

## FACTUM

### The Housing Crisis in Canada: Three-Quarters (75%) of Canadians Who Don't Own A Home but Want to Buy One, Say They Can't Afford to

### Three-fifths (61%) Report That Their Cost of Living Has Increased, Over the Past Year, Suggesting That Wages Might Not Be Keeping Up with Inflation

**Toronto, Ontario, June 16, 2021** — A new Ipsos poll conducted on behalf of Manulife Bank reveals that there might be an affordability crisis in Canada, with many struggling to keep up with the cost of living or admitting that home ownership has become a pipe dream for them. The situation has developed into a tragedy for many prospective homeowners, as three-quarters (75%) of those who do not own a home but want to buy one feel like they can't afford to do so. What's more, most (71%) of those who do not own a home worry about saving up for one, including four in ten (39%) who worry a lot about this.

Even many of those who were able to purchase a home, struggled to do so. As many as one in three (33%) Canadian homeowners (aged 20-69, HHOLD income \$40k+) admit they needed help from their parents, when purchasing their first home. The younger generations in particular are having more difficulty purchasing their first home, as nearly half of all Gen Z (aged 18-24) and Millennial (aged 25-40) homeowners needed help from their parents. The older generations have felt the strain, as well, with nearly one in ten (7%) claiming to have helped their adult children purchase a home, during the pandemic. Five percent (5%) of those with a mortgage even went one step further and used equity from their own home to help their adult children purchase a home.

The survey yields evidence suggesting that wages might not be keeping up with inflation, as three in five (61%) Canadians (aged 20-69, HHOLD income \$40k+) report that the cost of living for their household has increased, over the past year, and half (51%) of those with mortgages worry about making the payments. Two-thirds (67%) worry about housing prices in their local community, suggesting that many can no longer afford to purchase a home in the community in which they live and would have to move elsewhere, to do so. Given the current housing market situation, it follows that a vast majority (85%) of those who have young children are worried about the future affordability of real-estate for their children when they are ready for home ownership.

While there are plenty of reasons to be concerned about the affordability of life in Canada, the data suggests many could be doing a better job at financial planning and management. Indeed, most (72%) Canadians (aged 20-69, HHOLD income \$40k+) do not have a written financial plan. And only about one-third (35%) of those who are in debt have an established strategy to repay their debts.



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### About the Study

These are some of the findings of an Ipsos poll conducted between April 30<sup>th</sup> and May 4<sup>th</sup>, 2021 on behalf of Manulife Bank. For this survey, a sample of 2,001 Canadians between the ages of 20 and 69, earning \$40k+ were interviewed. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within  $\pm 2.5$  percentage points, 19 times out of 20, had all Canadians between the ages of 20 and 69, earning \$40k+ 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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