

**64% OF ONTARIANS ARE
SPENDING OVER 30 PERCENT
OF THEIR HOUSEHOLD
BUDGET ON HOUSING**

**1 IN 5 HOMEOWNERS WITH A
MORTGAGE MIGHT HAVE TO
SELL THEIR HOME IF RATES
CONTINUE TO RISE**

**95% SAY COST OF LIVING IS
MORE EXPENSIVE TODAY, WITH
NEARLY HALF CONSIDERING
MAKING DIFFICULT CHOICES.**

ABACUS DATA

DETAILED RESULTS

HOUSING AFFORDABILITY IN ONTARIO PERCEPTIONS, IMPACTS, AND SOLUTIONS (WAVE 3)

CONDUCTED FOR THE ONTARIO REAL ESTATE ASSOCIATION

NOVEMBER 2022

**RESEARCH AND ANALYSIS FROM CANADA'S LEADING PUBLIC AFFAIRS
AND MARKET RESEARCH EXPERTS**

METHODOLOGY

The survey was conducted with 2,000 Ontario residents aged 18 and over, from October 25 to November 03, 2022. A random sample of panelists were invited to complete the survey from a set of partner panels based on the Lucid exchange platform. These partners are typically double opt-in survey panels, blended to manage out potential skews in the data from a single source.

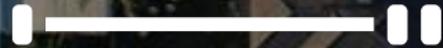
The margin of error for a comparable probability-based random sample of the same size is +/- 2.19%, 19 times out of 20.

The data were weighted according to census data to ensure that the sample matched Ontario's population according to age, gender, and region. Totals may not add up to 100 due to rounding.



EXECUTIVE SUMMARY

ABACUS DATA



EXECUTIVE SUMMARY

- The rising cost of living is widely recognized, with 95% of respondents saying it's more expensive today than two years prior, and is spurning nearly half of Ontarians (48%) to consider making difficult choices. As such, the rising cost of living is the number one priority (81%) for the Ontario government to focus on.
- While more Ontarians think housing prices have declined, there has been no change in the difficulty of buying a home suggesting that housing affordability has not improved.
- However, the desire to own a home is growing, with 69% of non-homeowners saying they are someone who 'really wants to own a home' (+9% from January), with just 5% of respondents saying they would be happy renting forever (-17%)
- Rising interest rates are already driving homeowners with a mortgage to take steps to reduce their spending. In fact, if rates continue to rise 21% of these homeowners will need to consider selling their home. Given that this is even higher among those who are younger, rising rates but declining home values will have the largest impact on those who most recently entered the housing market.
- More than half the province's households (64%) are spending over 30% of their household budget on housing, with the Ontario average landing at 41.9%. Renters, on average, are spending 11.2% more than homeowners.
- Ontarians are not giving the Government of Ontario much credit for reducing housing affordability even as they are more likely now than before to think it is a higher priority. Ontarians want, however, even more urgency on housing affordability.



PRIORITIES AND AFFORDABILITY

ABACUS DATA

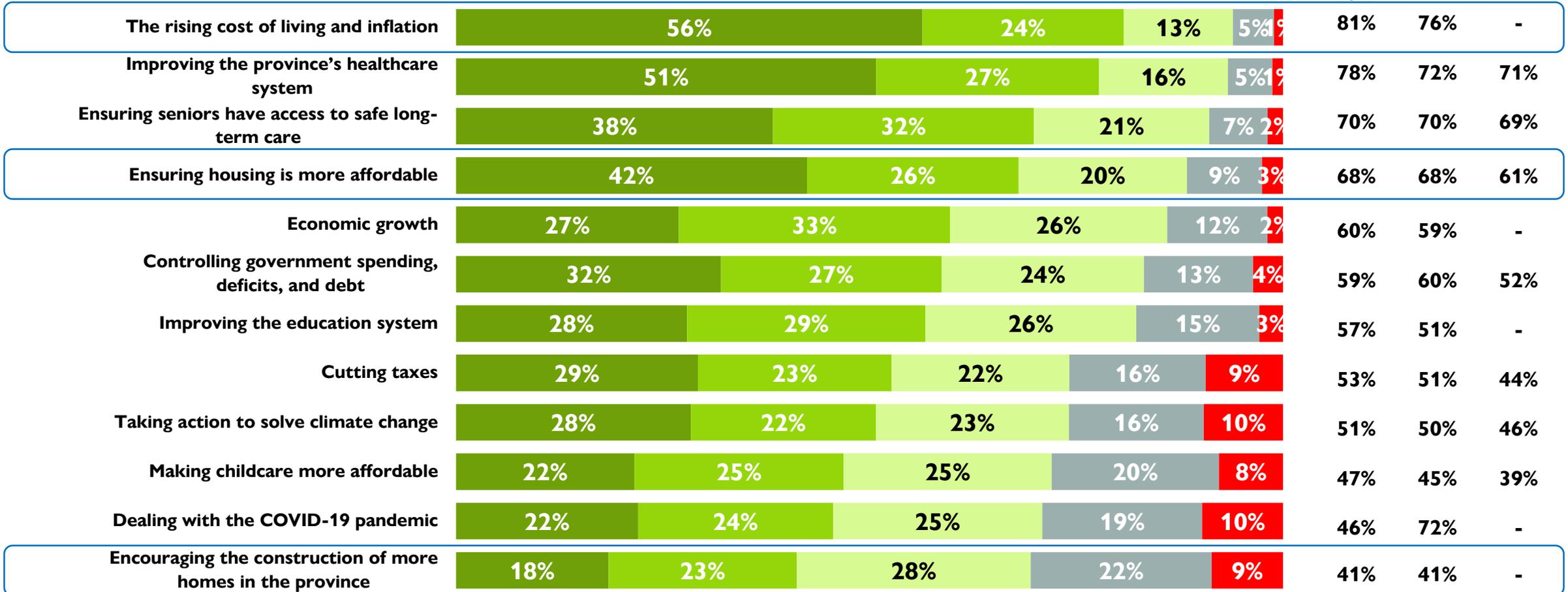
KEY FINDINGS

- Since January, the rising cost of living continues to increase in priority (81%, +5%) for Ontarians as does improving the health care (78%, +6%) and education (57%, +6%) systems. Housing affordability remains a high priority (68%) and the second most important priority for those under 45 years of age (79%).
 - Women and younger Ontarians are the most likely to be placing a high priority on the rising cost of living: in fact, 63% of women and 61% of those under 30 say it is their top priority.
- Almost everyone (95%) recognizes a more expensive cost of living and 74% think the cost of living is ‘much more’ expensive. Women, in particular, recognize the ‘much more’ rising cost of things (80% vs 67% of men).
- Even though the housing market has reportedly softened over the past few months, with rising interest rates Ontarians still widely believe that housing is more expensive: 98% agree with this sentiment, with 76% strongly agreeing.
- The rising cost of living has led almost half of Ontarians (48%) to consider making difficult choices in order to make ends meet.
 - At this time, women (53%), millennials (57% of 30 – 44 year olds), those making less than \$50K annually (61%), and renters (60%) are more likely to be considering difficult choices to reduce their spending and stay afloat.

ONTARIO GOVERNMENT PRIORITIES

% A top/very high priority

Nov. 2022 Jan. 2022 Jun. 2021



■ A top priority ■ A very high priority ■ A high priority ■ A moderate priority ■ A low priority

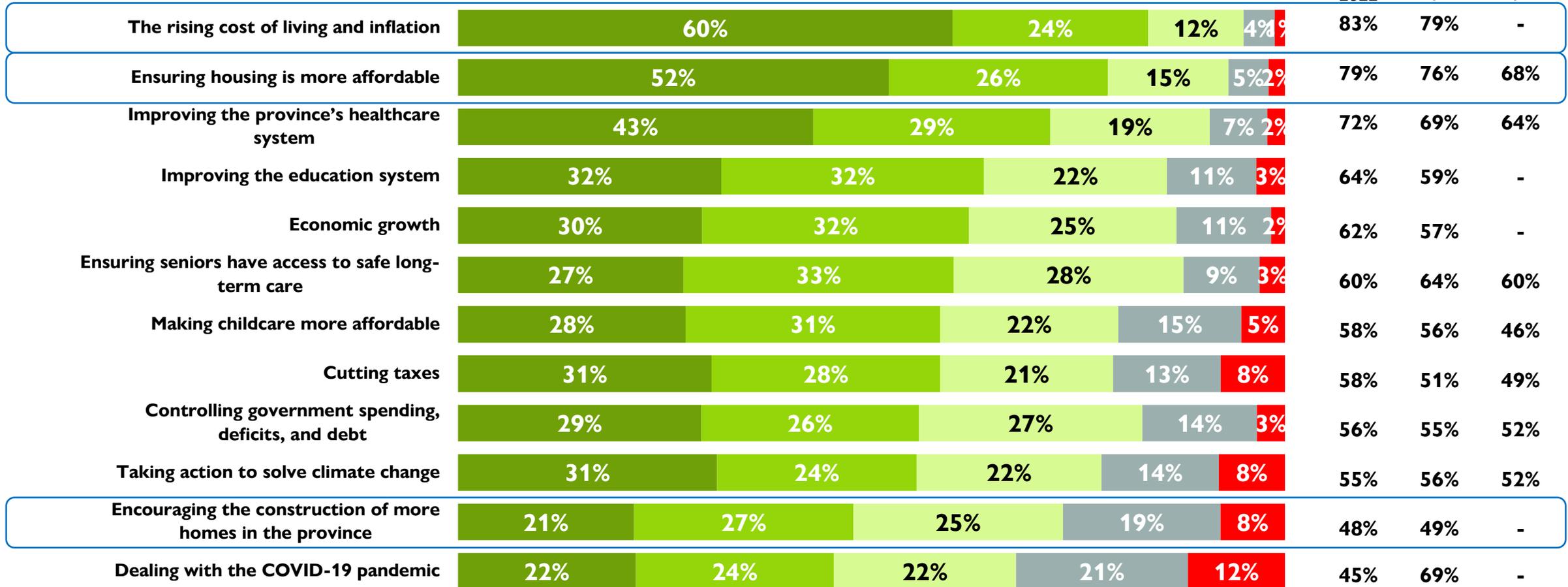


Below is a list of possible issues the Ontario government could focus on. How much of a priority do you feel each one should be?

ONTARIO GOVERNMENT PRIORITIES

THOSE UNDER 45

% A top/very high priority



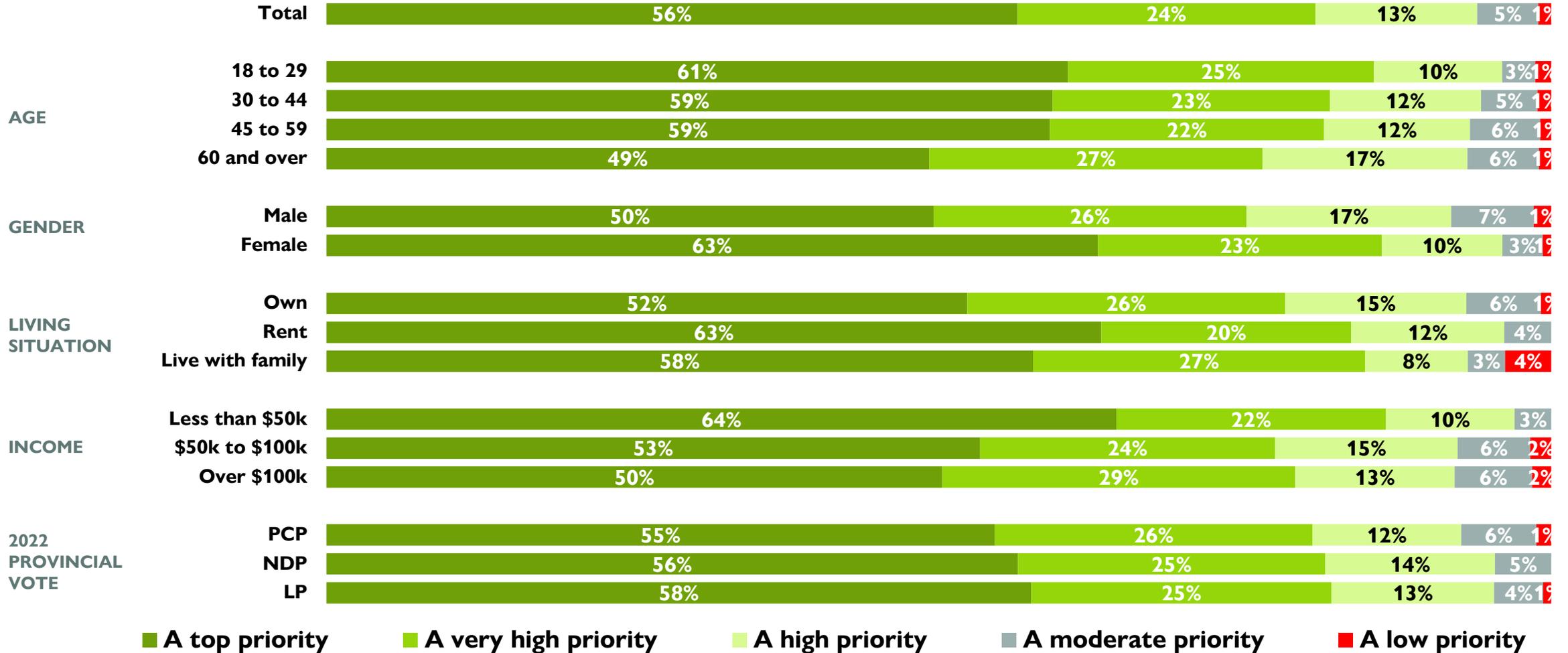
■ A top priority ■ A very high priority ■ A high priority ■ A moderate priority ■ A low priority



Below is a list of possible issues the Ontario government could focus on. How much of a priority do you feel each one should be?

ONTARIO GOVERNMENT PRIORITIES

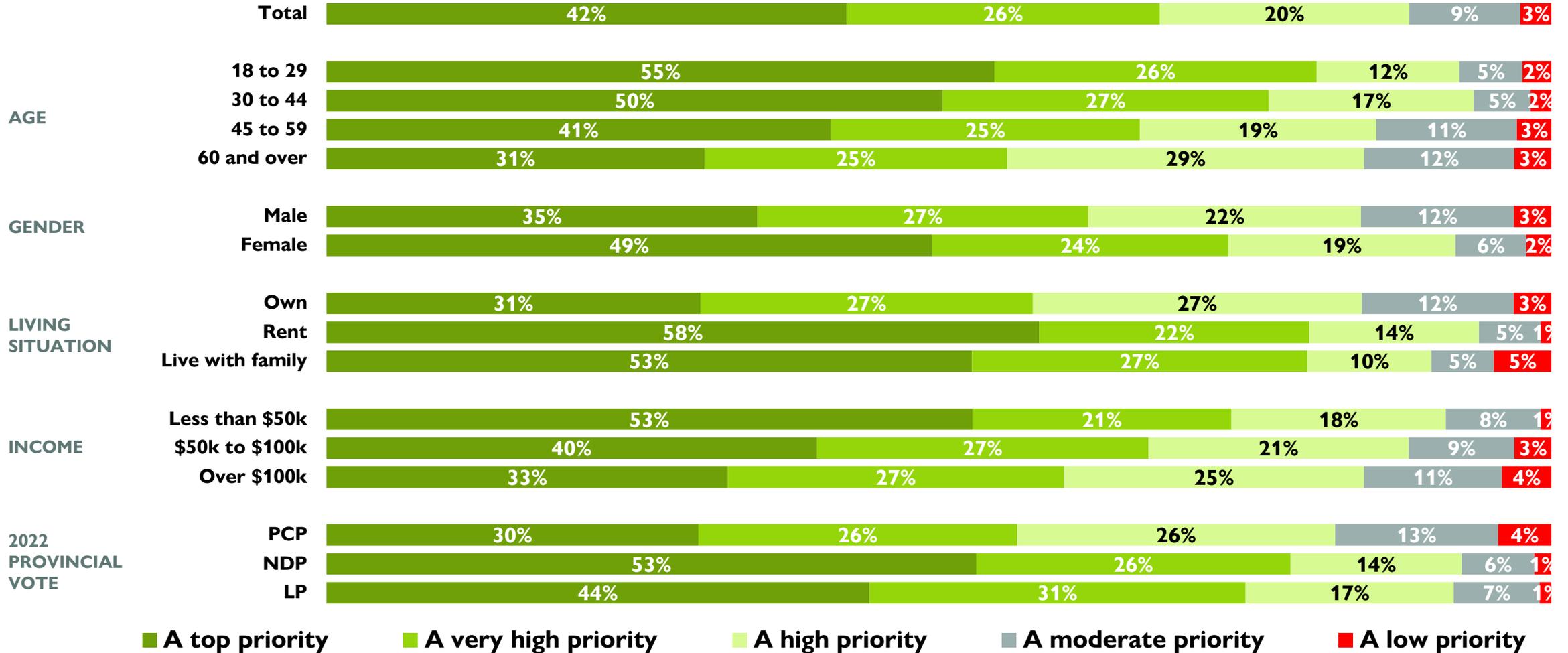
THE RISING COST OF LIVING AND INFLATION



Below is a list of possible issues the Ontario government could focus on. How much of a priority do you feel each one should be?

ONTARIO GOVERNMENT PRIORITIES

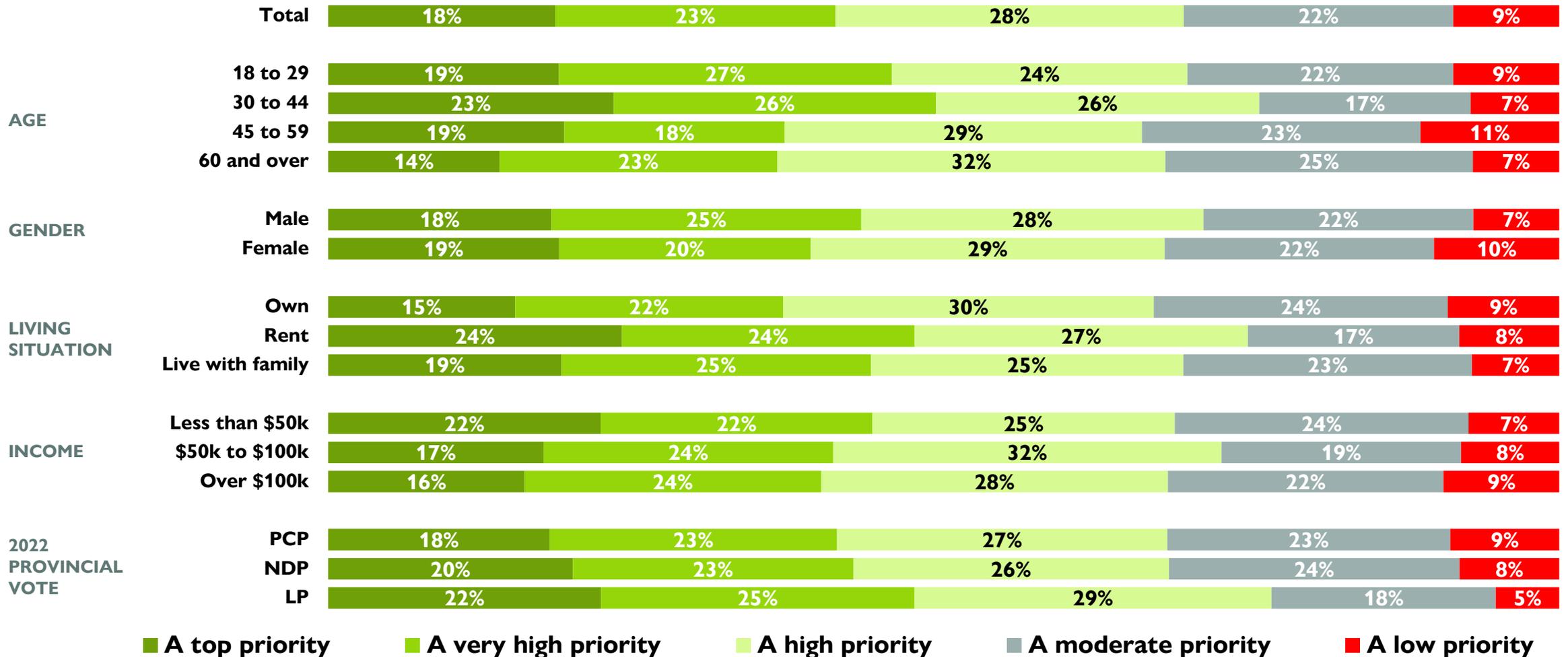
ENSURING HOUSING IS MORE AFFORDABLE



Below is a list of possible issues the Ontario government could focus on. How much of a priority do you feel each one should be?

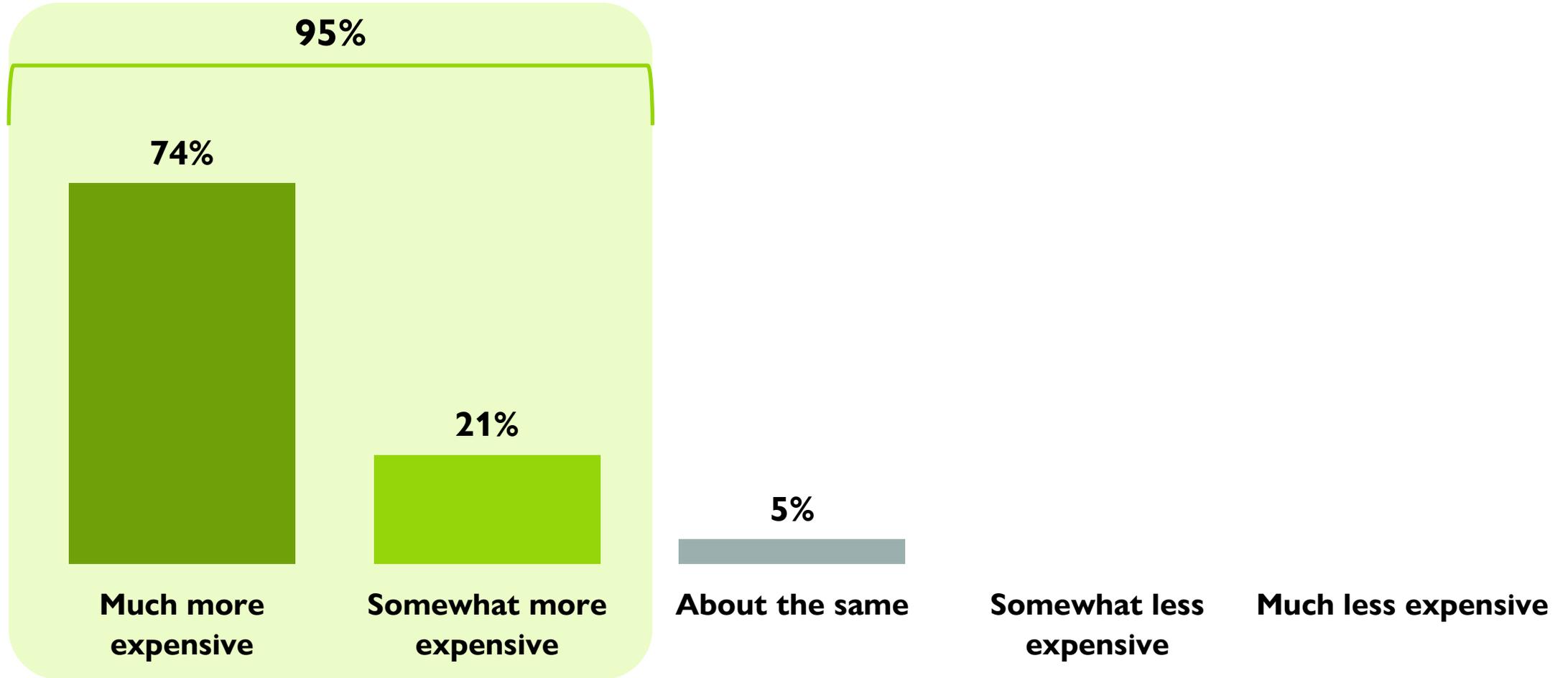
ONTARIO GOVERNMENT PRIORITIES

ENCOURAGING THE CONSTRUCTION OF MORE HOMES IN THE PROVINCE



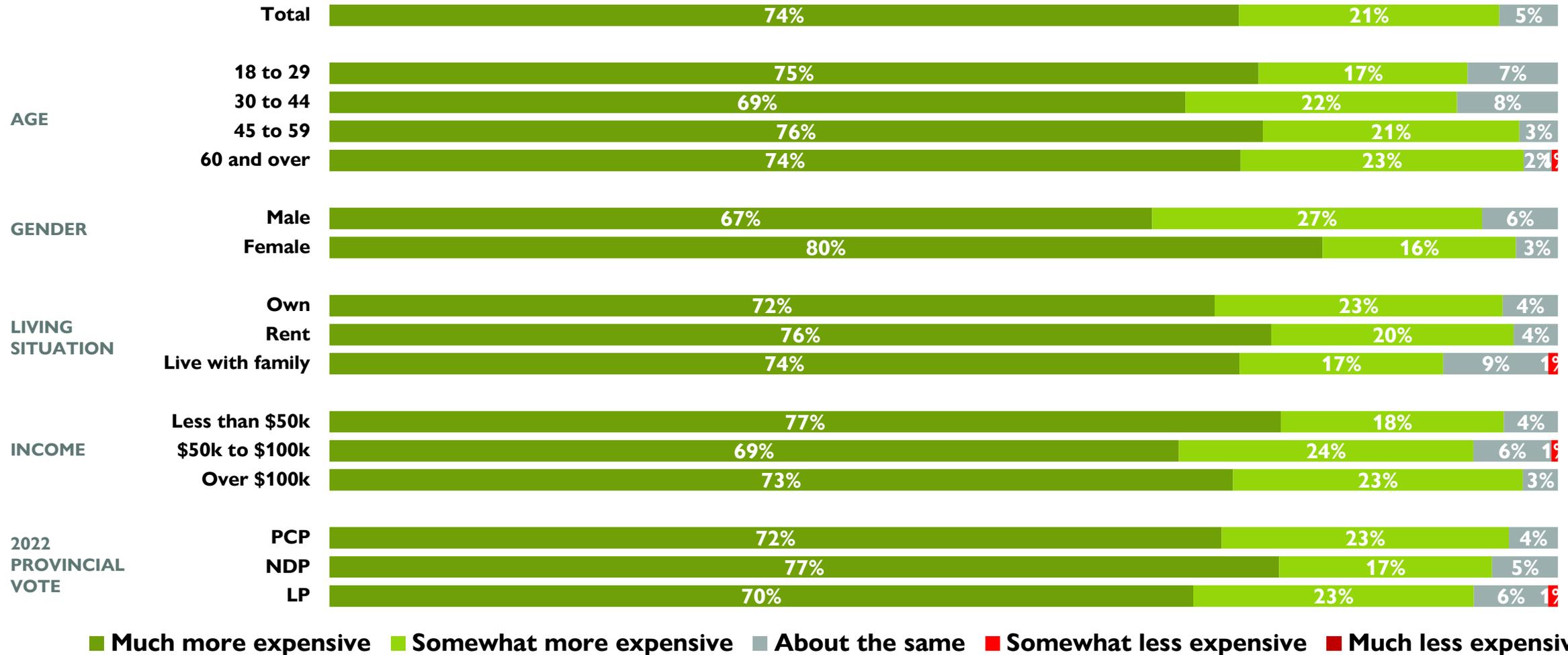
Below is a list of possible issues the Ontario government could focus on. How much of a priority do you feel each one should be?

