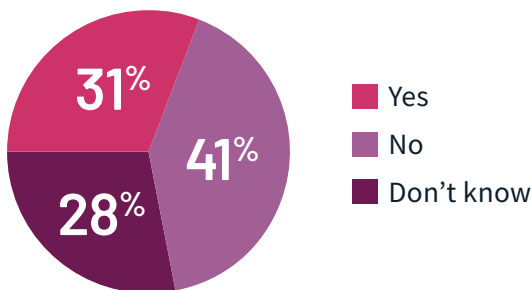
ECONOMY

High interest rates have significantly impacted Canadians' financial well-being over the past year, leading many to delay major purchases. Pulse Reports from the past year show that Canadians have had to spend more on essentials such as groceries, gas, and insurance, as well as in other areas like restaurant dining, vacations, and personal savings.

Given that inflation appears to have cooled to more manageable levels, a third of Canadians expect the Bank of Canada to announce a drop in the key interest rate as early as June. However, a larger proportion say they are skeptical of rate cuts beginning so soon.

Regardless of the bank's decision in June, most Canadians believe lower interest rates will positively impact their finances, and many are poised to begin making significant expenditures once rates start to fall.

Do Canadians expect the Bank of Canada to begin cutting rates in June?



Canadians believe that lower interest rates will impact their financial well-being in the following ways:



Most likely to believe interest rates will be cut in June:



Most pessimistic about a rate cut:



38%

of Canadians have waited to make a major purchase in the past year due to high interest rates.

42%

plan on making a major purchase once interest rates begin to decline.

When do **they** plan on making major purchases?

4%
Immediately

14%
After a few cuts are made

24%
After significant cuts are made

Canadians plan on making the following major purchases once rates begin to decline:



15%
A new car



14%
A new home/
primary residence



12%
A significant home renovation project



9%
Increase in personal/
emergency savings



Most likely to say they plan on purchasing a new home following interest rate cuts:



Alberta
18%



Renters
24%



27%

of Canadians believe that lower interest rates will make it more affordable to retain the services of professionals like lawyers or accountants.

Canadians believe that lower interest rates will make it more affordable to purchase/put money towards the following:



81%

Mortgage costs



70%

Purchase price of a new home/property



66%

Sale price of an owned home/property



65%

Home renovations



58%

Personal/emergency savings



48%

RRSP/retirement savings



47%

Groceries



27%

Professional services
(e.g., lawyers,
accountants, etc.)



REAL ESTATE

The high interest rate environment has significantly impacted homeowners, with many experiencing soaring monthly mortgage payments over the past year. Consequently, many Canadians with a home mortgage say they plan to refinance once rates begin to decline. Renters are also closely following interest rate trends over the coming months, as half of them indicate that lower rates will increase their likelihood of purchasing a home.



Renters believe lower interest rates will make it:

57% Easier for them to buy a home

50% More likely that they will buy a home

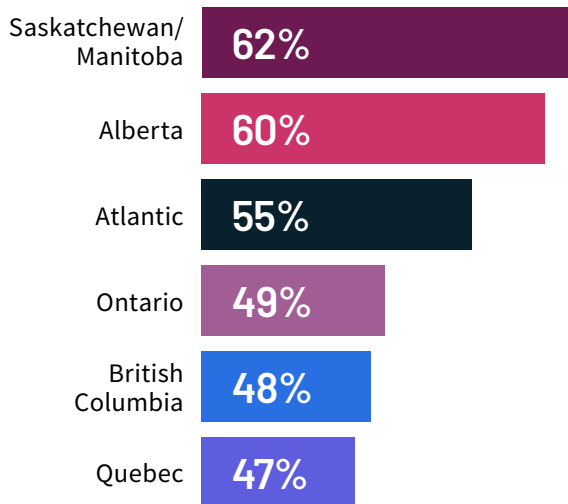


Renters aged 18-34 believe lower interest rates will make it:

74% Easier for them to buy a home

70% More likely that they will buy a home

Regional breakdown of renters who say lower rates will increase their likelihood of buying a home:





41%

of homeowners plan to refinance their mortgage once interest rates start to decline.

When do **they** plan on plan on refinancing?

8% Immediately

13% After a few cuts are made

20% After significant cuts are made

Regional interest in refinancing



58%
Alberta



39%
Ontario



45%
Atlantic



42%
Saskatchewan/
Manitoba



37%
British
Columbia



34%
Quebec

Fewer Canadians (**16%**) plan to wait for sale prices to increase before selling their home, down from **18%** in Q1.

TECHNOLOGY

The proportion of Canadians uncomfortable with skilled service providers integrating AI into their services increased slightly from Q1 to Q2 2024. As indicated in the Q1 report, a quarter of Canadians would be more comfortable with lawyers/notaries using AI to deliver services if its use was clearly explained beforehand, and they could opt in or out at their discretion. This indicates an appetite among Canadians for clear and transparent communication of AI's usage and benefits in the services they receive.

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



63% Doctors /
Medical Providers

+1%
from Q1



63% Lawyers /
Notaries

+2%
from Q1



58% Investment,
Financial / Tax Advisors

+1%
from Q1



55% Insurance
Brokers

+3%
from Q1



54% Mortgage
Brokers

+3%
from Q1



52% Real Estate Agents /
Brokerages

+3%
from Q1

Lawyers can help their clients become more comfortable with the use of AI in their services by clearly explaining ahead of time*:

1. If and how it is used to improve the lawyer's performance without replacing a real person.
2. If and how it leads to significantly reduced costs for the client.
3. If and how it helps guarantee a better outcome or greater accuracy for their clients' service.
4. If and how they can opt in or opt out of its use.

*Source: Dye & Durham Canadian Pulse Report, Q1 2024 & Q3 2023