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More Canadians struggling with monthly mortgage payment: Angus Reid survey

Sammy Hudes || October 23, 2023



Houses are seen in Burnaby, B.C., on Wednesday, July 12, 2023. (THE CANADIAN PRESS/Darryl Dyck)

TORONTO - A new survey suggests the number of Canadians struggling with their monthly mortgage payment is on the rise, along with worries of potentially higher payments when it comes time to renew with their lender.

Around 15 per cent of borrowers say they find the financial aspect of their mortgage "very difficult," up from 11 per cent in June and eight per cent in March, according to data released on Monday by the Angus Reid Institute.

Despite expectations the Bank of Canada will hold its key interest rate steady at five per cent when it announces its next decision Wednesday, 79 per cent of survey respondents are worried or very worried they will face higher payments when it comes time to renew their mortgage.

Those with variable-rate mortgages were less likely than respondents with fixed-rate mortgages to find their monthly payments easy to handle at the moment, but those with

variable-rate loans were also less likely to be "very worried" about what their next mortgage renewal might bring compared to those with fixed-rate mortgages.

The pessimism comes as no surprise, said James Laird, co-CEO of Ratehub.ca and president of CanWise Financial.

But whether or not the Bank of Canada holds steady this week, it likely won't ease the concerns of most borrowers yet, he said.

"If it went up an extra 25 basis points, or let's say, that happens in the next six months, it's not that big of a change," said Laird.

"What is probably more interesting is going to be the commentary, as opposed to the actual rate decision. The bank will sometimes give us a good peek into what they're thinking and what they're planning in different scenarios in the months ahead."

The central bank held its key interest rate steady last month but left the door open to more rate hikes, citing concerns about the persistence of underlying price pressures.

The September consumer price index report helped ease some worries about the annual inflation rate, which slowed to 3.8 per cent.

The Angus Reid data also shows around half of respondents feel they are in a worse financial position than they were last year, while 35 per cent expect to be in a worse position a year from now.

The online survey was conducted from Oct. 9-13 among a representative randomized sample of 1,878 Canadian adults who are members of Angus Reid Forum. The poll has a margin of error of +/- 2 percentage points, 19 times out of 20, the company said.

Laird said that while households are "definitely strained," most Canadians are still making their mortgage payments, unless they have suffered a recent job loss. But he said that means "other important parts of the financial picture" for household budgets, such as savings, are taking a hit.

"I don't want to say it's easy, but it's possible," he said.

"The first dollar in every household budget does go to that shelter payment, whether it's a rent payment or a mortgage payment. So what's happening is things are being squeezed out of the budget. The payments are being made on time still, there's just less money for other very important things like RRSPs and RESPs."