THE COST OF LIVING RIGHT NOW IS...



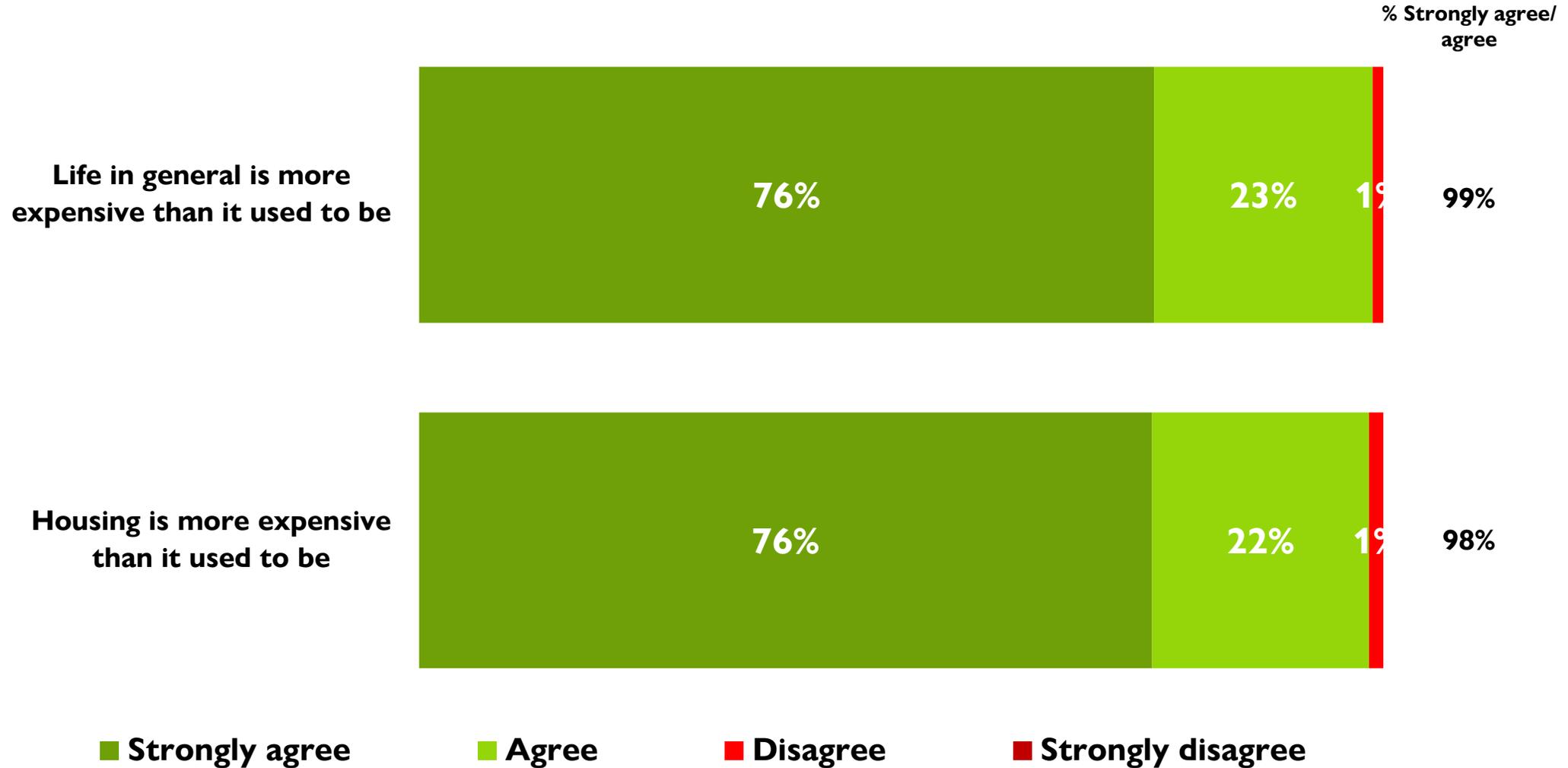
Compared with two years ago, would you say the cost of living right now is...

THE COST OF LIVING RIGHT NOW IS...



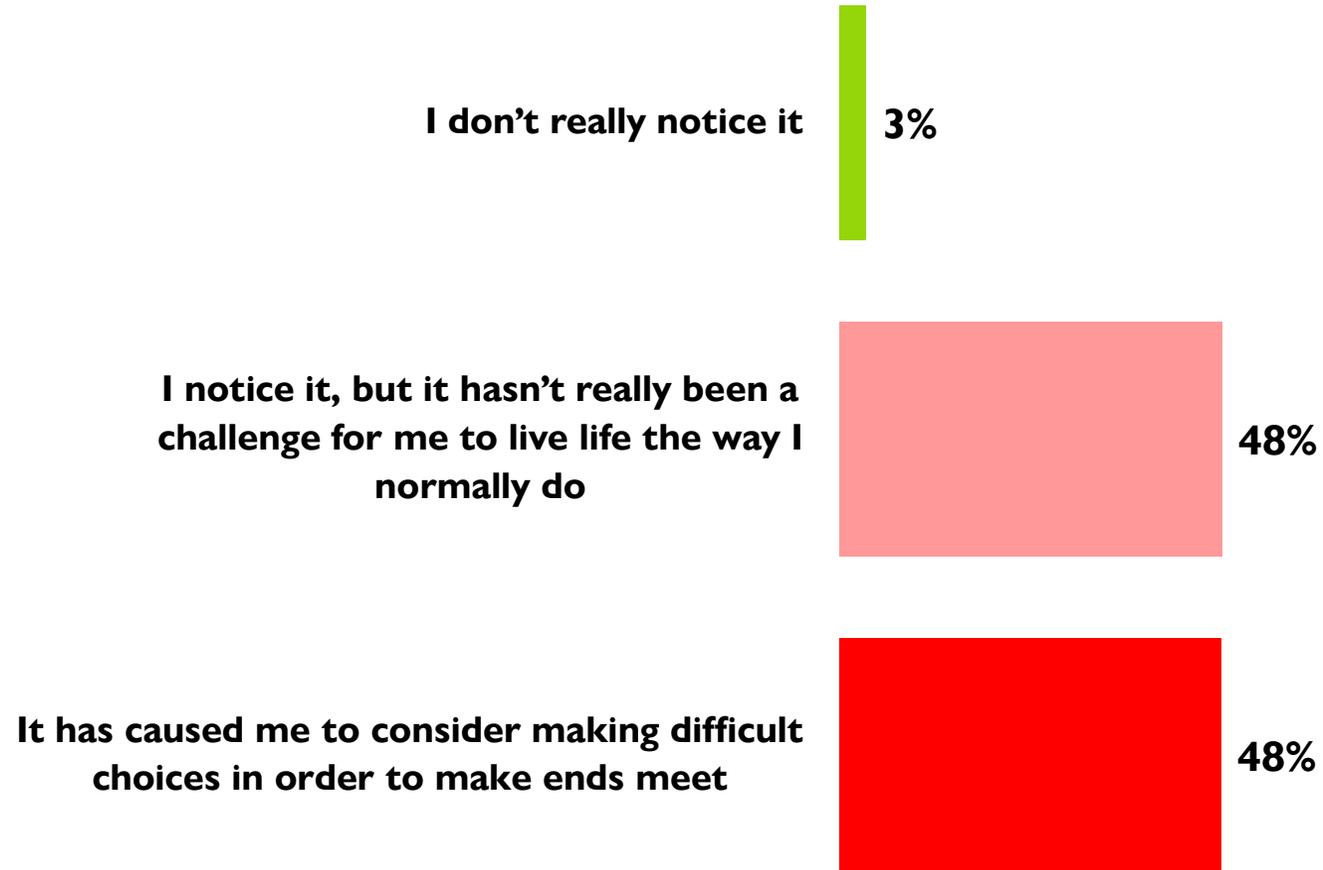
Compared with two years ago, would you say the cost of living right now is...

DO YOU AGREE WITH...



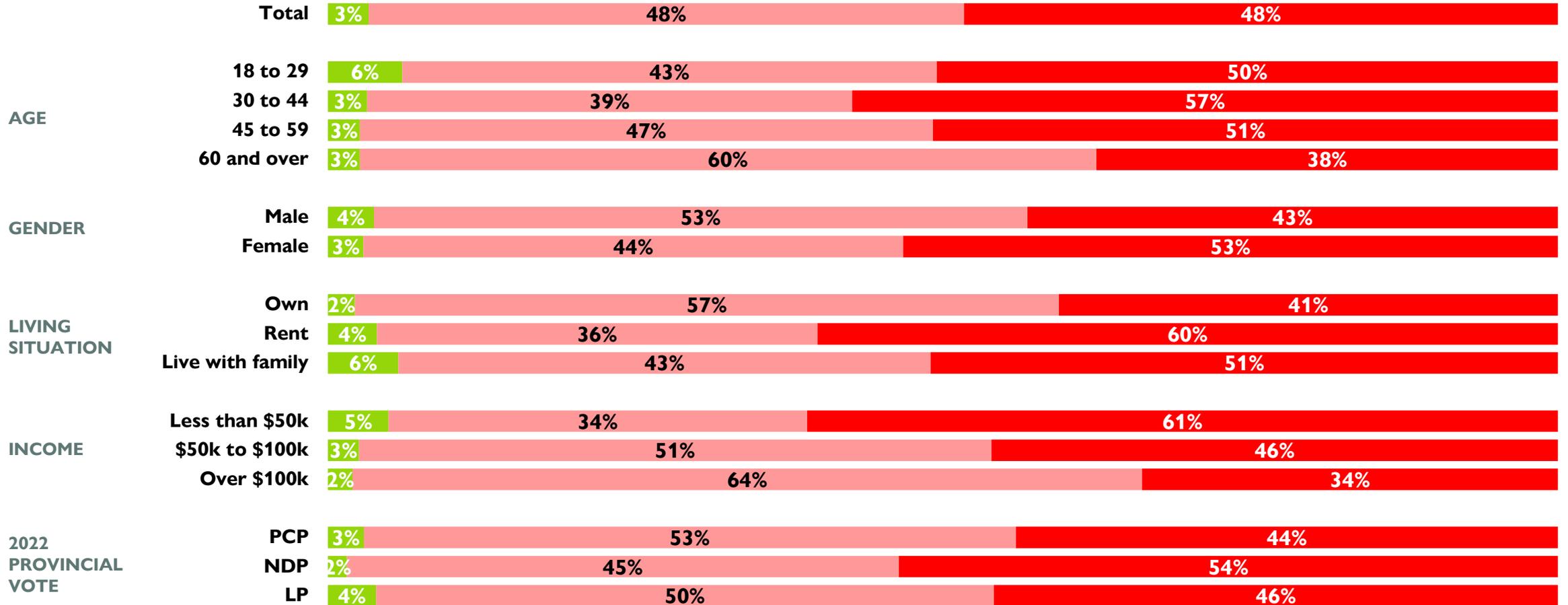
Do you agree or disagree with the following statements?

LIFE AFFECTED BY INFLATION



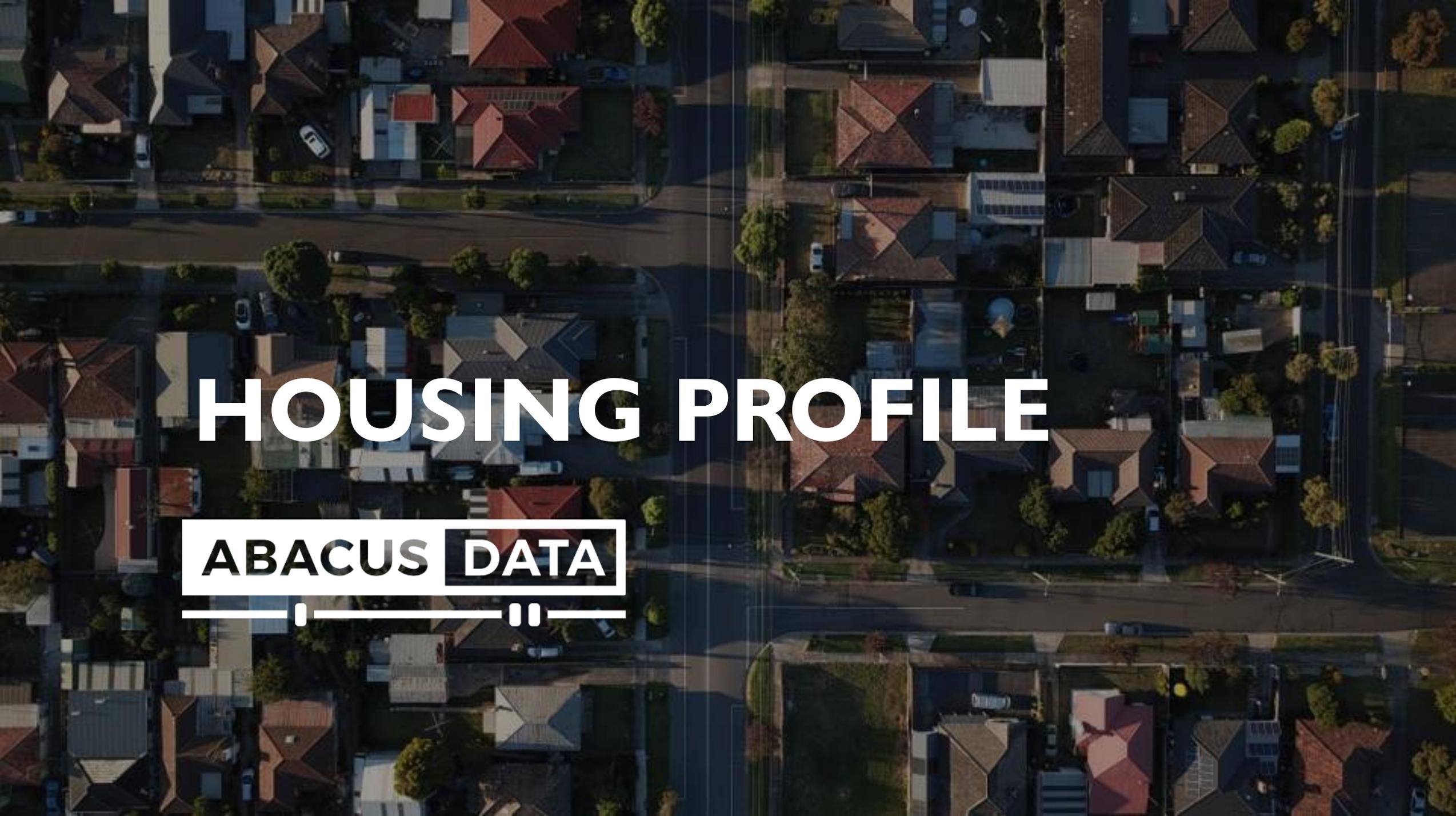
Which of the following describes how your life has been affected by inflation lately...

LIFE AFFECTED BY INFLATION



■ I don't really notice it
 ■ I notice it, but it hasn't really been a challenge
 ■ It has caused me to consider making difficult choices

Which of the following describes how your life has been affected by inflation lately...



HOUSING PROFILE

ABACUS DATA

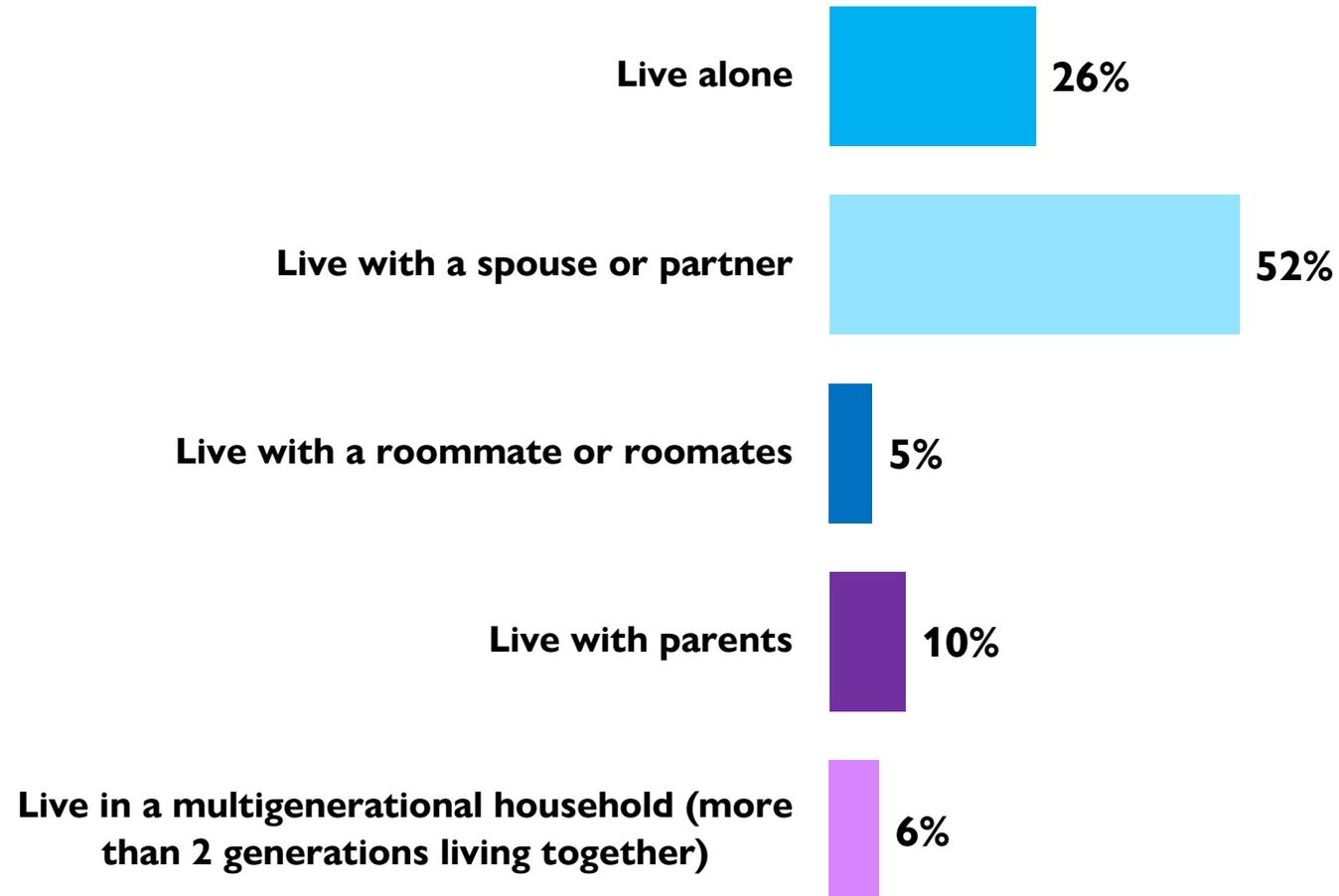
KEY FINDINGS

- In Ontario, one quarter live alone and just over half live with a spouse or partner. Older residents are more likely to live with a partner while younger Ontarians often live alone or with parents: 33% of those under 30 years of age live with their parents.
- Home ownership is prevalent (54%) but almost one in three rent their residence. Household income is a major driver of home ownership as only 35% of those with less than \$50,000 in income own their place, compared with 77% of those with over \$100,000 in income. Age is also a driver. Only 19% of those under 30 own their place.
- For 64% of Ontarians, housing represents over 30% of their household budget. In fact, 46% report over 40% of their budget is spent on housing. For renters, this is even more prevalent: on average, they spend 11.2% more than homeowners.
- Seventeen per cent of those who own their primary residential property think their property is worth more than \$1 million. This is unchanged since January.
- At present, 5% are certain to sell in the next 5 years, which is unchanged since January.

