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Majority of Canadians who don't own a home have 'given up': poll



By **Craig Lord** Global News
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Despite a sizeable drop in **home prices** over the past year and a slew of federal government measures aimed at addressing **housing affordability**, a new poll suggests Canadians are no more encouraged about breaking into the housing market.

Some 63 per cent of Canadians who don't own a home have "given up" on ever owning one, according to the results of an Ipsos poll conducted exclusively for Global News published Wednesday. That figure is similar to a similar poll conducted a year earlier.

The findings show that while 76 per cent of respondents felt that owning a home was the best investment a person can make, nearly seven in 10 say that home ownership is now only for the rich.

Younger generations (those aged 18-34) were most likely to agree that owning a home is a major accomplishment, but also that it was a privilege reserved for the wealthy.

Sean Simpson, Ipsos senior vice-president, tells Global News that Canadians are still "upset" about the state of Canada's housing market.

"There's a feeling out there that despite the fact that homeownership continues to be a good investment and people believe that you're better off financially if you own a home, something is holding them back," he says.

Home prices have declined significantly over the past year, with the Canadian Real Estate Association (CREA) **reporting a 19 per cent decline** from the highs of the pandemic in February 2022 to the same month this year.



5:49

But driving those declines and an overall cooling in the housing market has been a surge in the Bank of Canada's benchmark interest rate, which had raised mortgage rates and limited how much Canadians can afford to borrow. The central bank has adopted a conditional pause to rate hikes after raising its policy rate to 4.5 per cent from the rock-bottom lows that fuelled a flurry of housing activity in the first two years of the COVID-19 pandemic.

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Some 71 per cent of respondents to the survey said high interest rates were keeping them on the sidelines of the housing market. Three in 10 said they believed now was a good time for a first home purchase.

"Despite the fact that we've had a softening of housing prices over the last year and that interest rate increases have leveled and are perhaps going to be hopefully going down soon, attitudes have not changed," Simpson says.

Lack of impact from government measures

Last year's federal budget dedicated a number of announcements toward improving housing affordability, though experts say the impact of these items has either been muted, hard to measure or hasn't come into effect yet.

The **Tax-Free First Home Savings Account** came into effect as of April 1, but most banks and financial institutions who spoke to Global News **said they wouldn't be ready to offer the account** to Canadians by that date.

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The Liberal government also **hasn't offered a timeline** for when it will roll out a possible Home Buyer's Bill of Rights, which it floated could have measures including an end to blind bidding in the real estate market.

Rishi Sondhi, a TD Bank economist who covers Canada's housing market, says the temporary ban on foreign buyers would have a "reduced impact" in Ontario and British Columbia, where earlier introductions of a tax on this segment likely "shook out" the demand here.

READ MORE: [Canada eases some rules around foreign homebuyers ban](#)

It's hard to measure the impact of new tax rules targeting home flippers due to a lack of data on the phenomenon, he adds.

Whether federal government measures are having an impact on Canada's housing market or not, Ottawa's efforts are not translating to a substantial boost in confidence among buyers, Simpson says.

The Ipsos poll only shows 27 per cent of Canadians feel the federal government is doing enough to address housing affordability in the country, up two percentage points from a year ago.

"Despite consistently telling governments that housing is a priority, that we need to keep the dream of homeownership alive in Canada, Canadians believe that governments simply aren't doing enough to act," Simpson says.

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Moving towards more housing affordability

Despite what Canadians may feel, economists tracking the affordability of homes in Canada say there's been some modest improvement over the past year.

National Bank Financial's housing affordability monitor tracks the real estate market in Canada based on a household's ability to both save for a down payment and make monthly mortgage payments in their respective market.

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For the first time in more than two years, housing affordability improved in the final quarter of 2022, National Bank reported in its latest report, ending the longest sequence of declining affordability since the late 1980s.

National Bank economists expect the trend to persist into 2023 as the housing correction continues and the Bank of Canada appears to be holding its benchmark rate steady.

Sondhi agrees that if current trends hold, 2023 could see modest improvements in affordability.

While TD projects home prices will start to climb gradually again through the year, declining mortgage rates could open the door to more Canadians looking to enter the housing market.

He says this could flow from a likely peak in interest rates and eventual cuts from the central bank come 2024, as well as downward pressure on bond yields that drive fixed-rate mortgage rates.

And while the economy is likely to slow, Canadian households are projected to see modest income growth through the year, Sondhi says, helping to boost what prospective buyers can afford in the housing market.

“We do anticipate seeing some improvement in affordability moving forward,” he says.

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However, Sondhi cautions that affordability will be “strained” unless the country makes significant strides toward improving the housing supply in the face of expected population growth.

While the past few years have seen a “robust” pace for housing starts, Sondhi says TD is expecting a slowdown on this front as demand diminishes. He notes, too, that starts are not the same as housing completions, and the building process has faced delays in recent years.



2:18

Simpson says governments need to “act courageously” and align across jurisdictional levels to get homes built.

The federal government recently launched its housing accelerator fund, which seeks to encourage municipalities to build homes quickly.

Simpson encourages existing homeowners, who still outnumber renters in Canada, to have “empathy” for those looking to get into the housing market and resist impulses like NIMBYism — attitudes that more dense development should exist, but “not in my backyard.”

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“How can we act a little bit differently in order to make sure that that dream stays alive for those who are saving to be able to buy their first home?” Simpson asks.

“There are likely smaller things that we can collectively do that might shave off a little bit of value, but if it helps to build more affordable housing or housing for people’s children when they’re ready to buy, then it might be something that we need to look at.”

— with files from *Global News’ Anne Gaviola*

These are some of the findings of an Ipsos poll conducted between March 20 to 22, 2023, on behalf of Global News. For this survey, a sample of 1,001 Canadians aged 18+ was interviewed. Quotas and weighting were employed to ensure that the sample's composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 3.5 percentage points, 19 times out of 20, had all Canadians aged 18+ been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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