Non-homeowners

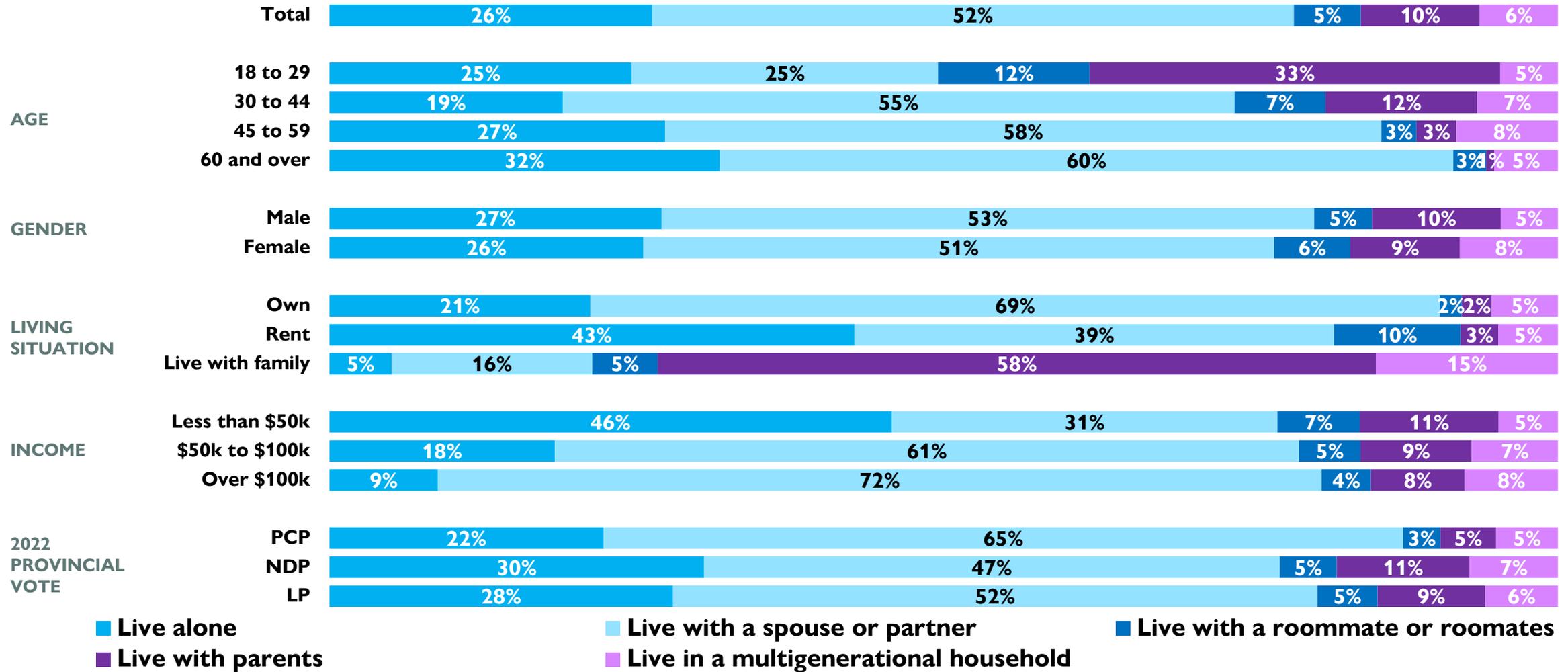
- More than half (58%) of those who do not own a property would like to own a residential property someday. Among those who want to own a residential property, 69% really want to own a home.
- Just 5% of non-homeowners identified as ‘someone who would be happy renting for the rest of my life’, a drastic drop from January 2022, when 22% of respondents said they could be happy renting forever.
- 43% of those who don’t own a home, are optimistic that they will be able to find a home in the community they want to live. This is unchanged over time. Only 18% think they will buy in the next 1-2 years.

DO YOU...



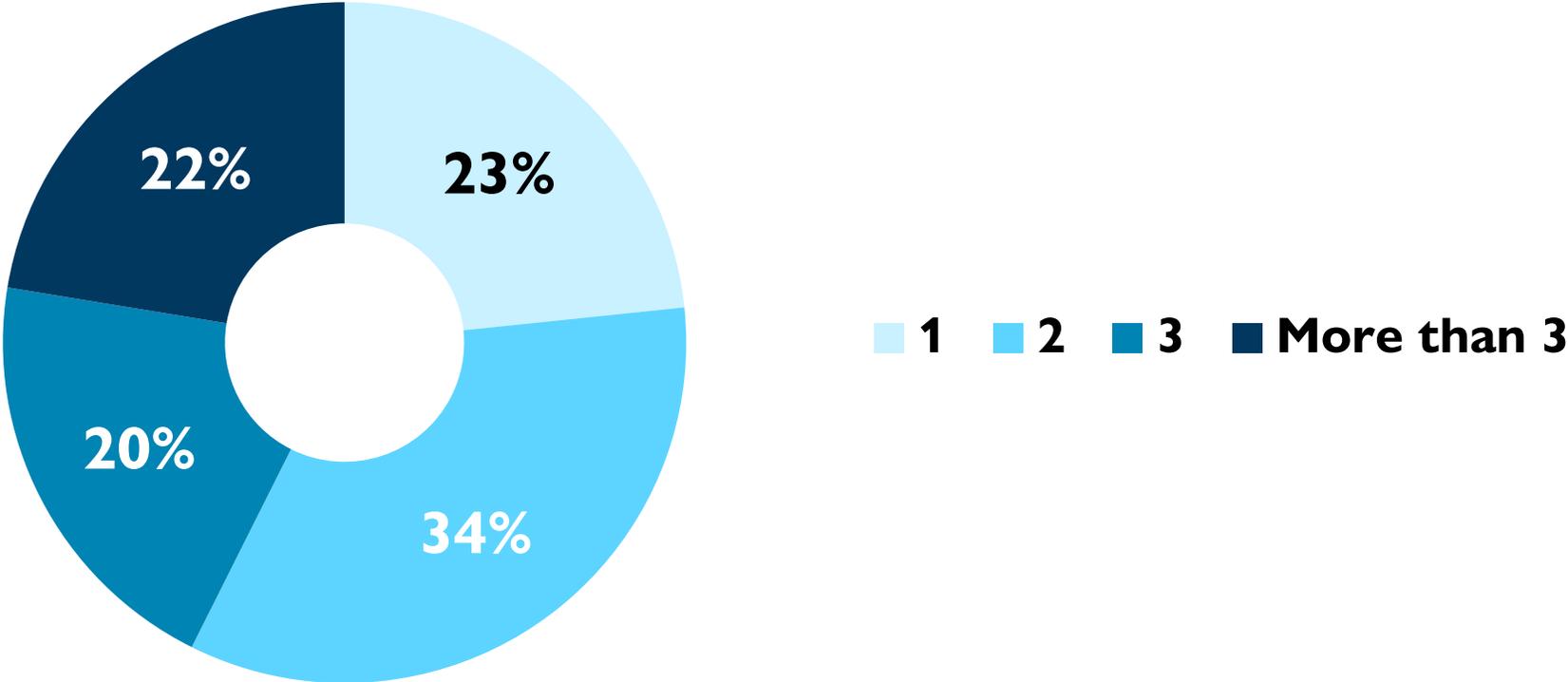
Which of the following best describes your living situation?

DO YOU...



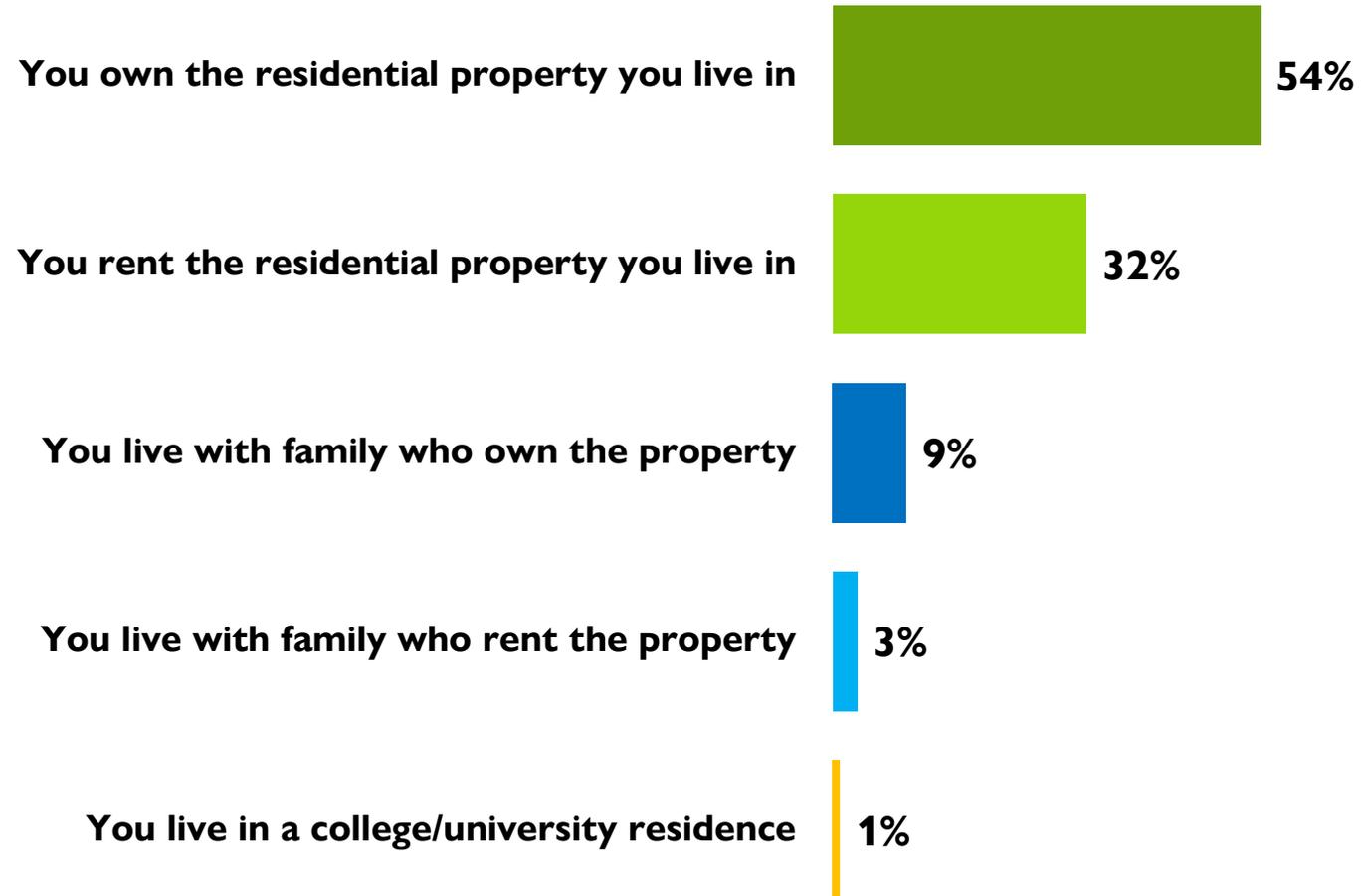
Which of the following best describes your living situation?

PEOPLE LIVING IN HOUSEHOLD



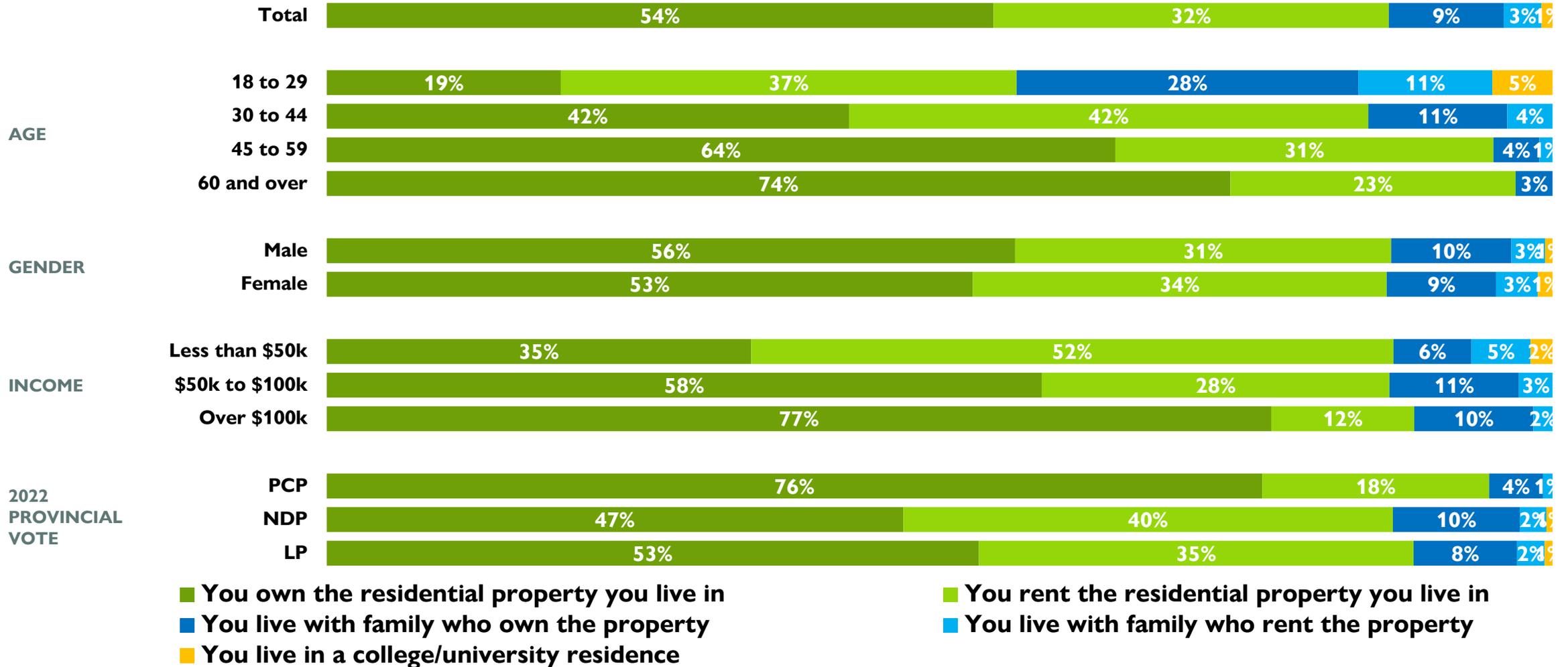
Including you, how many people live in your household?

CURRENT LIVING SITUATION



Which of the following best describes your current living situation?

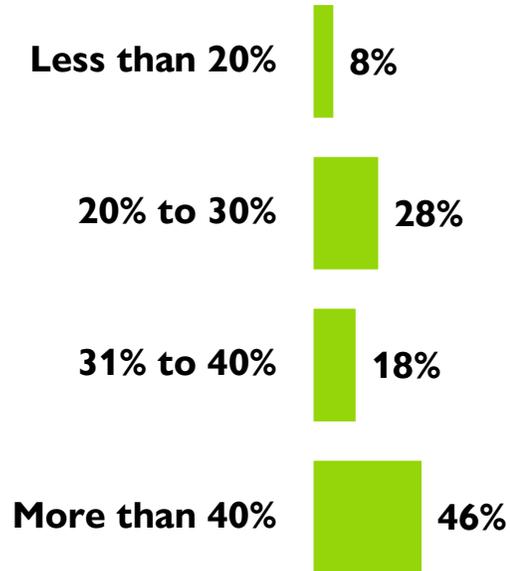
CURRENT LIVING SITUATION



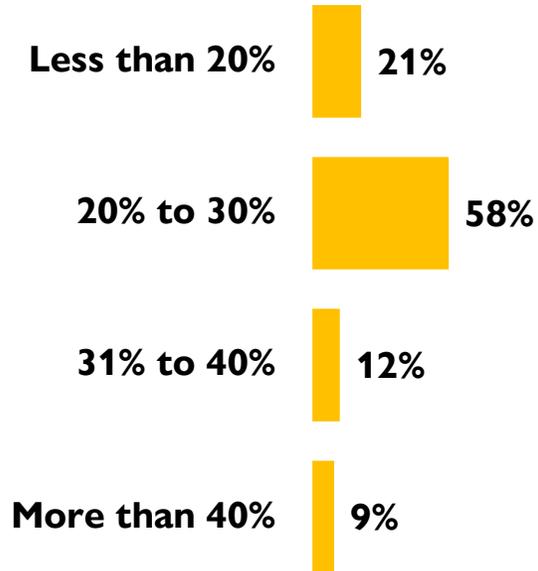
Which of the following best describes your current living situation?

% OF HOUSEHOLD BUDGET GOES TO...

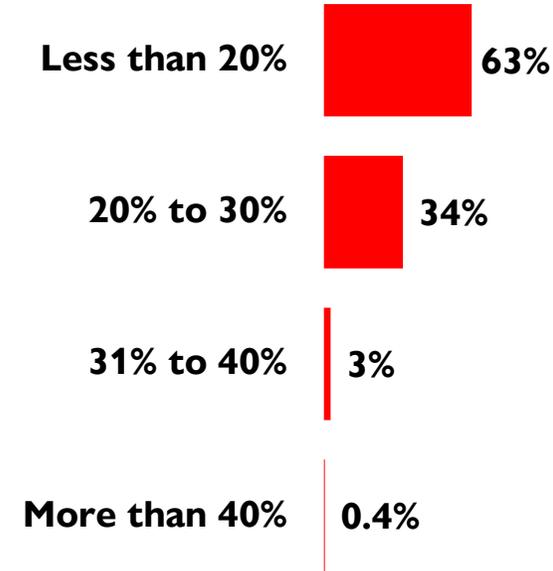
Housing



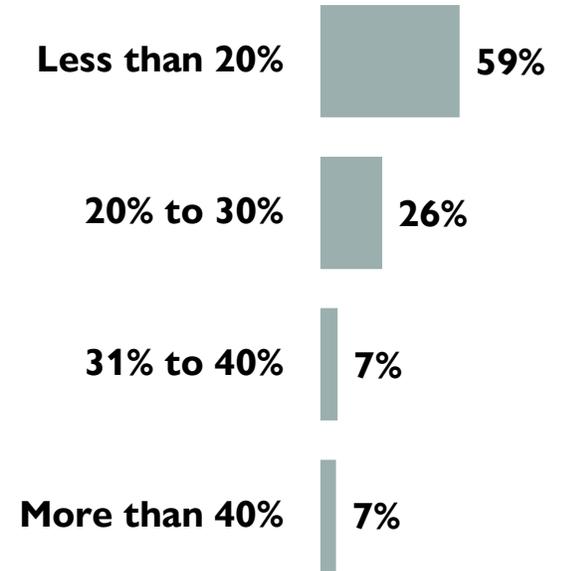
Food



Transportation



Other expenses



| | |
|---------------|------|
| Mean | 41.9 |
| Median | 40.0 |

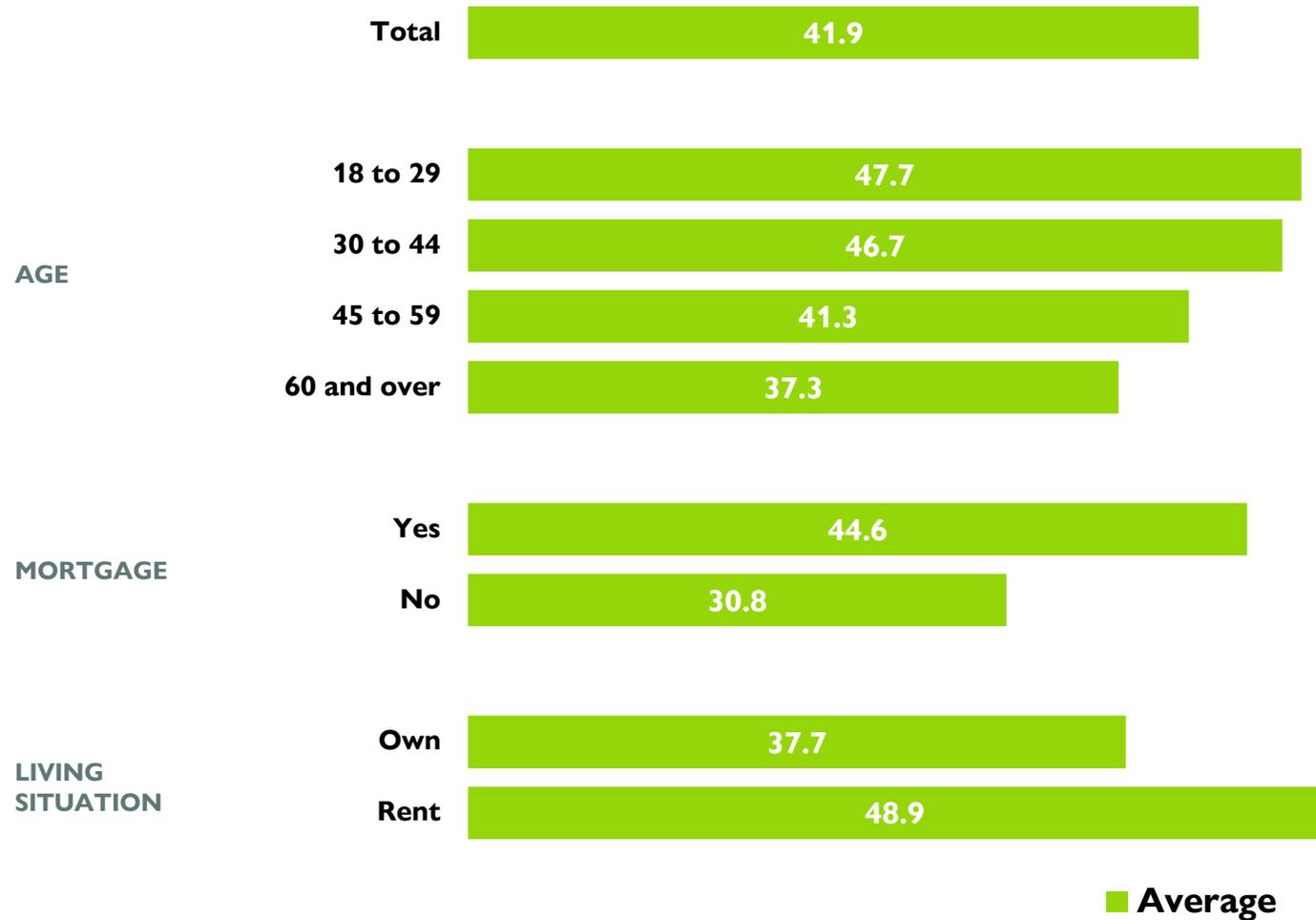
| |
|------|
| 26.2 |
| 25.0 |

| |
|------|
| 14.6 |
| 10.0 |

| |
|------|
| 17.4 |
| 12.3 |

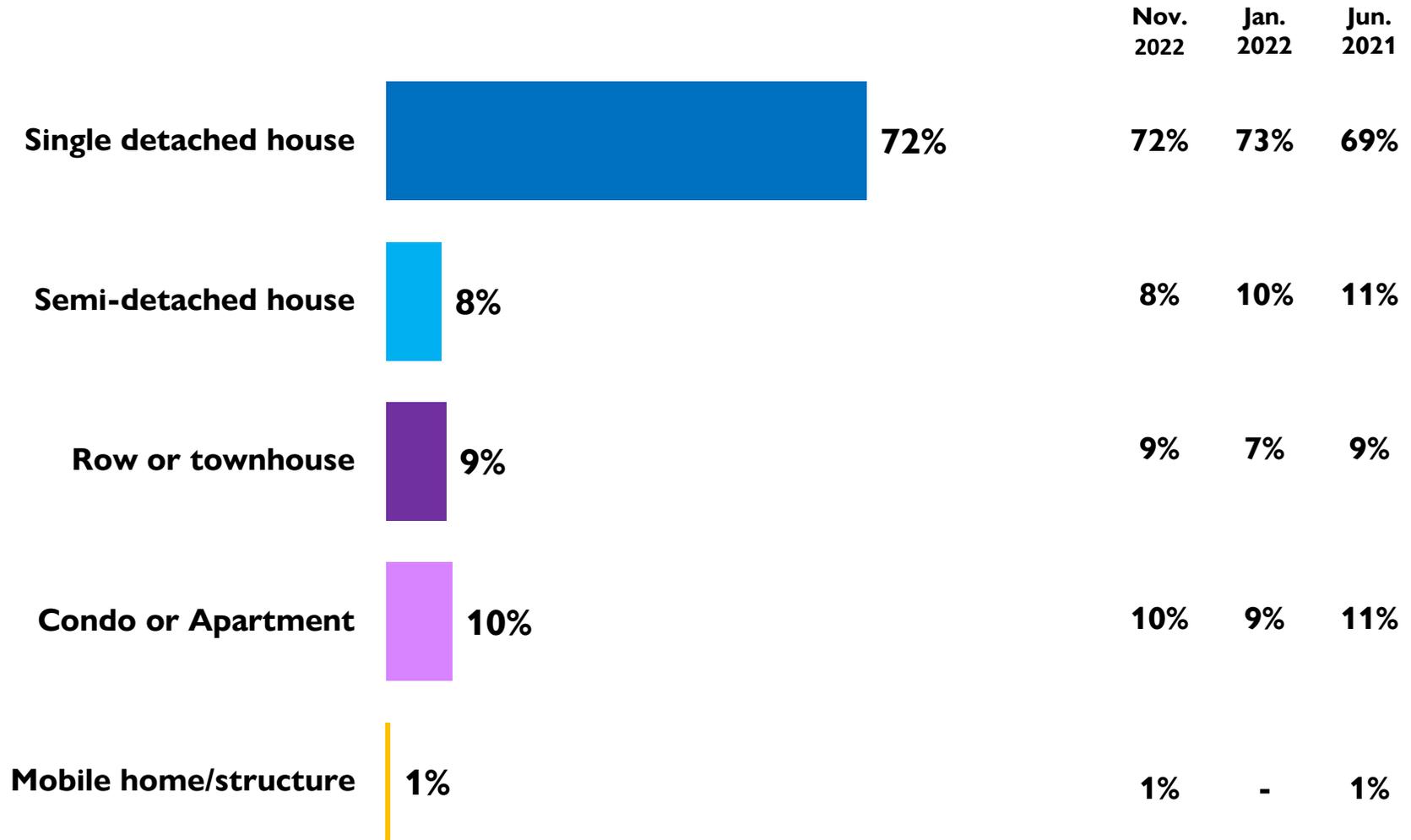
[IF OWN OR RENT] If you had to estimate, what percentage of your household monthly budget goes towards each of the following (the numbers should add up to 100%)

% OF HOUSEHOLD BUDGET GOES TO... HOUSING



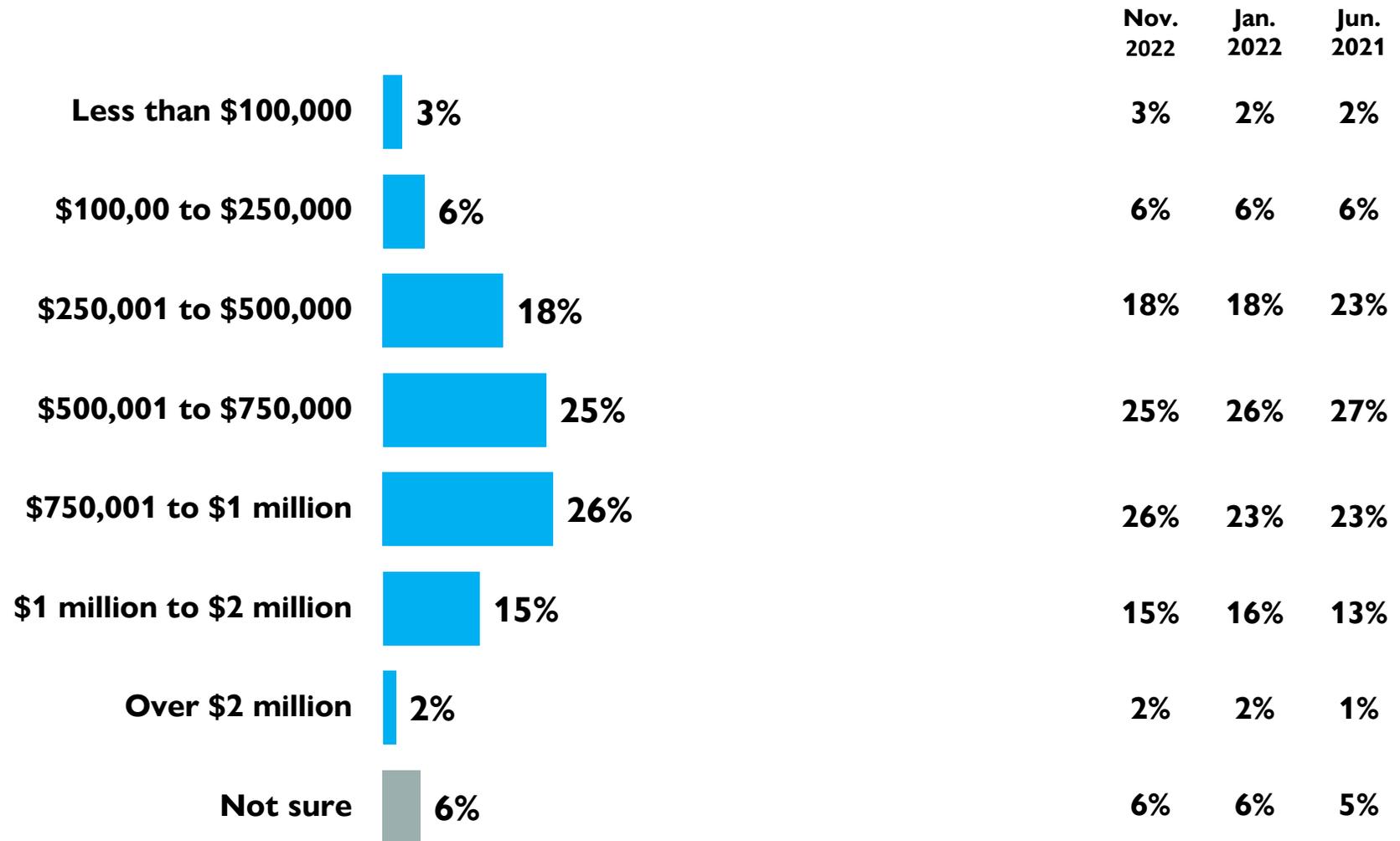
[IF OWN OR RENT] If you had to estimate, what percentage of your household monthly budget goes towards each of the following (the numbers should add up to 100%)

TYPE OF PROPERTY YOU LIVE IN



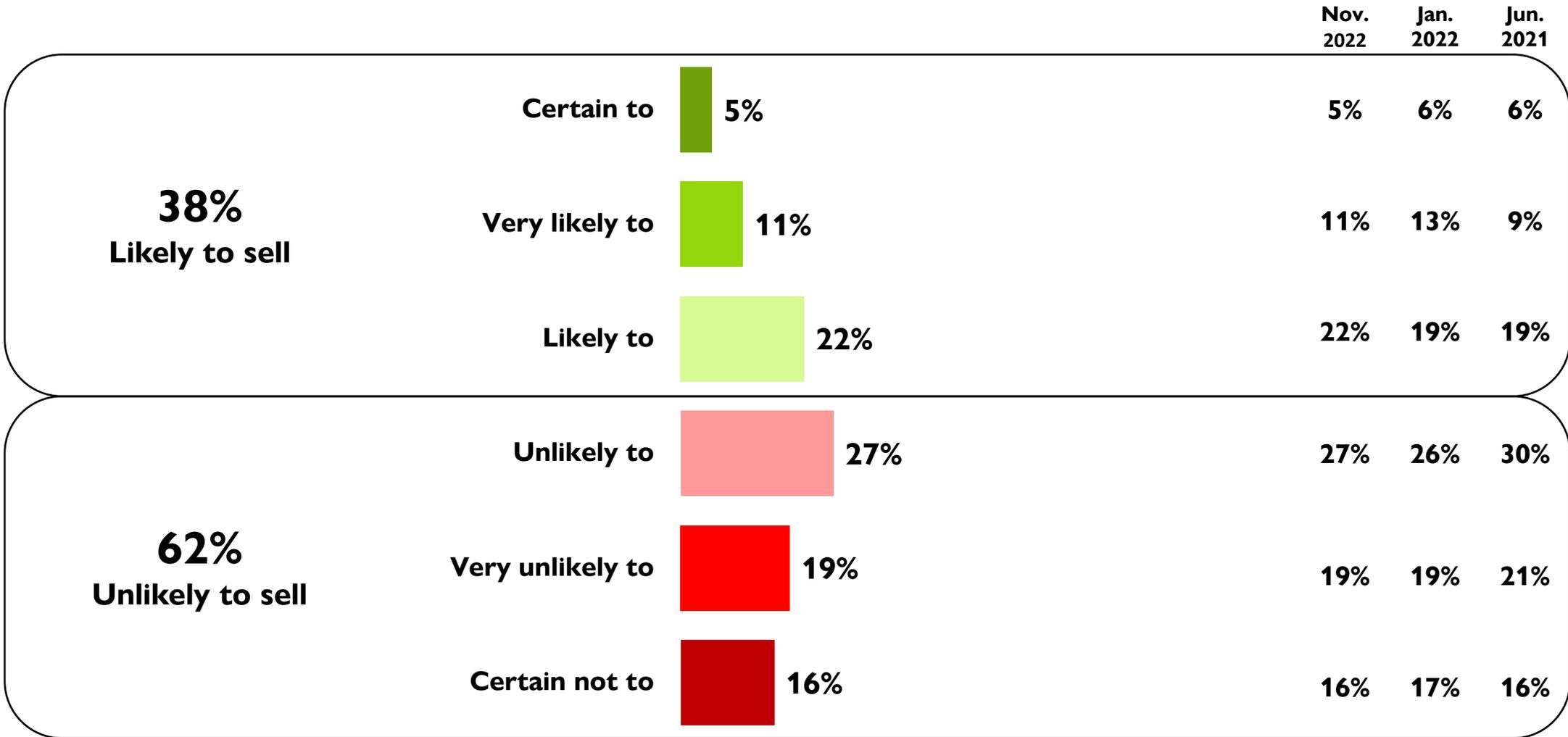
What best describes the residential property you own that you live in?

RESIDENTIAL PROPERTY WORTH



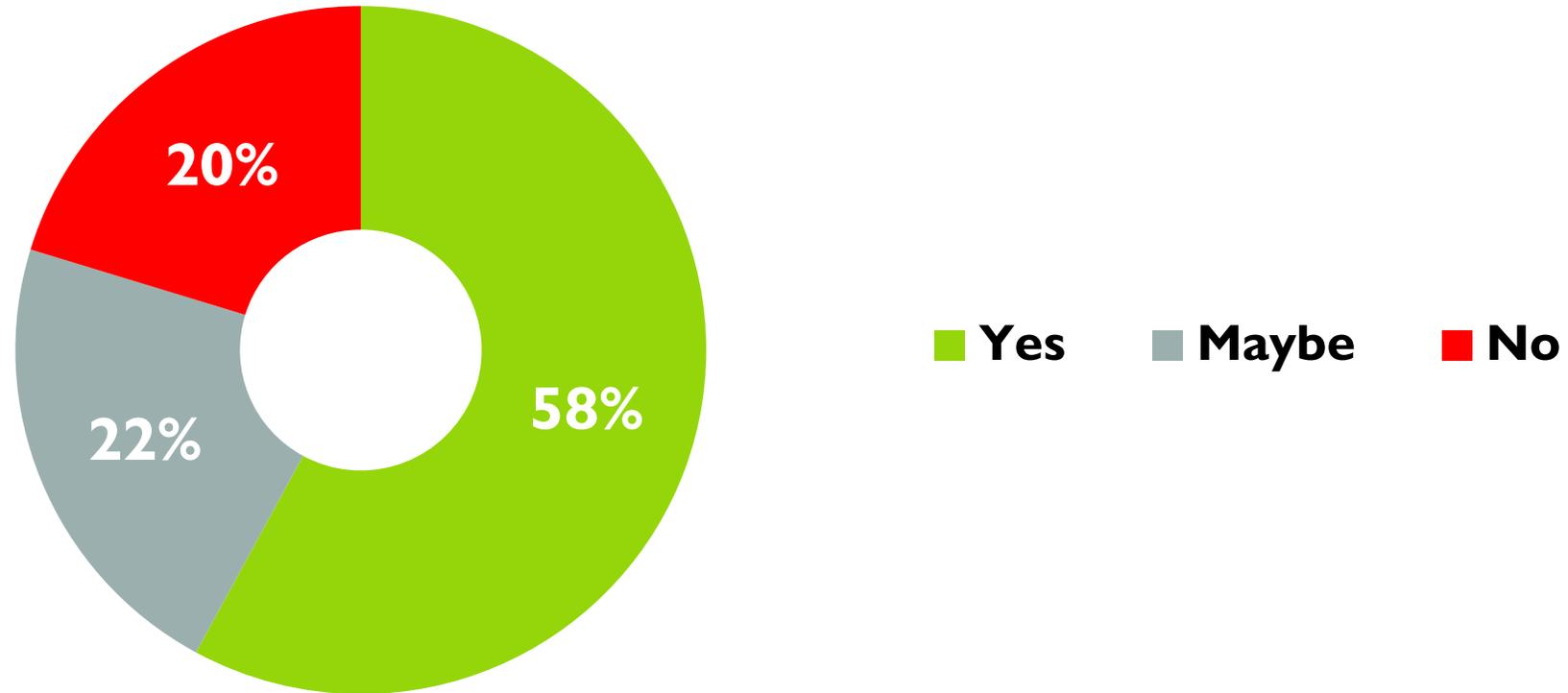
How much do you think your primary residential property is currently worth?

SELLING HOME IN THE NEXT 5 YEARS?



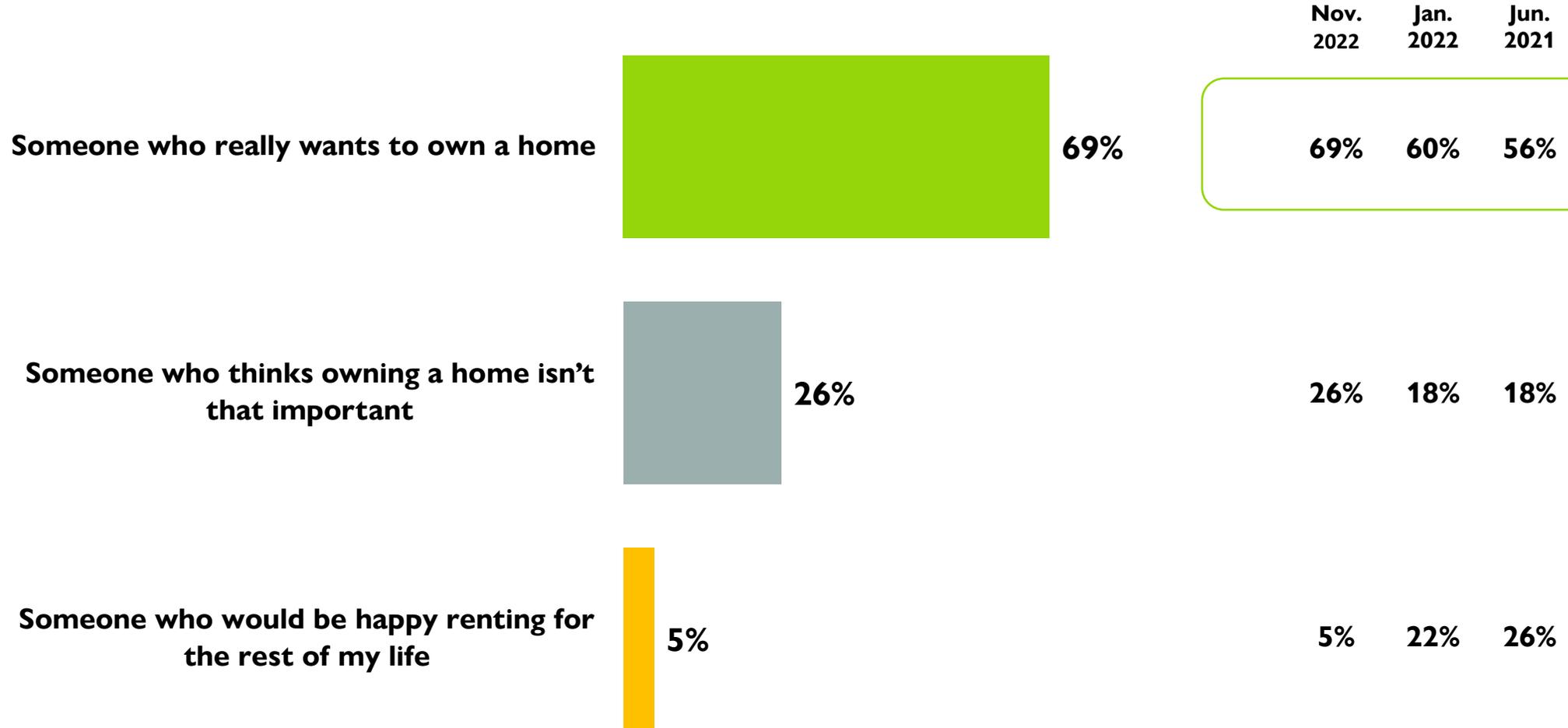
How likely are you to sell your current home in the next 5 years?

OWN A PROPERTY SOMEDAY?



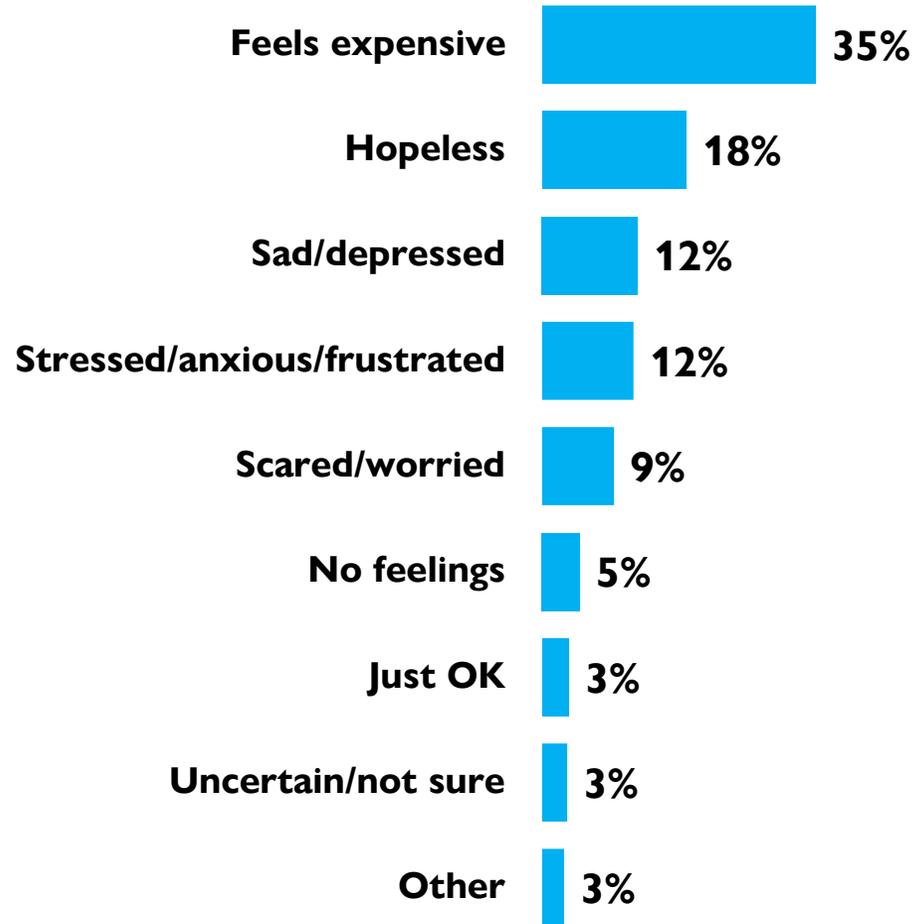
[THOSE WHO DO NOT OWN A PROPERTY] Do you want to own a residential property like a house, townhouse, or condo someday?

VIEWS ABOUT RENTING/OWNING A HOME



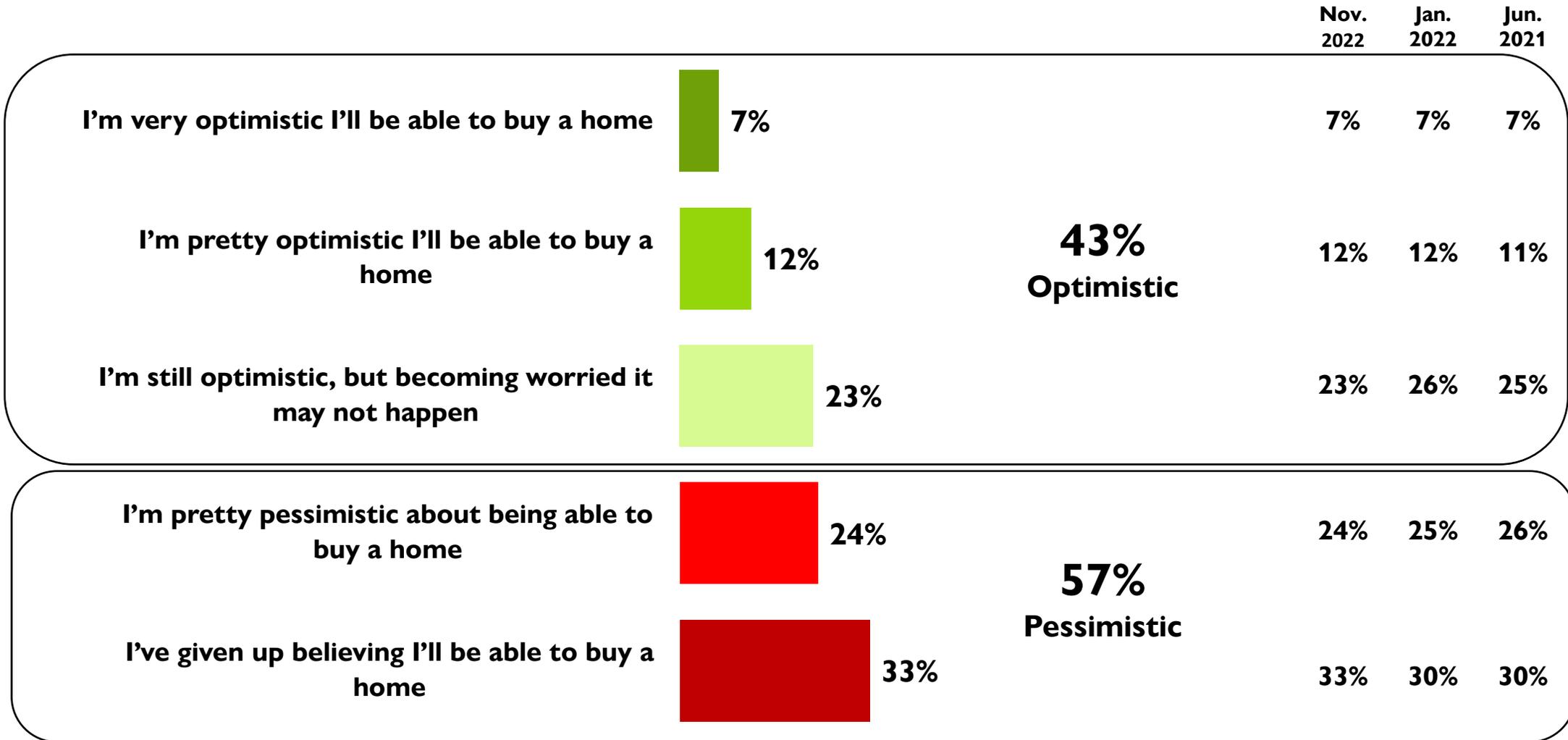
[IF YES/MAYBE WANT TO OWN A PROPERTY] Which of these statements best represents your view?

FEELINGS ABOUT THE HOUSING MARKET



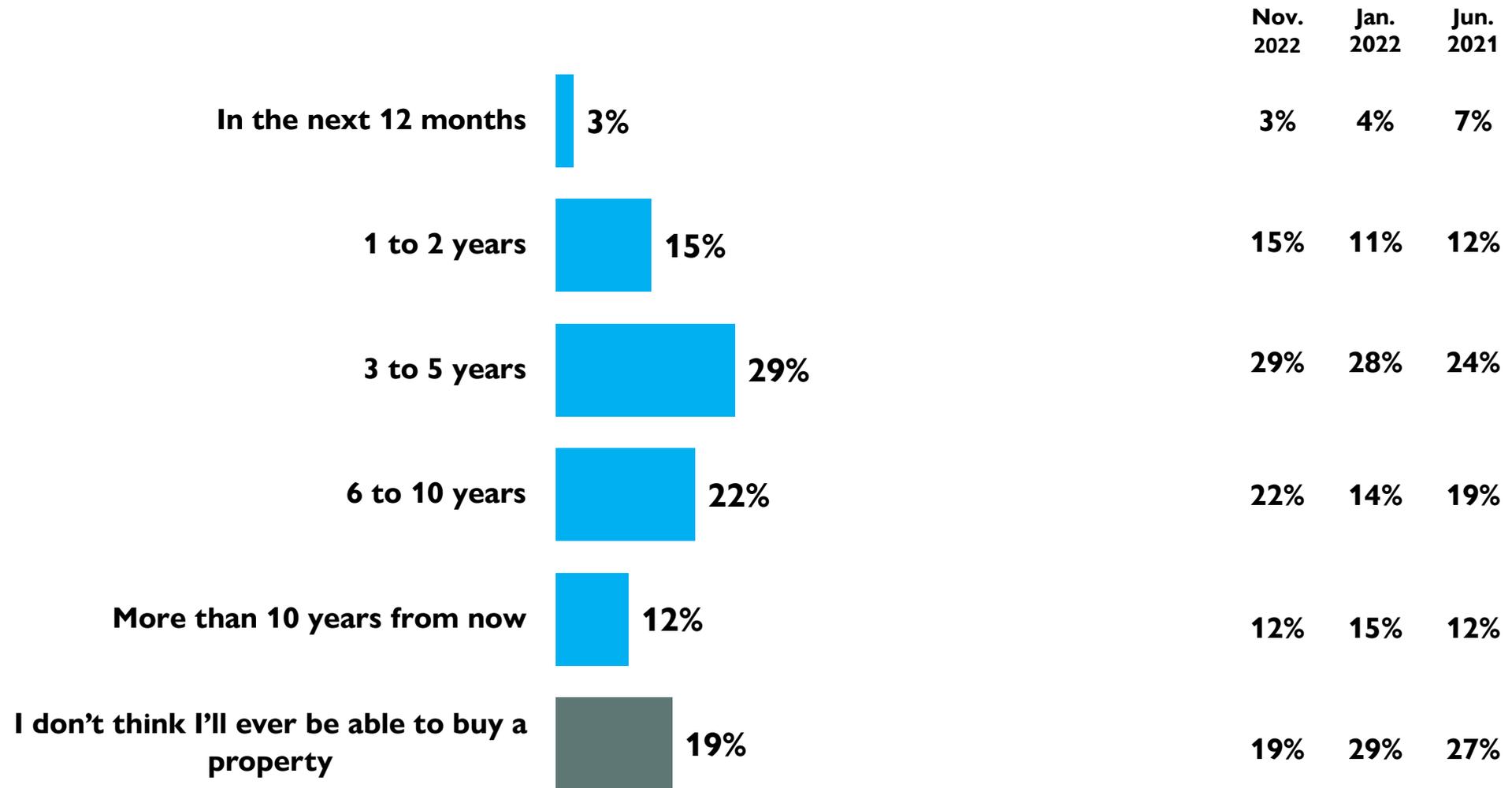
[THOSE WHO DO NOT OWN A PROPERTY] In a few words, tell us how the current housing market makes you feel?

FEELINGS ABOUT BUYING A HOME



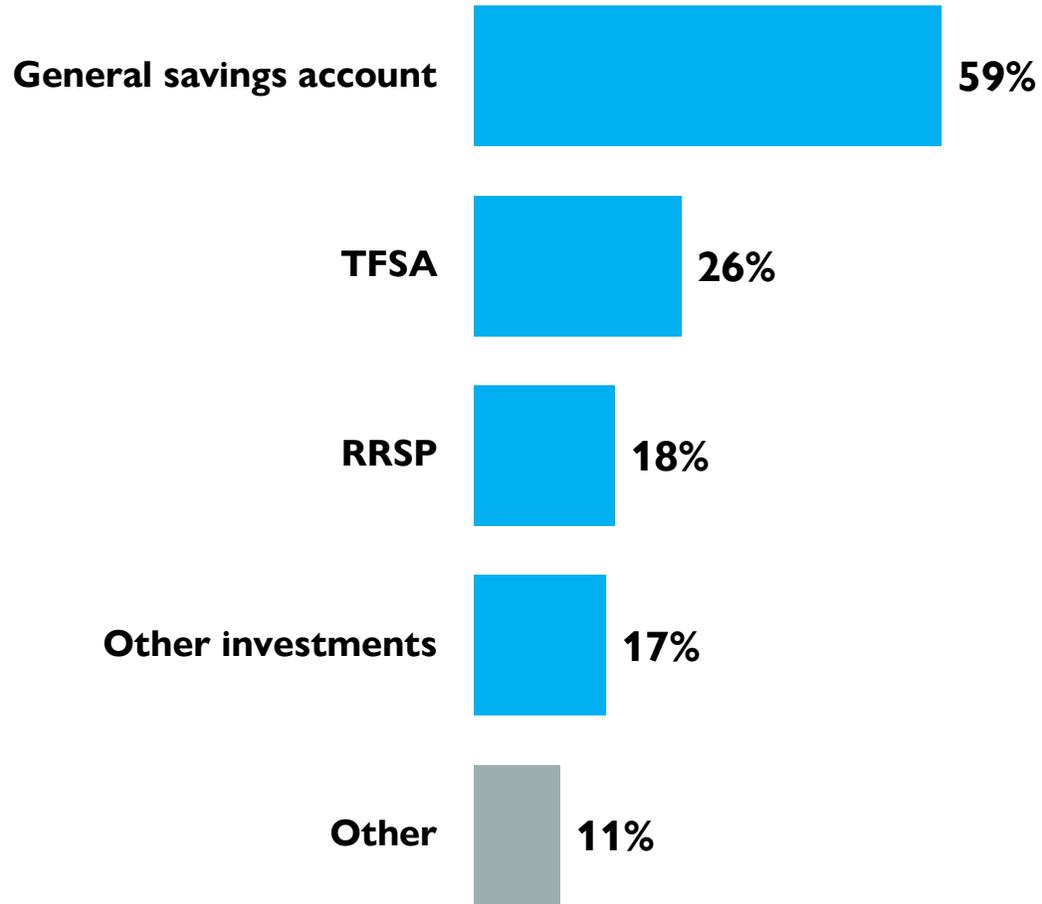
[THOSE WHO DO NOT OWN A HOME] Which of the following best describes how you're feeling about the possibility of buying a home in the community you want to live in?

WHEN WILL YOU BUY?



[IF YES WANT TO OWN A PROPERTY] When do you think you will buy a residential property?

SAVINGS FOR DOWN PAYMENT



Among those who don't own but want to buy a home

\$ 22,478
Average
saved for a
down payment

\$ 2,000
Median
saved for a
down payment

\$ 580
Average
save per month

\$100
Median
save per month

How are you saving for your down payment? Select all that apply | Approximately, how much money have you saved for a down payment? | How much are you saving, on average, per month?



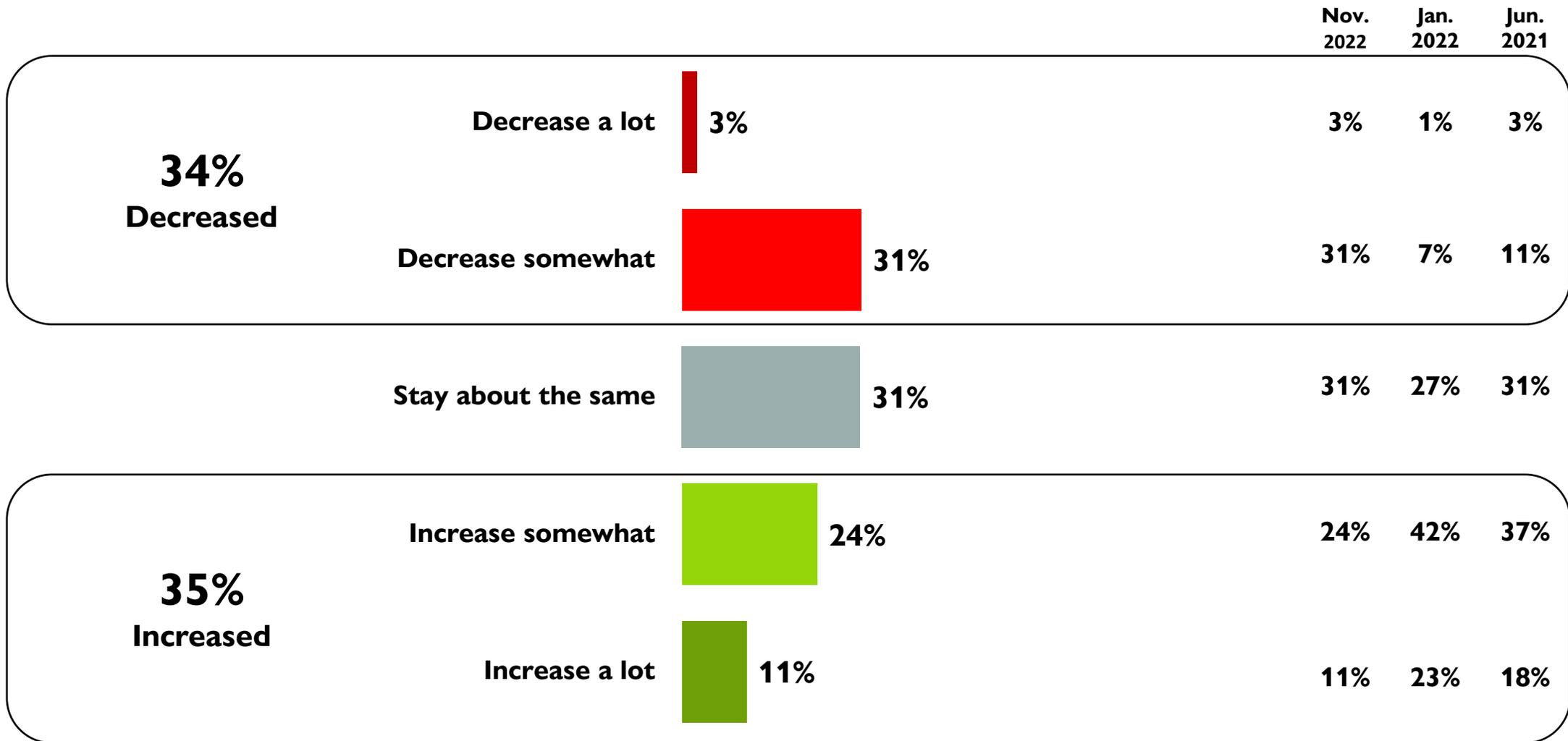
THE HOUSING MARKET IN A RISING RATE ENVIRONMENT

ABACUS DATA

KEY FINDINGS

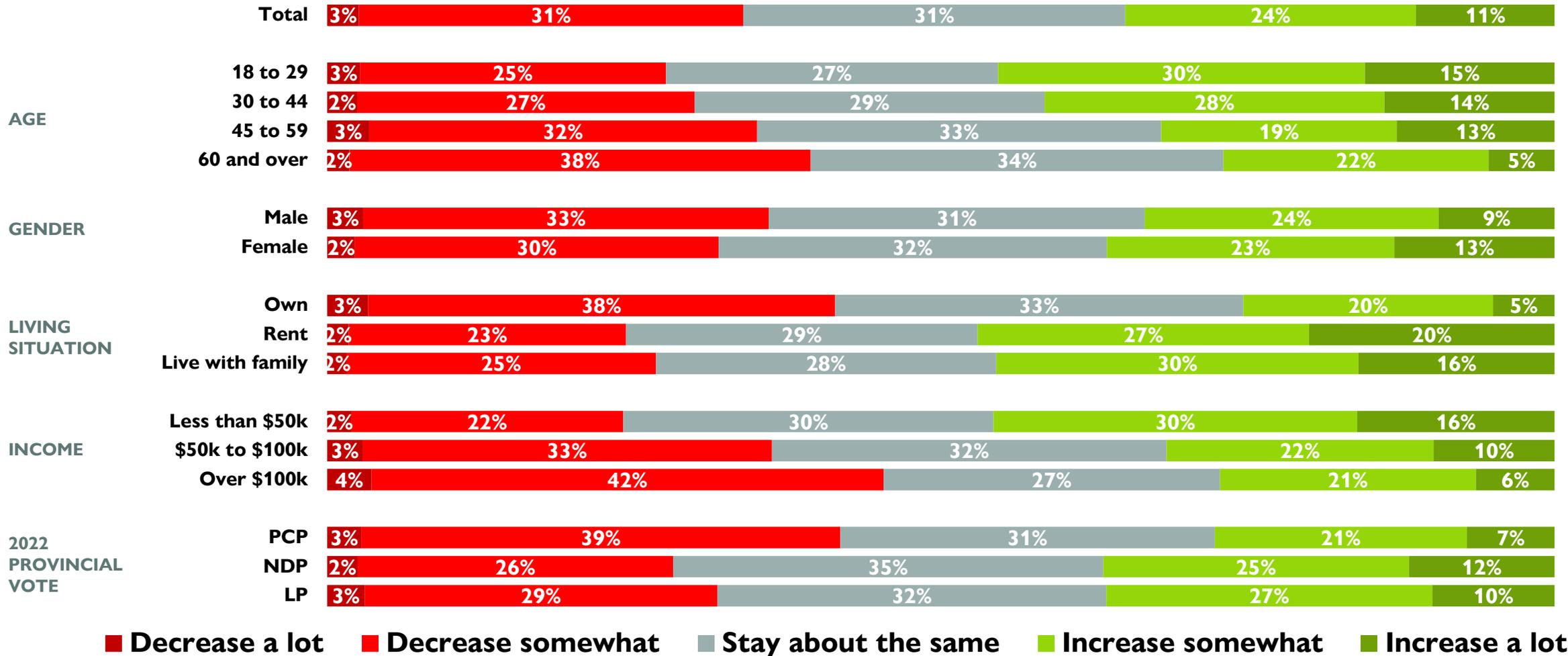
- Ontarians recognize a significant shift to lower housing prices. In January 65% felt that housing prices had increased in their area compared with only 35% who think so today. Almost as many think housing prices have decreased (34%).
 - Younger people are still more likely to see a rising housing market as do renters and those who live with family.
- Despite the fact that more people see a declining housing market, 77% still think it is more difficult to buy a residential property where they live.
- Over the next five years only 44% think the housing market will become less affordable, which is much lower than in January (59%, -15%). Ontarians in general are not, however, expecting a significant improvement in affordability.
- Lower prices might solve one aspect of affordability, but 82% of Ontarians say higher mortgage interest rates are making buying a home more (37%) or much more (45%) difficult.
- Half of homeowners have a mortgage, and half of these worry about rising mortgage interest rates.
- Rising interest rates have led homeowners to reduce eating/going out (64%), to drive less (49%) and to spend less on groceries (48%). Those who are very worried have been even more likely to take these cost saving activities.
- One in five homeowners (21%) with a mortgage will have to consider selling their home if interest rates continue to rise.
 - Younger homeowners with a mortgage are more likely to need to consider selling their home: 61% of those aged 18 to 44 say they may have to consider selling.

HOUSING PRICES HAVE BEEN...



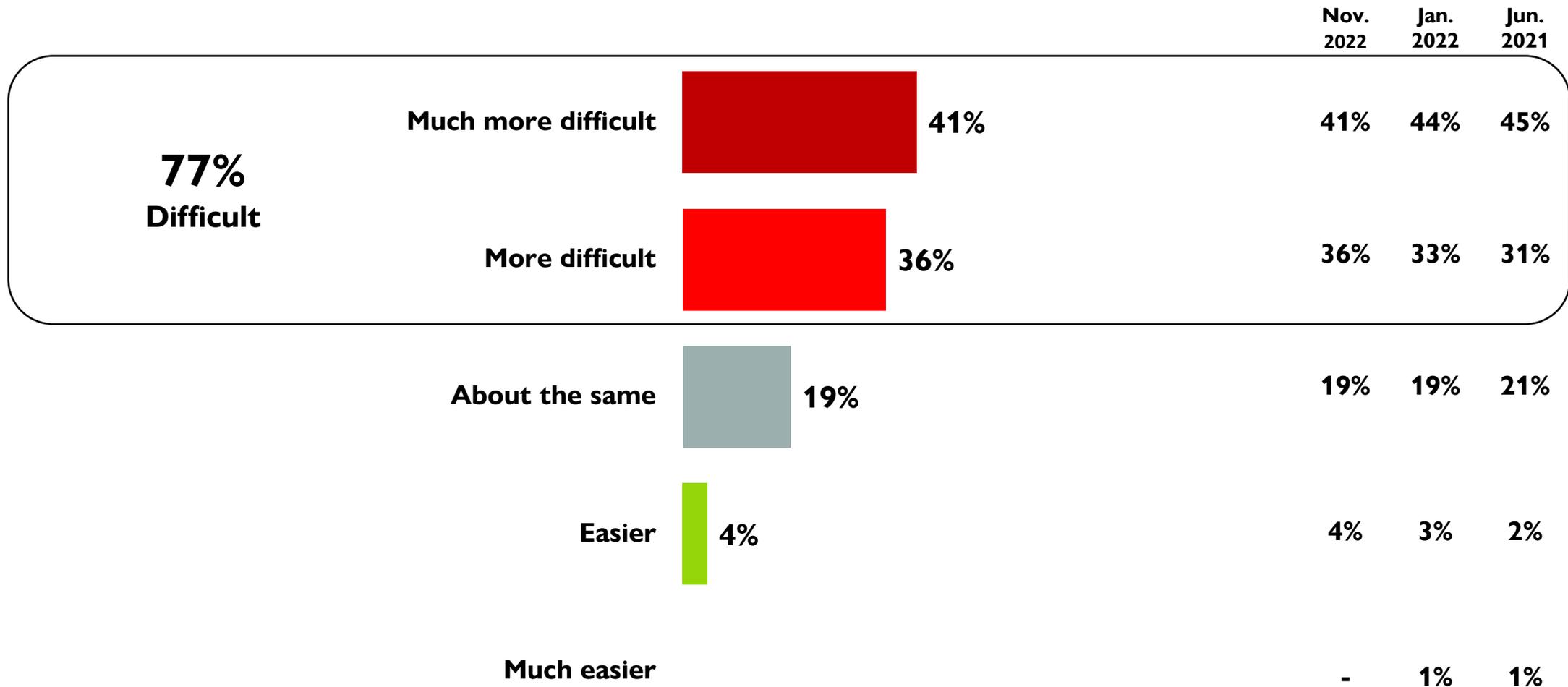
Over the next year, do you think housing prices in your area will decrease a lot, decrease somewhat, stay about the same, increase somewhat, or increase a lot?

HOUSING PRICES HAVE BEEN...



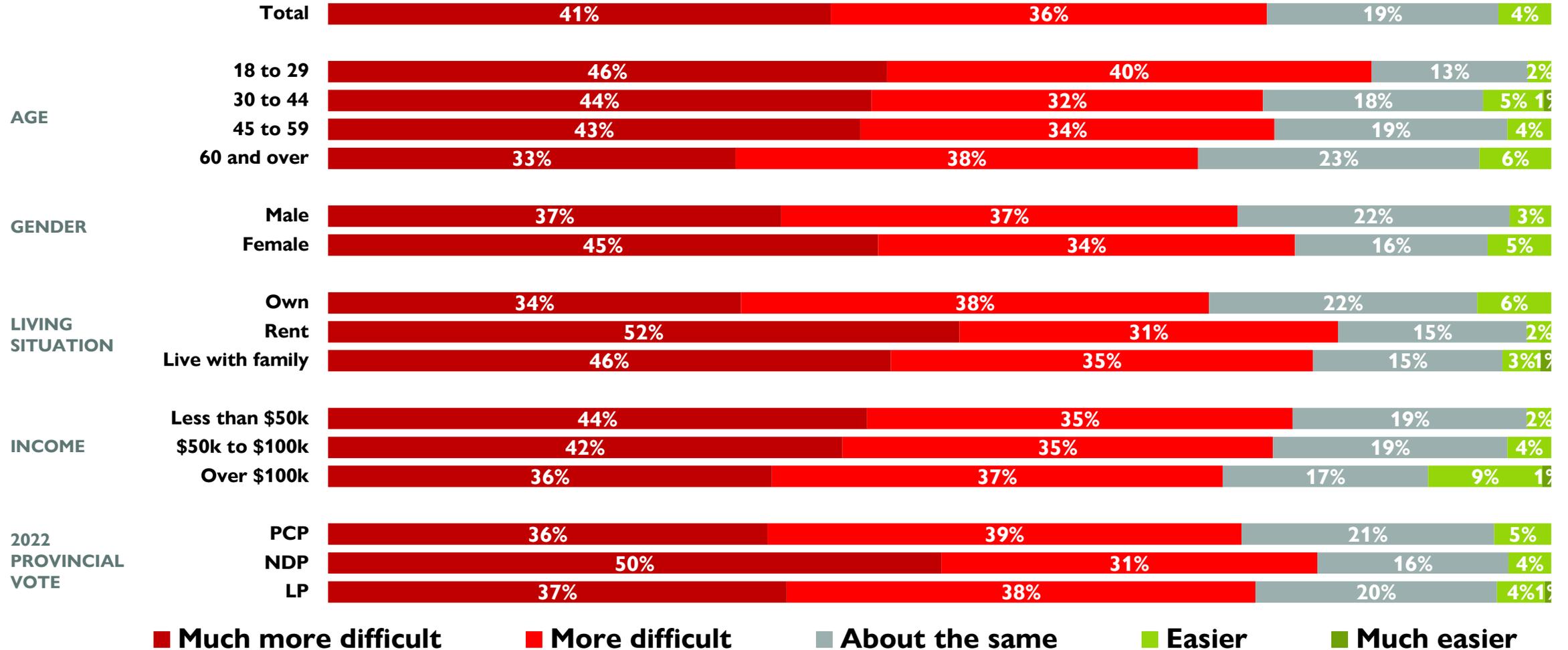
Over the next year, do you think housing prices in your area will decrease a lot, decrease somewhat, stay about the same, increase somewhat, or increase a lot?

BUYING A HOME HAS BEEN...



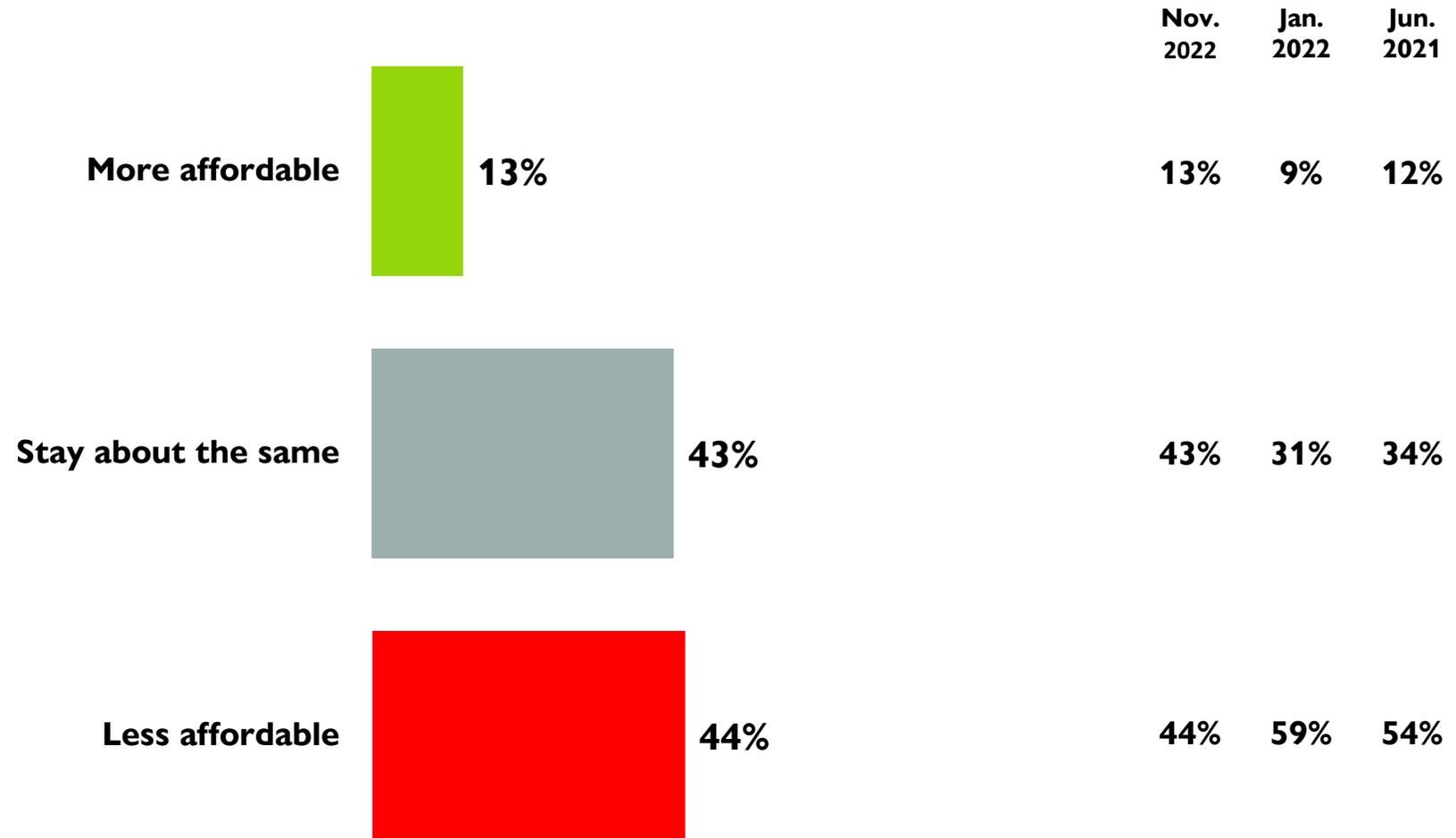
Over the past year, has it become easier or more difficult to buy a residential property where you live, or have things stayed about the same as they were?

BUYING A HOME HAS BEEN...



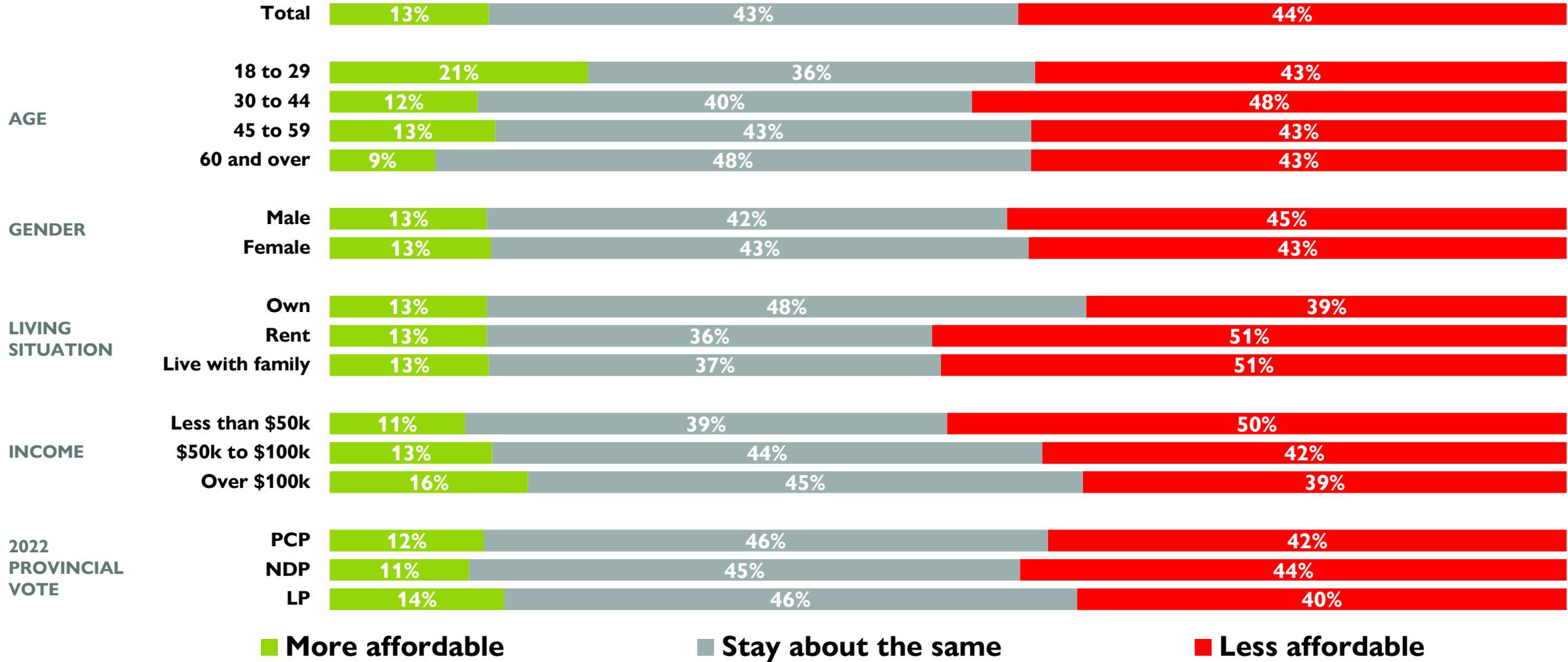
Over the past year, has it become easier or more difficult to buy a residential property where you live, or have things stayed about the same as they were?

OVER THE NEXT 5 YEARS, PRICES WILL BE...



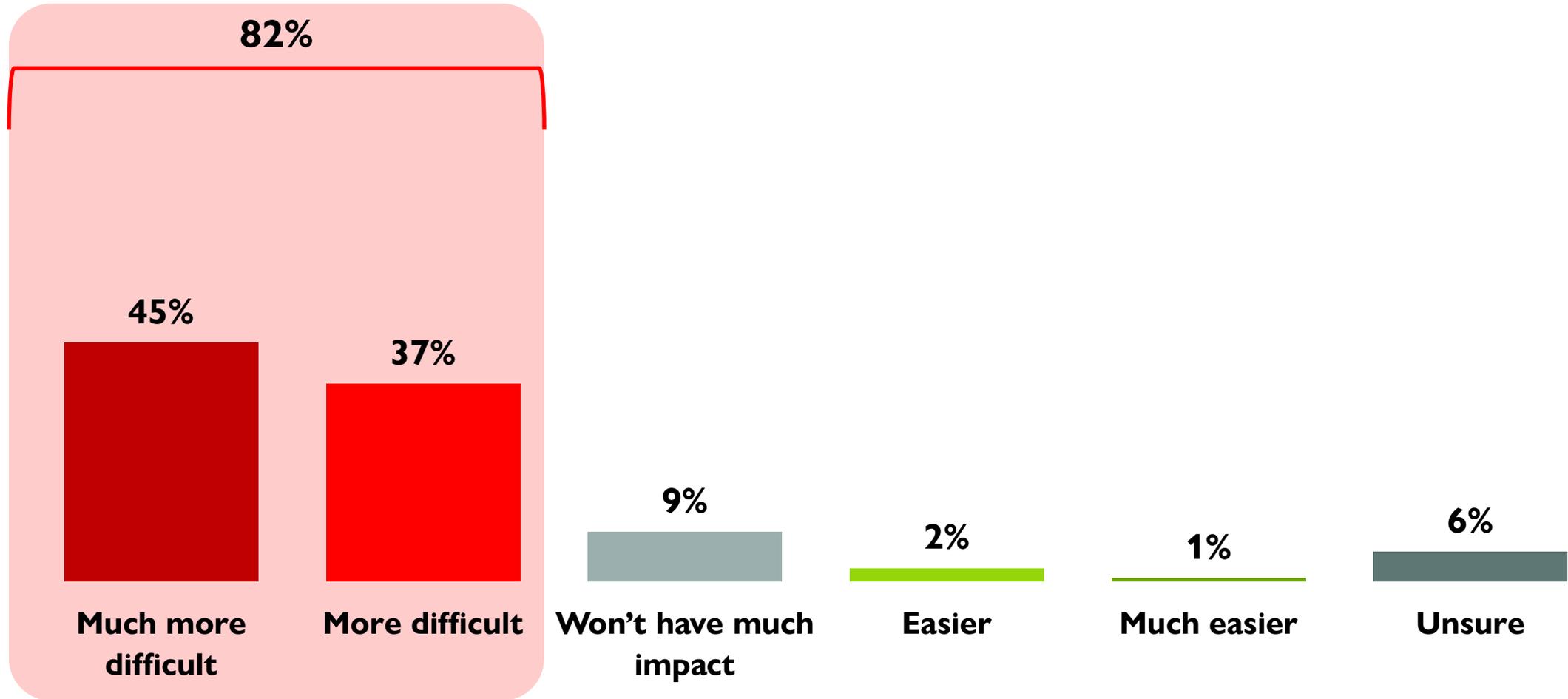
How about over the next 5 years? Do you think housing prices in your area will be more affordable, less affordable, or will they be about the same as now?

OVER THE NEXT 5 YEARS, PRICES WILL BE...



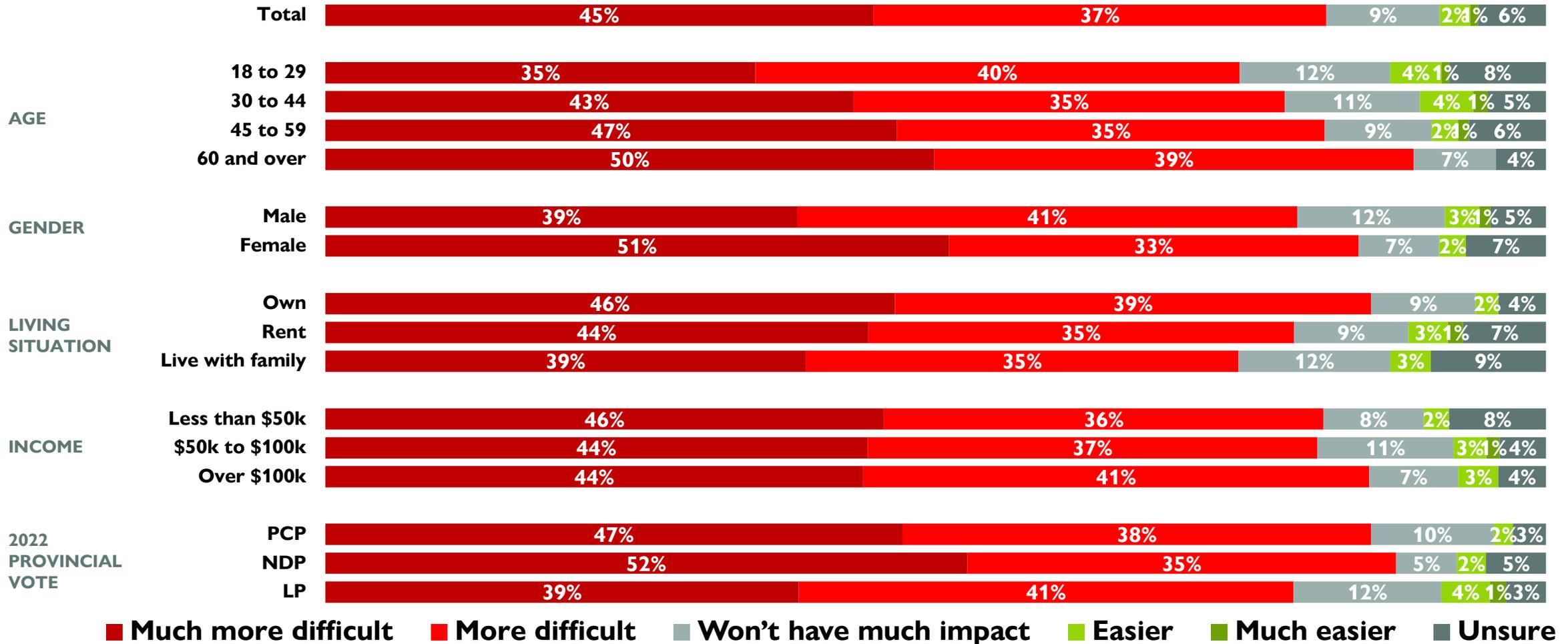
How about over the next 5 years? Do you think housing prices in your area will be more affordable, less affordable, or will they be about the same as now?

RISING MORTGAGE INTEREST MAKES BUYING A HOME...



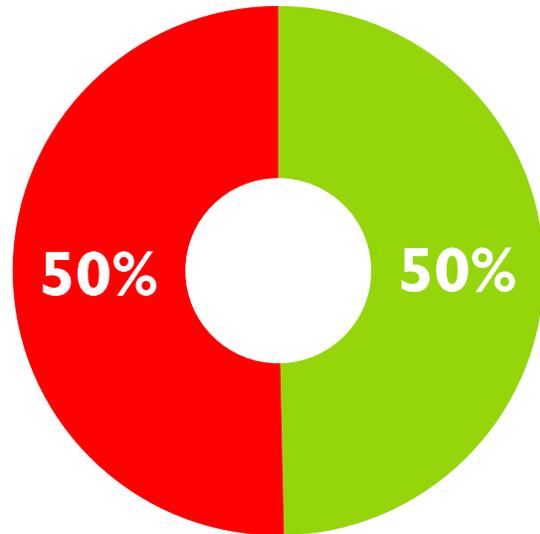
Do you think rising mortgage interest rates will make buying a home...

RISING MORTGAGE INTEREST MAKES BUYING A HOME...



Do you think rising mortgage interest rates will make buying a home...

HAVE A MORTGAGE NOW?



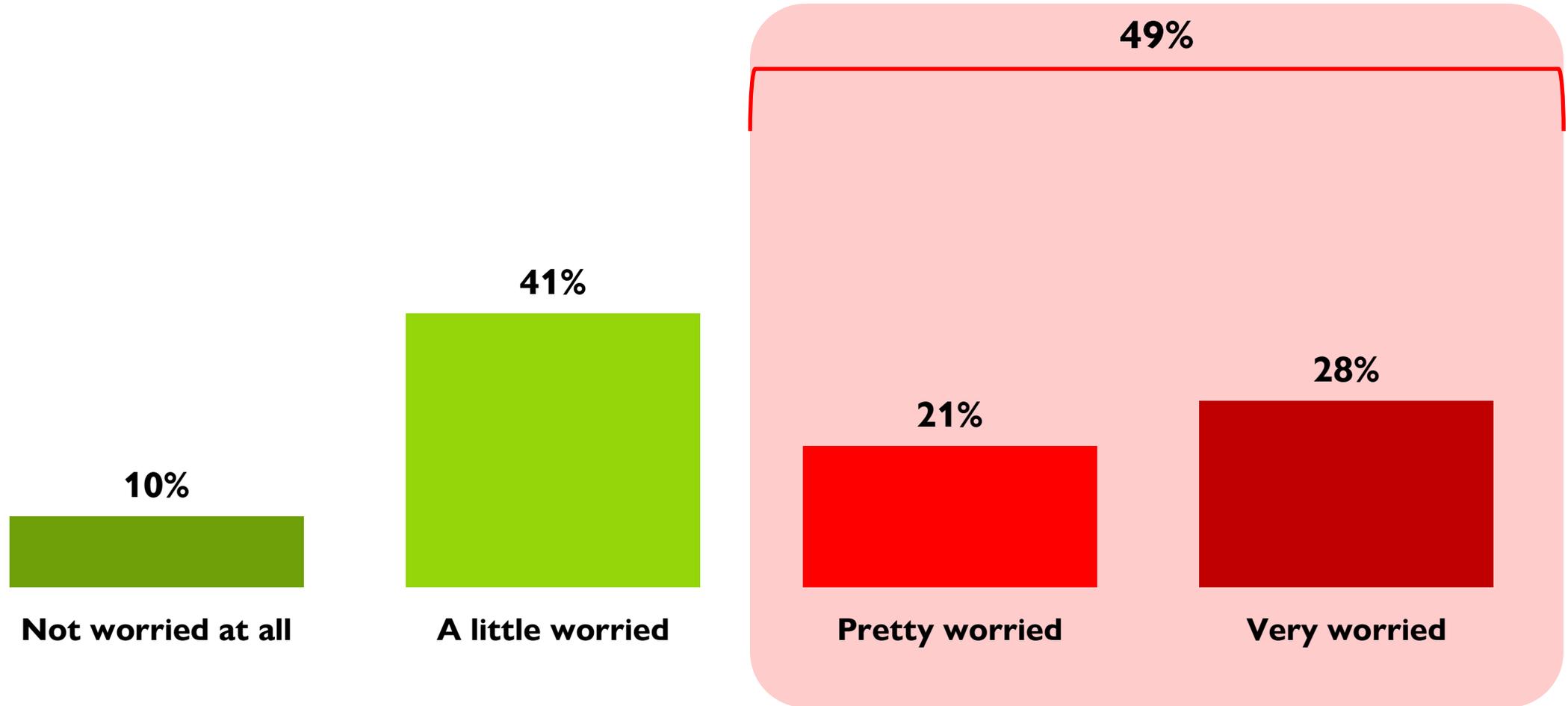
■ Yes

■ No

\$ 217,902.7
Average
Amount owed

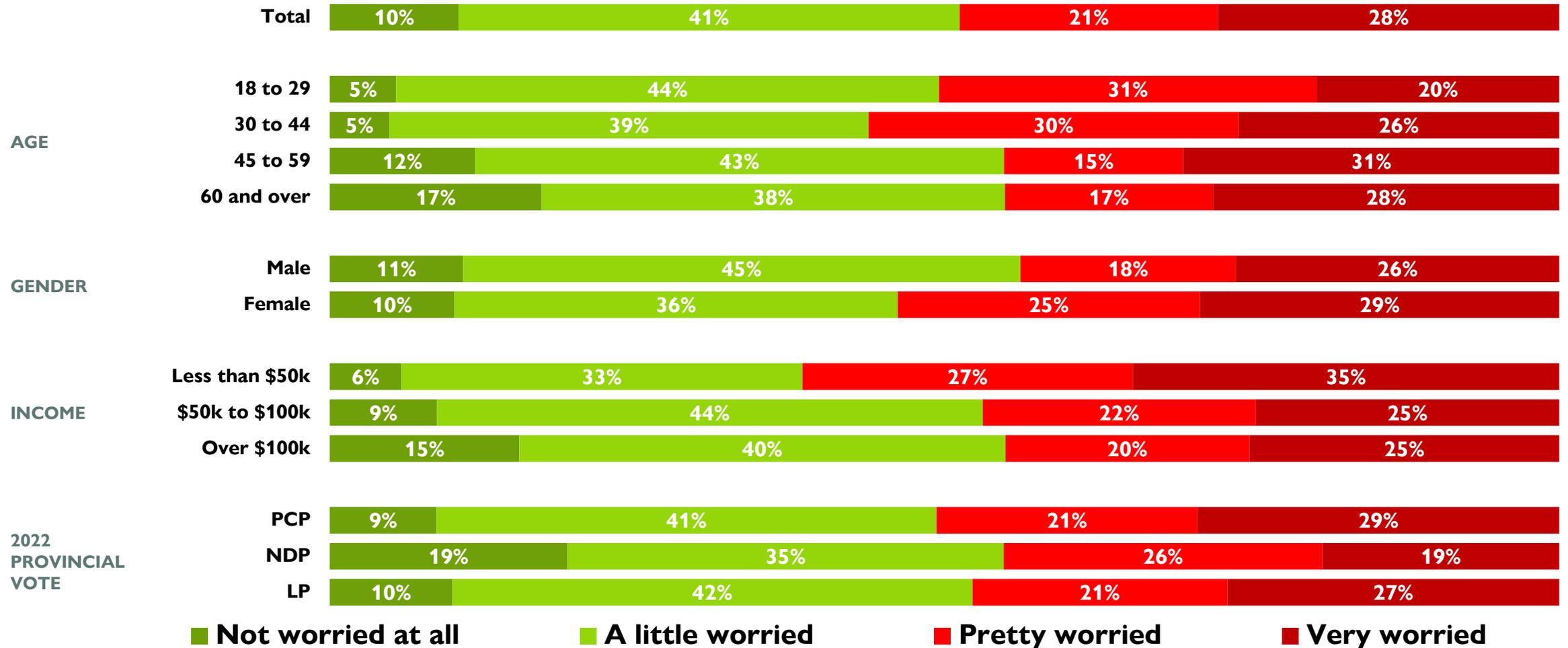
Do you currently have a mortgage on your home?

WORRY ABOUT RISING MORTGAGE INTEREST?



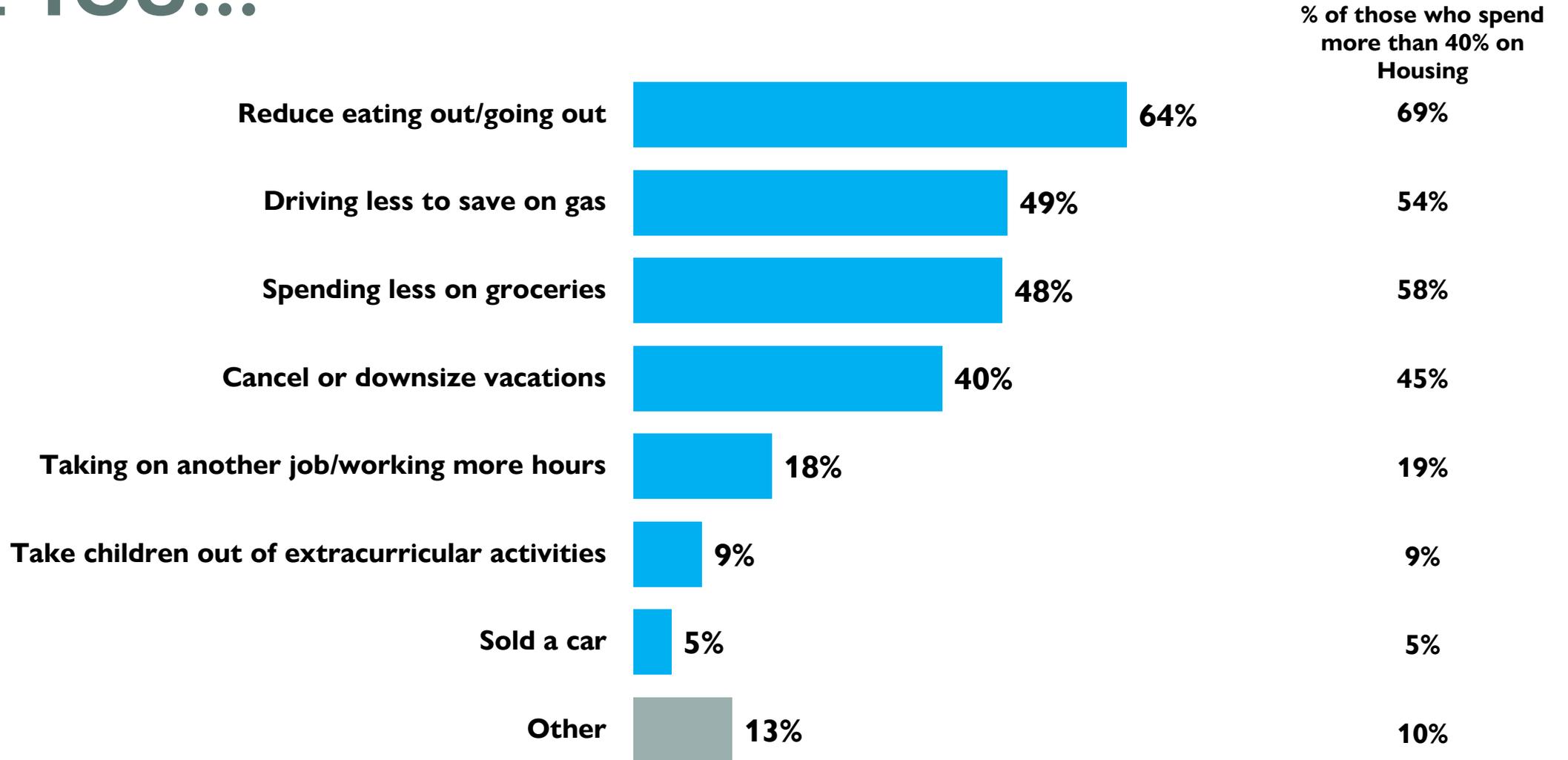
[IF HAVE A MORTGAGE] To what extent are you worried about rising mortgage interest rates?

WORRY ABOUT RISING MORTGAGE INTEREST?



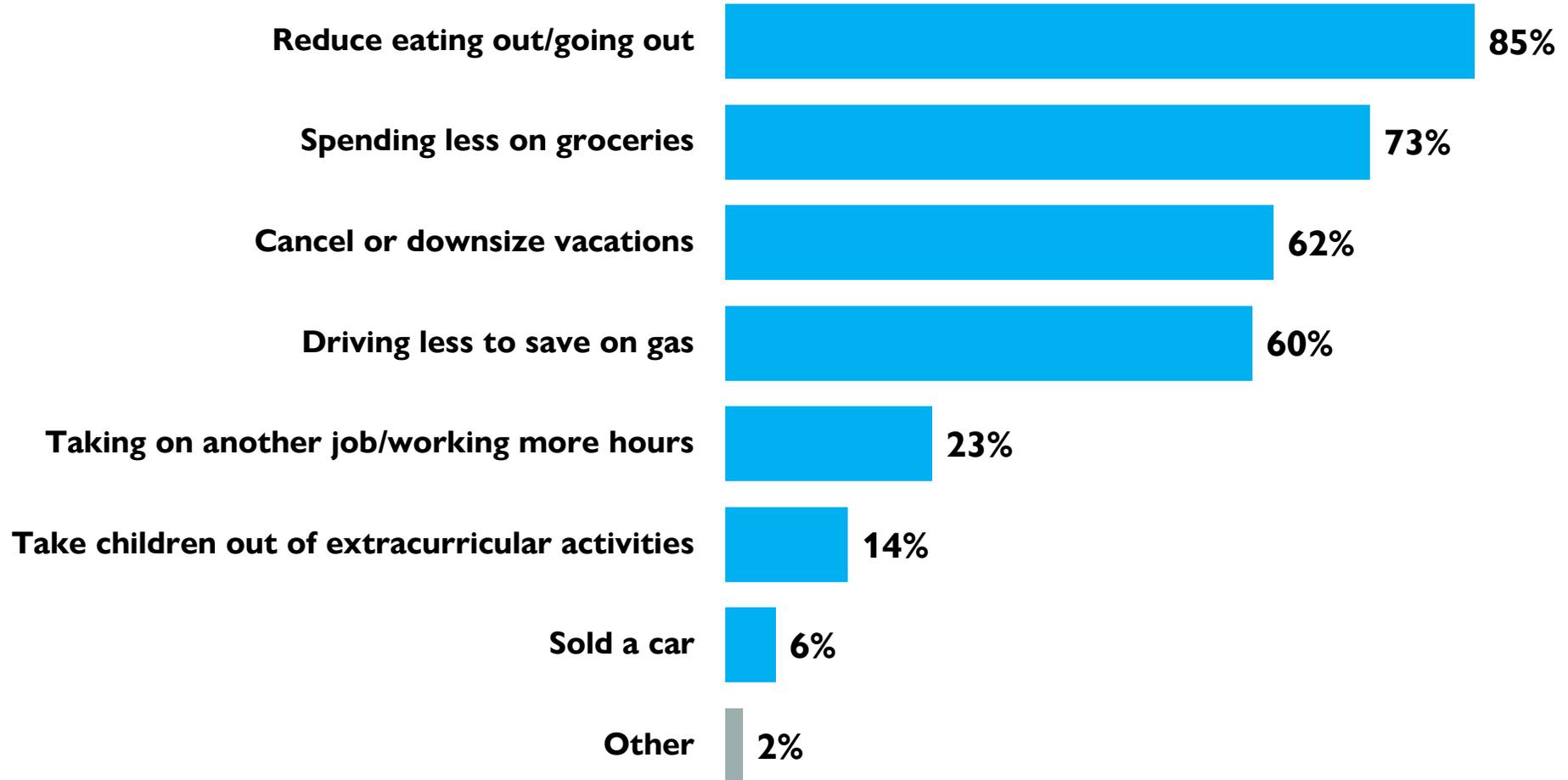
[IF HAVE A MORTGAGE] To what extent are you worried about rising mortgage interest rates?

IN RESPONSE TO RISING MORTGAGE RATES, HAVE YOU...



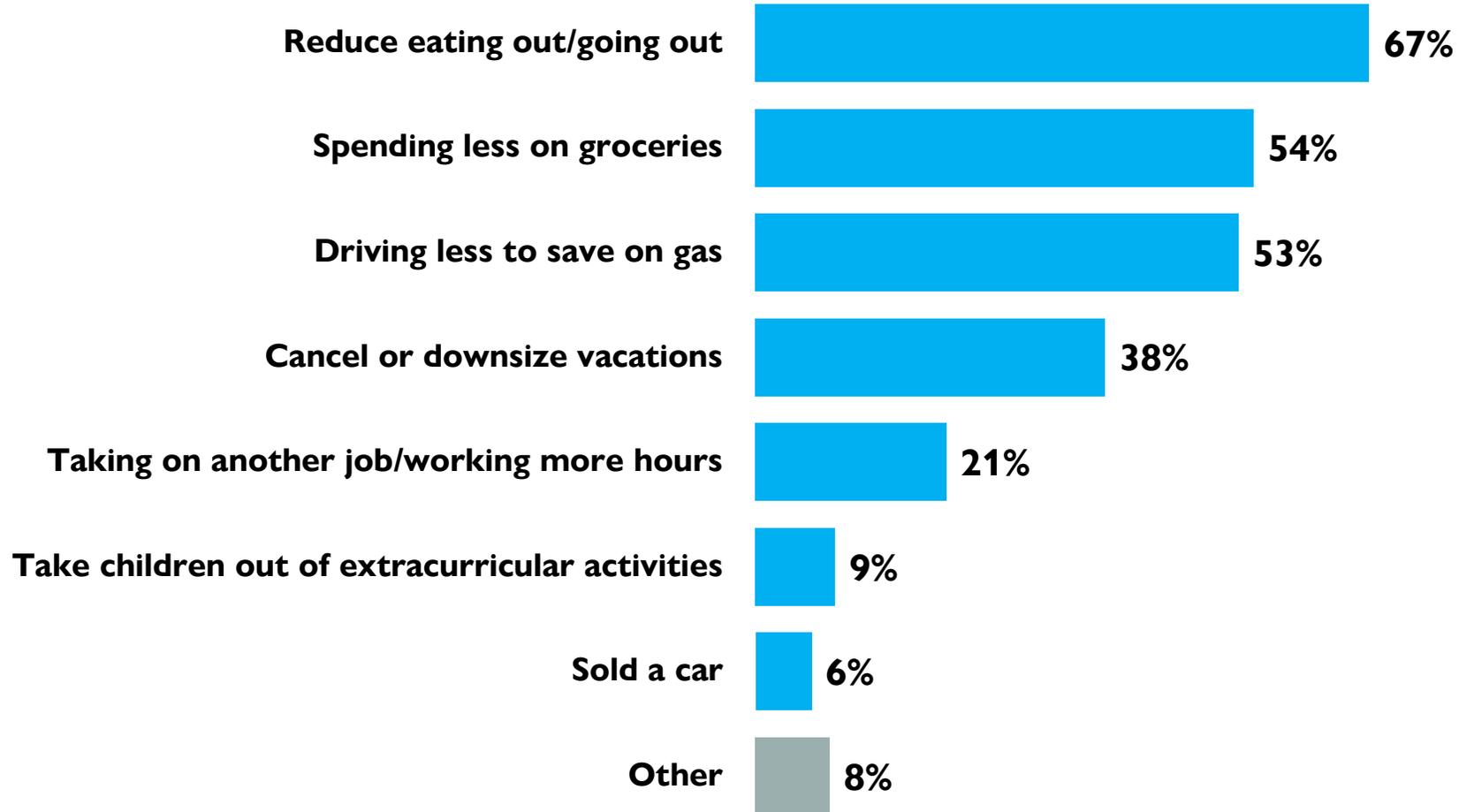
[THOSE WHO HAVE A MORTGAGE] Have you done any of the following to respond to rising mortgage rates?

IN RESPONSE TO RISING MORTGAGE RATES, HAVE YOU... - THOSE WHO ARE VERY WORRIED



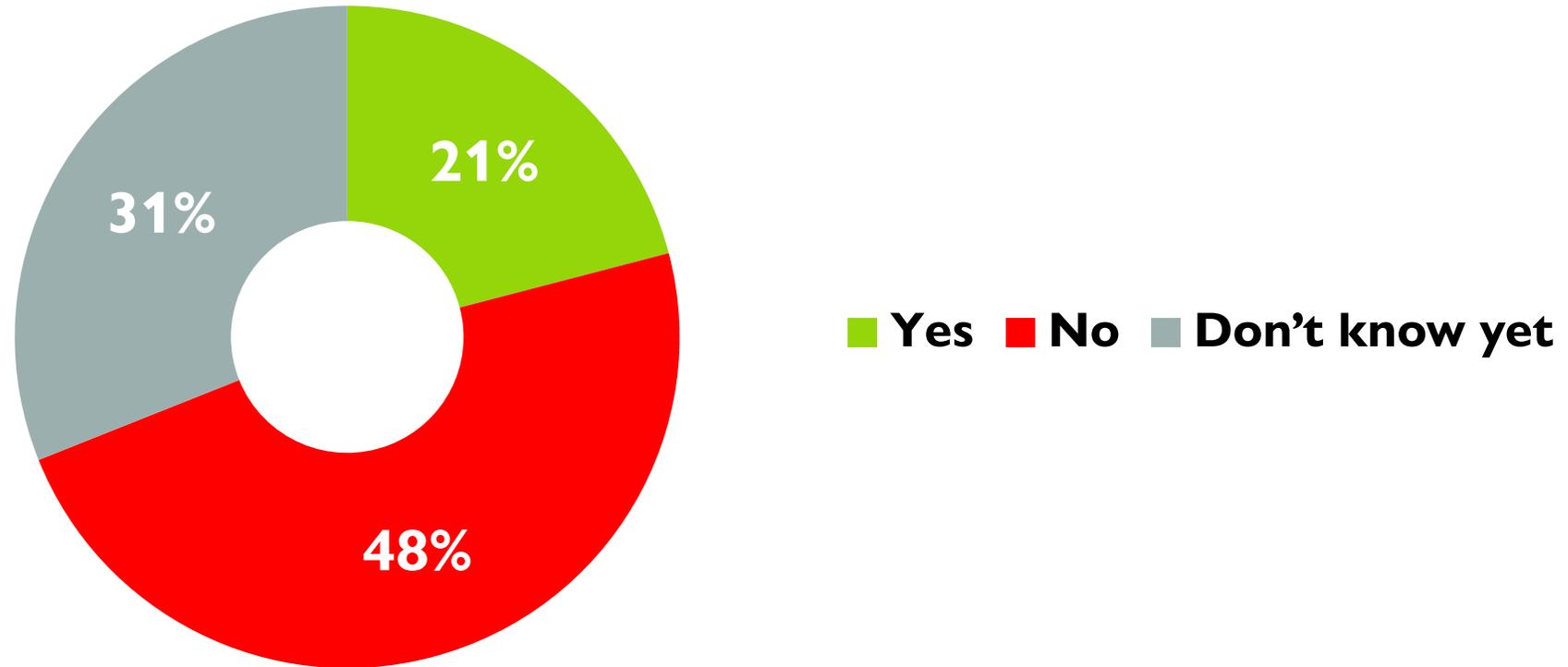
[THOSE WHO OWN A HOME] Have you done any of the following to respond to rising mortgage rates?

IN RESPONSE TO RISING MORTGAGE RATES, HAVE YOU... - THOSE WHO ARE PRETTY WORRIED



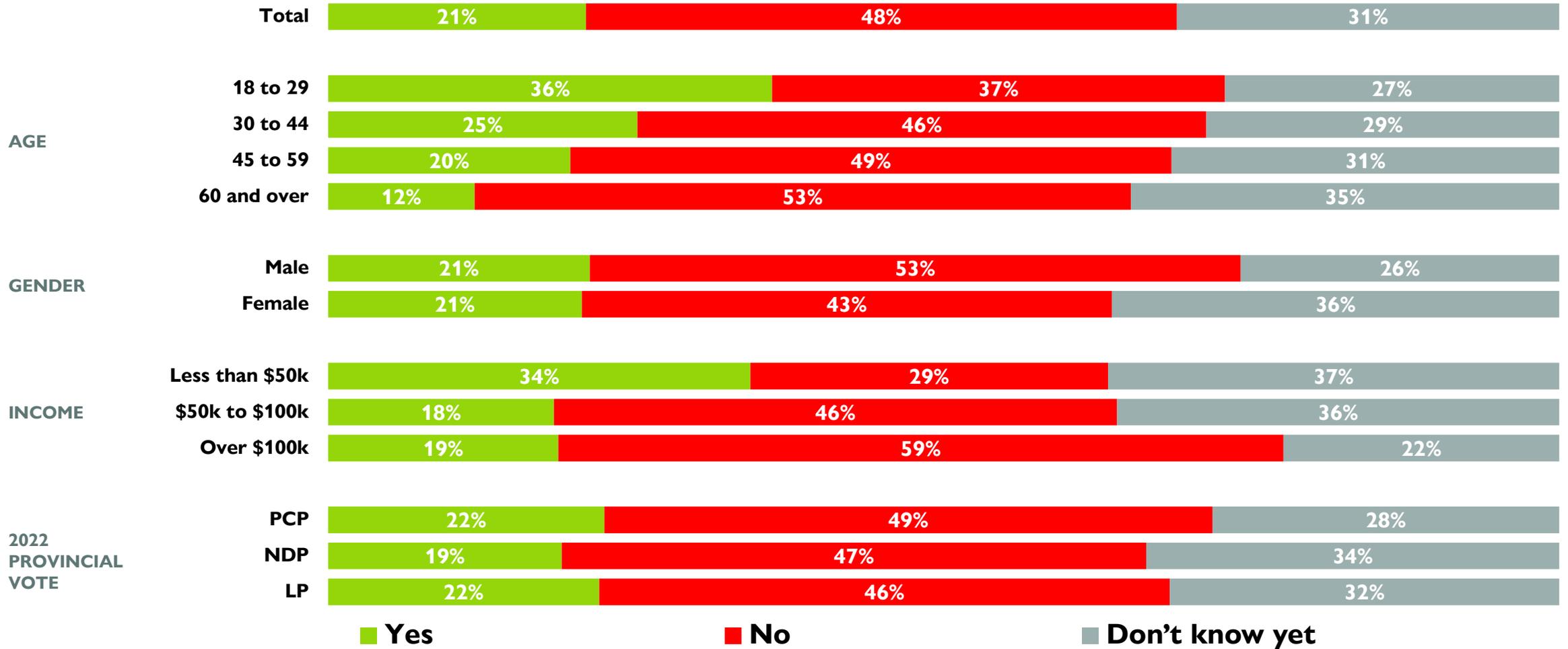
[THOSE WHO OWN A HOME] Have you done any of the following to respond to rising mortgage rates?

CONSIDER SELLING YOUR HOME?



[THOSE WHO HAVE A MORTGAGE] If interest rates continue to go up, will you have to consider selling your home?

CONSIDER SELLING YOUR HOME?



[THOSE WHO OWN A HOME] If interest rates continue to go up, will you have to consider selling your home?



GOVERNMENT AND HOUSING AFFORDABILITY

ABACUS DATA

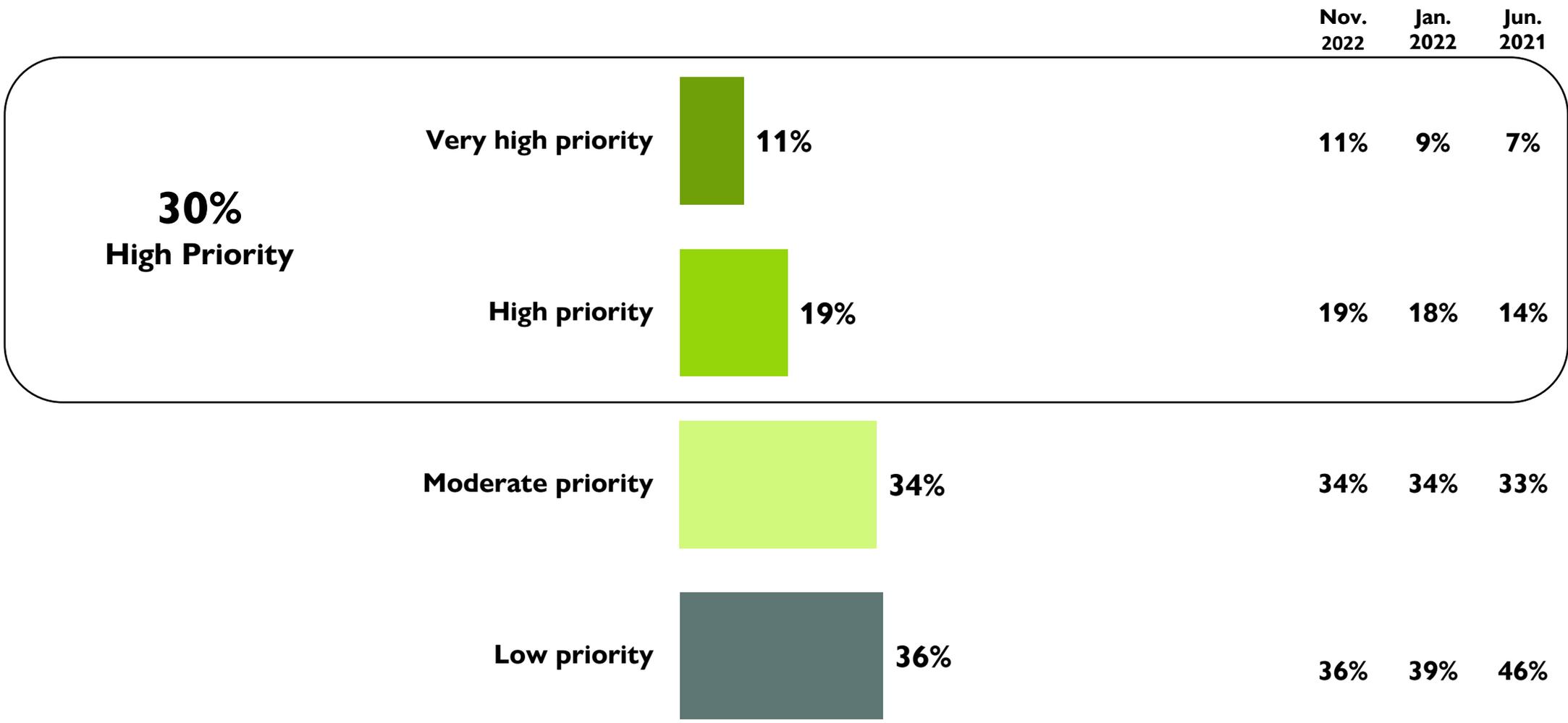
KEY FINDINGS

- Ontarians are slightly more likely than January, but much more likely than June 2021, to think the Ontario government is putting a high priority on housing affordability (30%). In contrast, 72% think the government **should** put a high priority on housing affordability.
- Only 12% believe that over the past three years the Ontario government has made it easier when it comes to housing affordability, which is unchanged since January. 45% believe the Ontario government has made it harder (+1%).
 - 47% of Ontarians do not think enough homes are being built in the province to meet demand.

Exclusionary Zoning

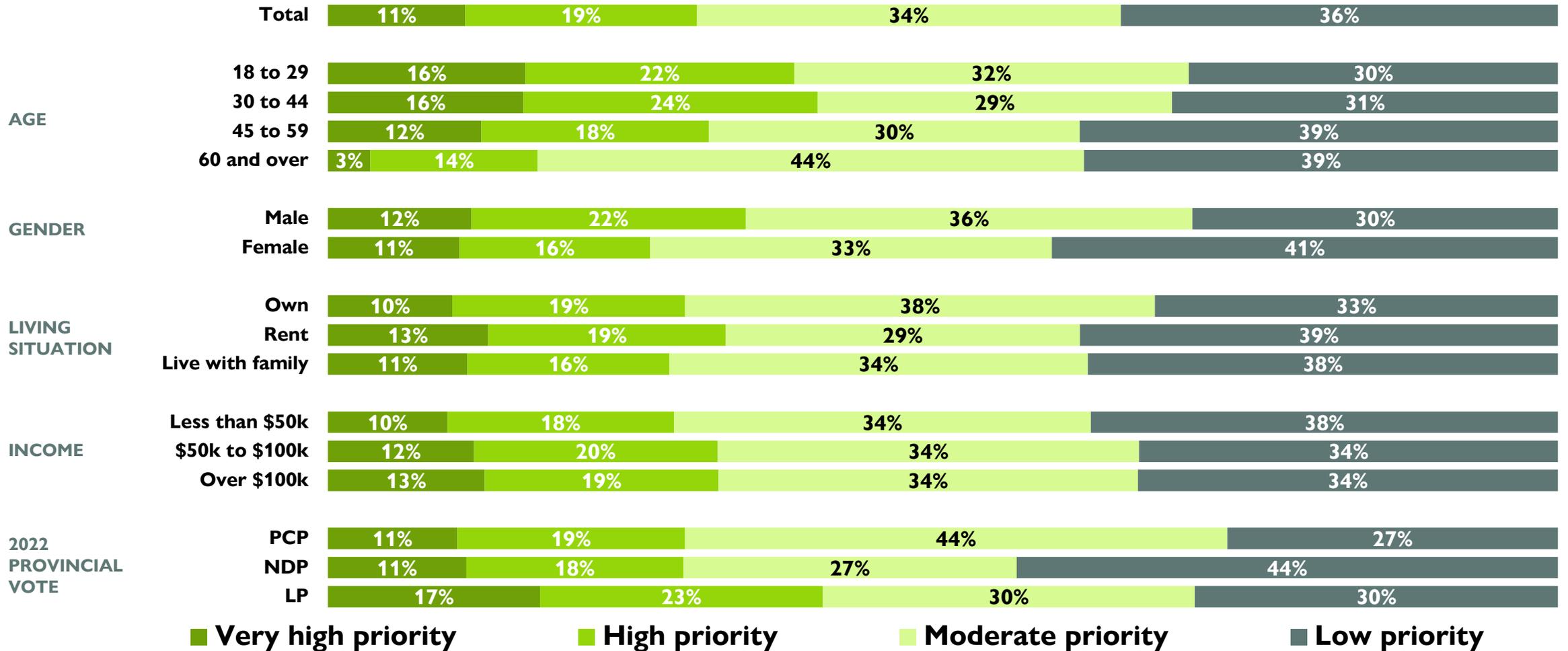
- Almost half (49%) are aware that there are zoning restrictions in some municipalities that make it illegal to convert a single-family home to a duplex, triplex or fourplex without a zoning by-law change; a 6% increase from January. Almost half (49%, +4) think those rules should be changed. 30% remain unsure.
- Only 12% say they have definitely heard the term “exclusionary zoning.” Once provided with information on “exclusionary zoning,” Ontarians are quite divided about what should be done. While 36% say we should end the practice, 33% think it should be continued (32% are not sure).
 - Current owners are more likely to side with continuing the practice (40%) as are those who are over 60 years old (40%). Aspiring homeowners think that the practice should be discontinued (43%).

CURRENT PRIORITY ON HOUSING AFFORDABILITY



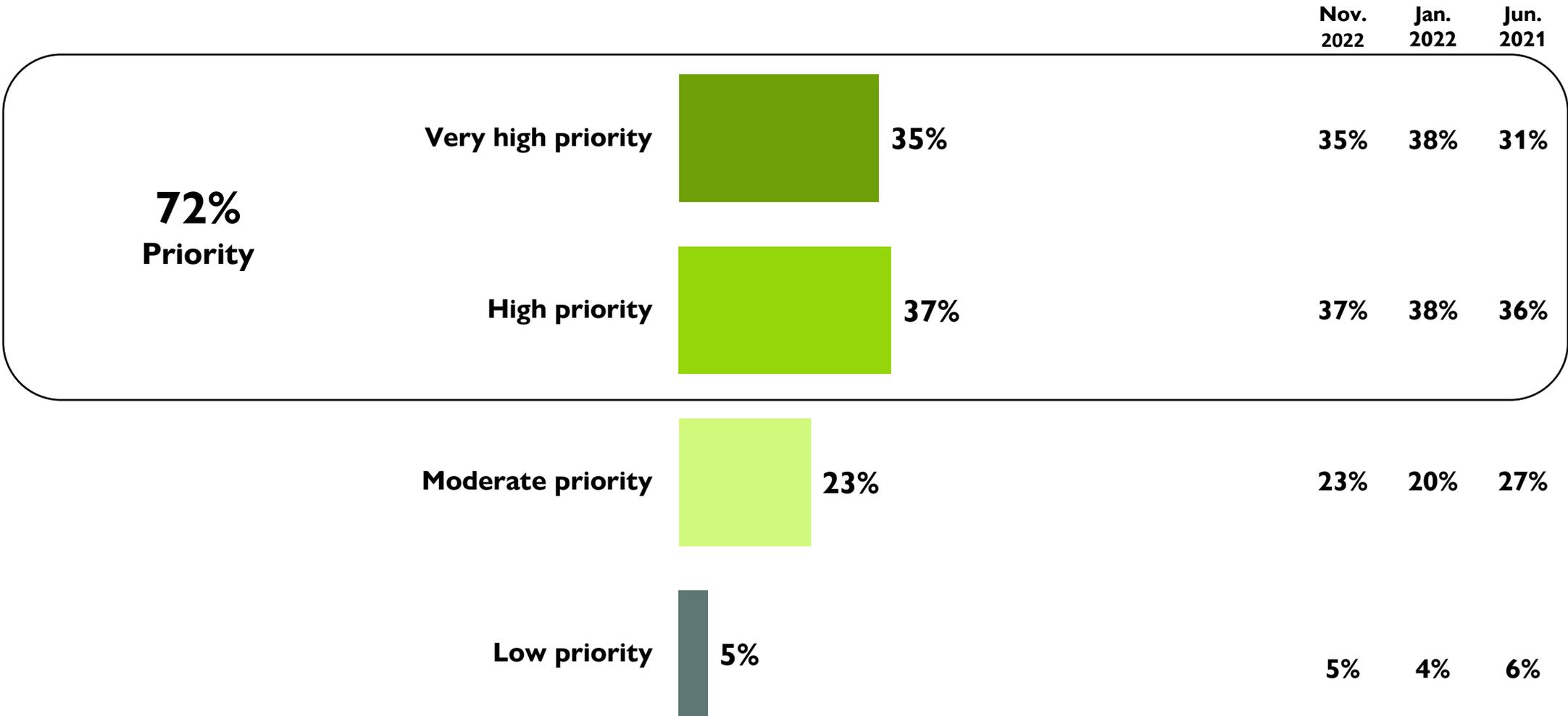
How much of a priority do you think the Ontario government is currently putting on making housing more affordable?

CURRENT PRIORITY ON HOUSING AFFORDABILITY



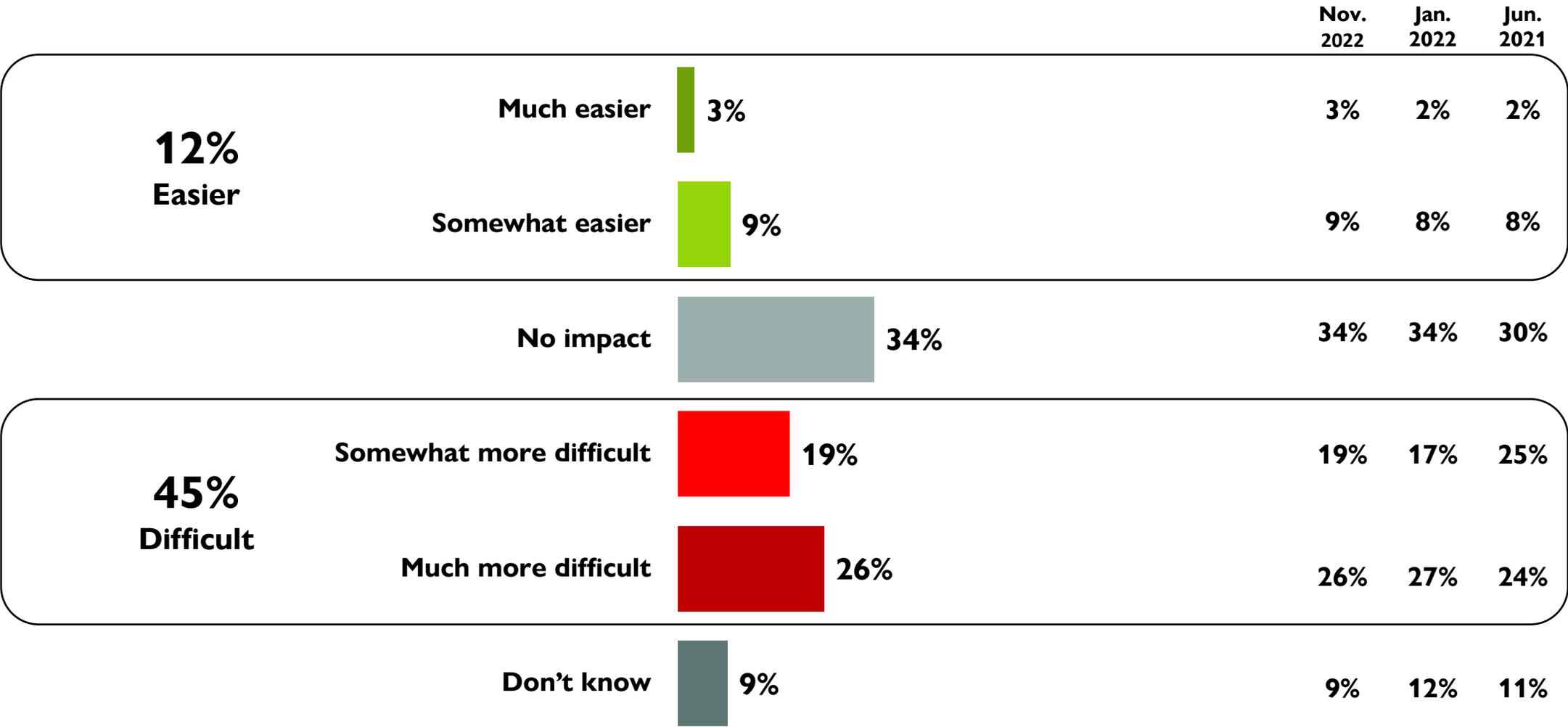
How much of a priority do you think the Ontario government is currently putting on making housing more affordable?

ONTARIO SHOULD MAKE HOUSING AFFORDABILITY A...



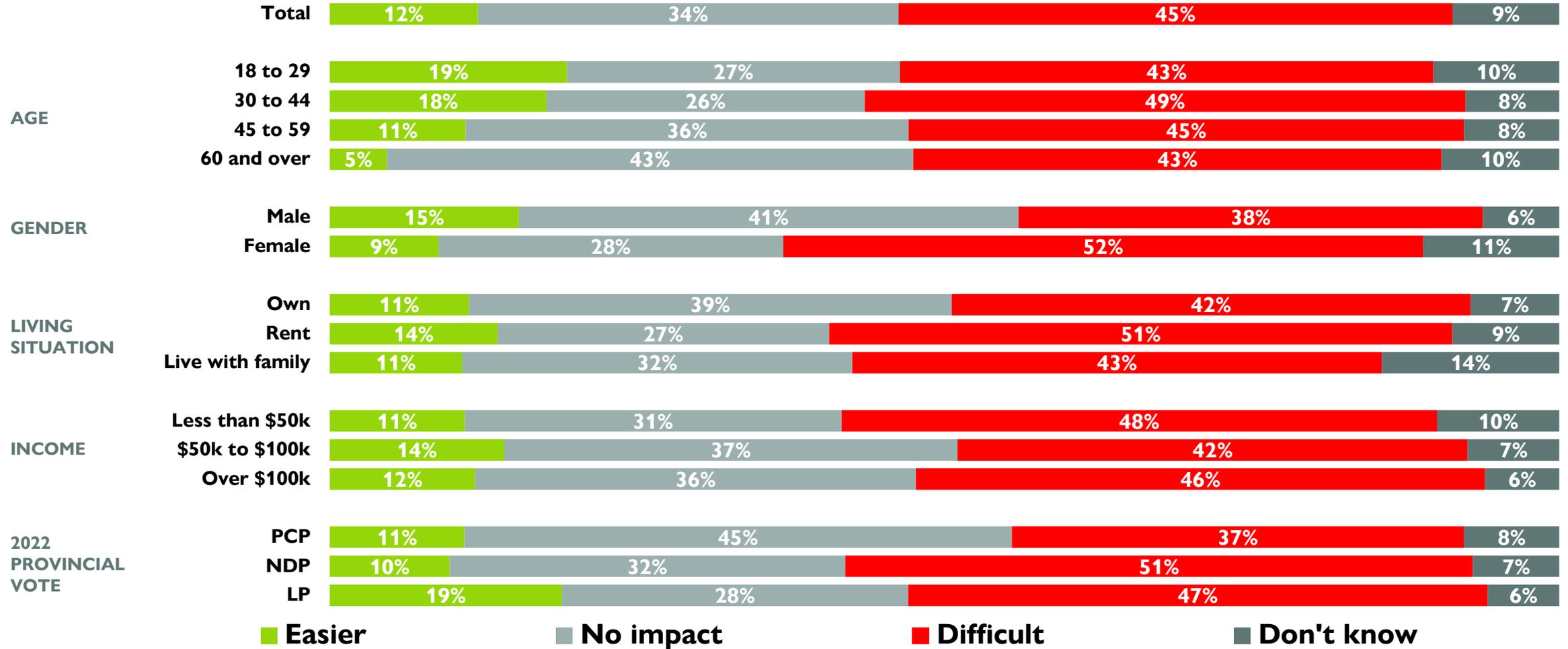
All things considered, how much of a priority should making housing more affordable be for the Ontario government?

PAST DECISIONS HAVE MADE HOUSING AFFORDABILITY...



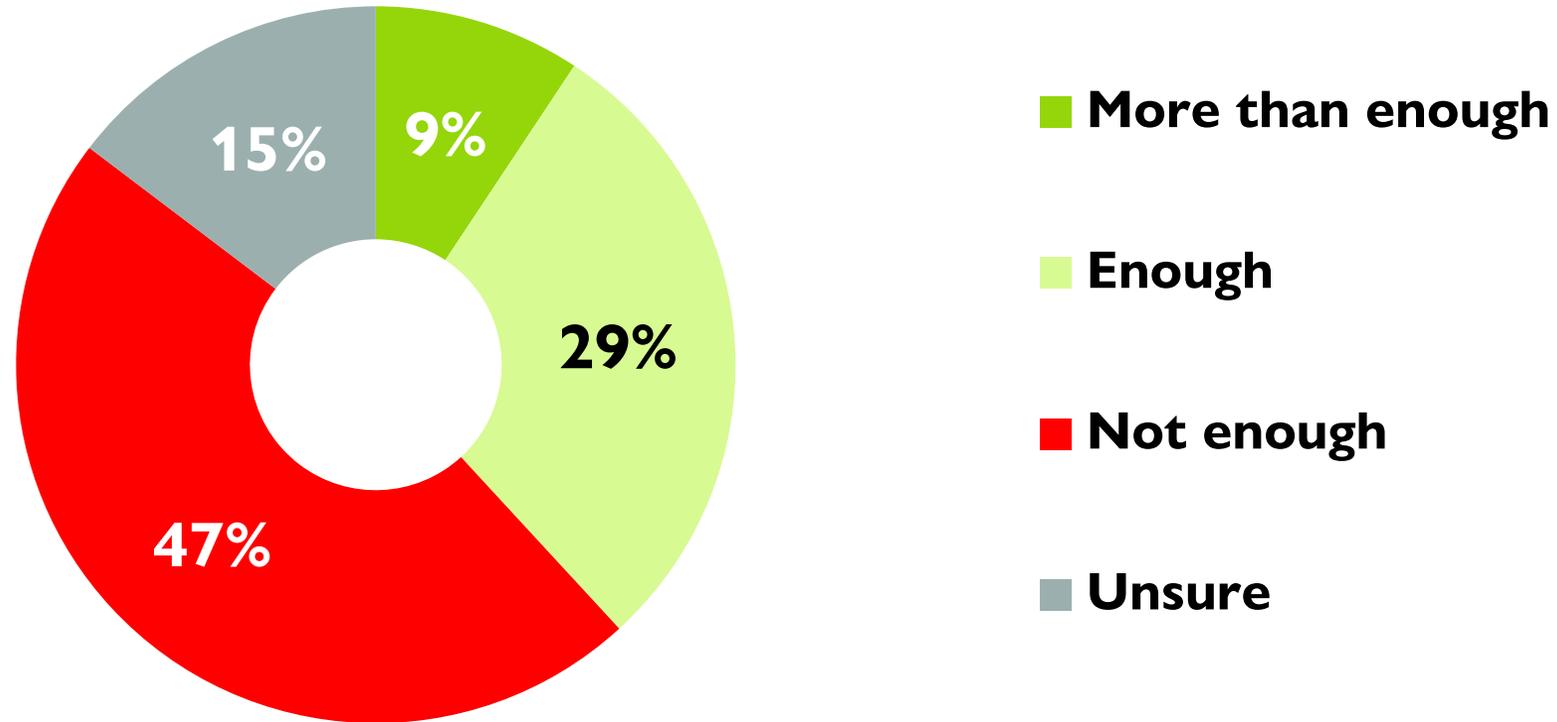
Over the past three years, do you think decisions the Ontario government has made have made it easier, more difficult, or had no impact on housing affordability in Canada?

PAST DECISIONS HAVE MADE HOUSING AFFORDABILITY...



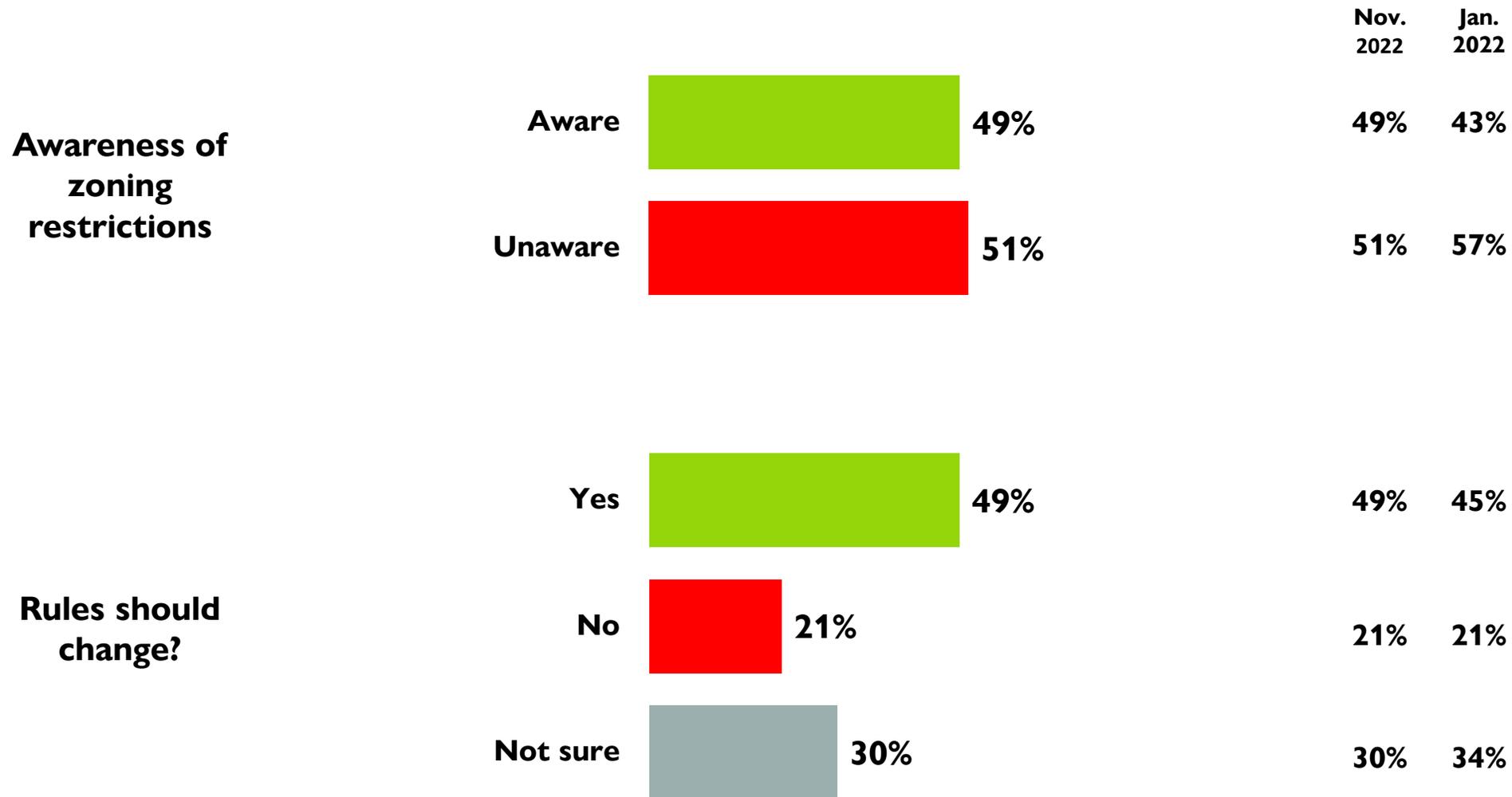
Over the past three years, do you think decisions the Ontario government has made have made it easier, more difficult, or had no impact on housing affordability in Canada?

DO HOMES MEET DEMAND?



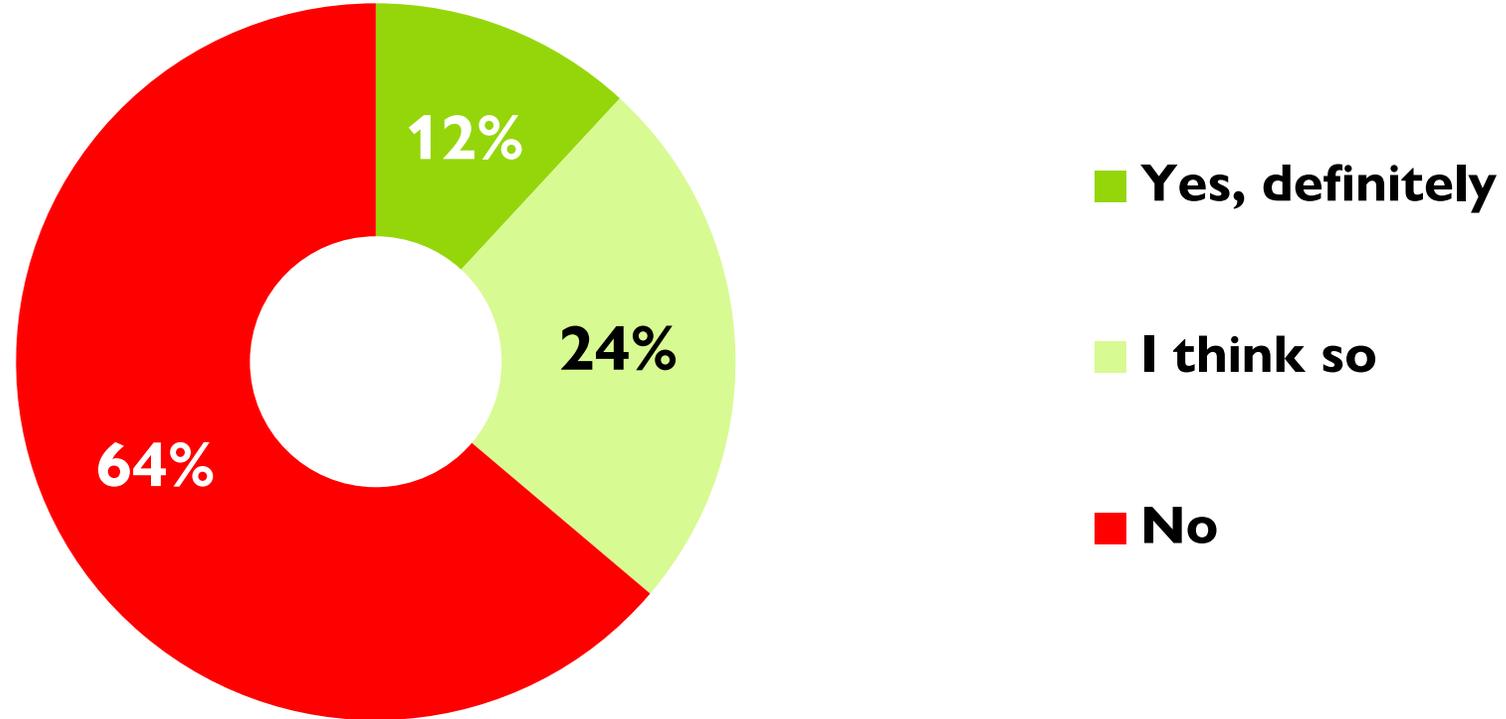
Do you think enough homes are being built across the province to meet demand?

ZONING RESTRICTIONS AND CHANGE



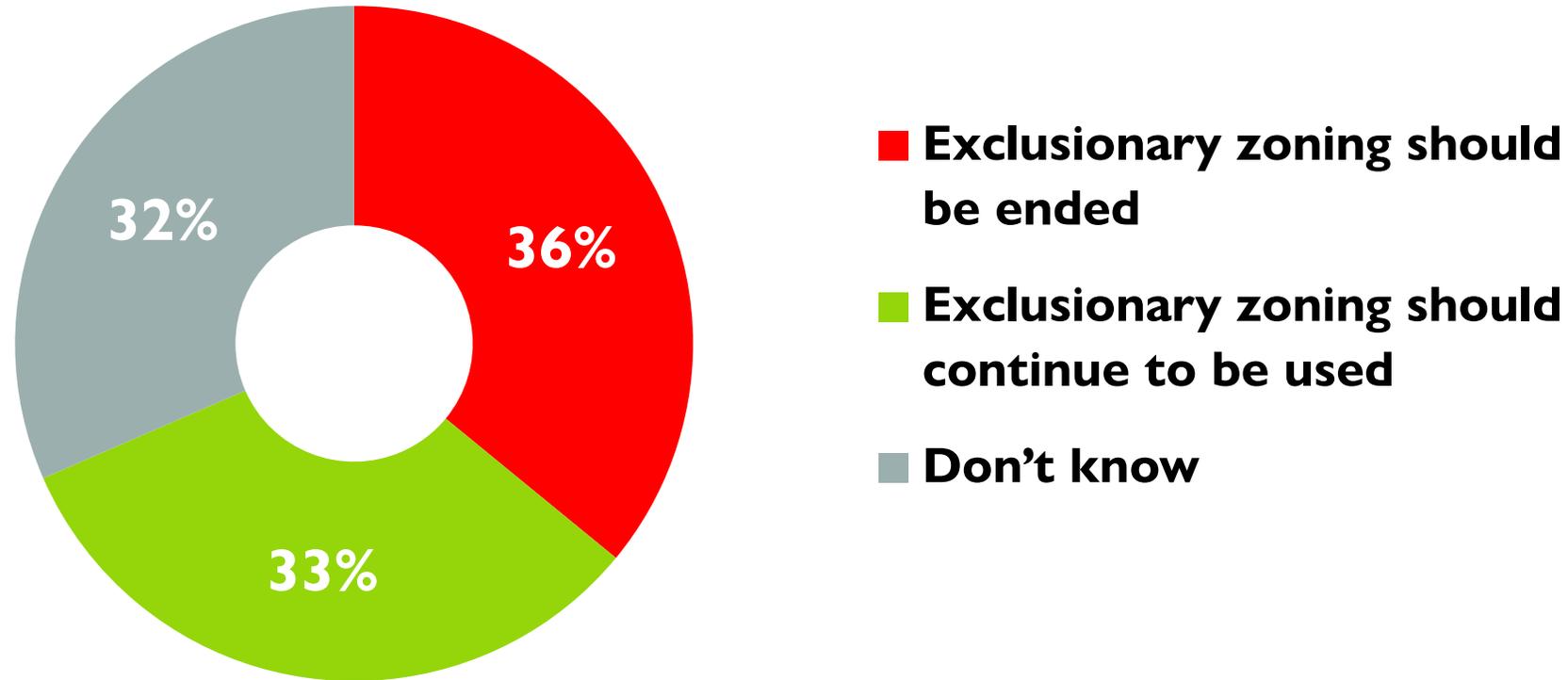
Before today, did you know that currently it is illegal in some municipalities like Toronto to convert a single-family home into a townhome, duplex, triplex or fourplex without a zoning by-law change, which delays projects, costs additional money, and could leave people without affordable housing options? I Do you think such rules should be changed to make it easier for more homes to be built in cities given the lack of available land?

HEARD ABOUT “EXCLUSIONARY ZONING”?



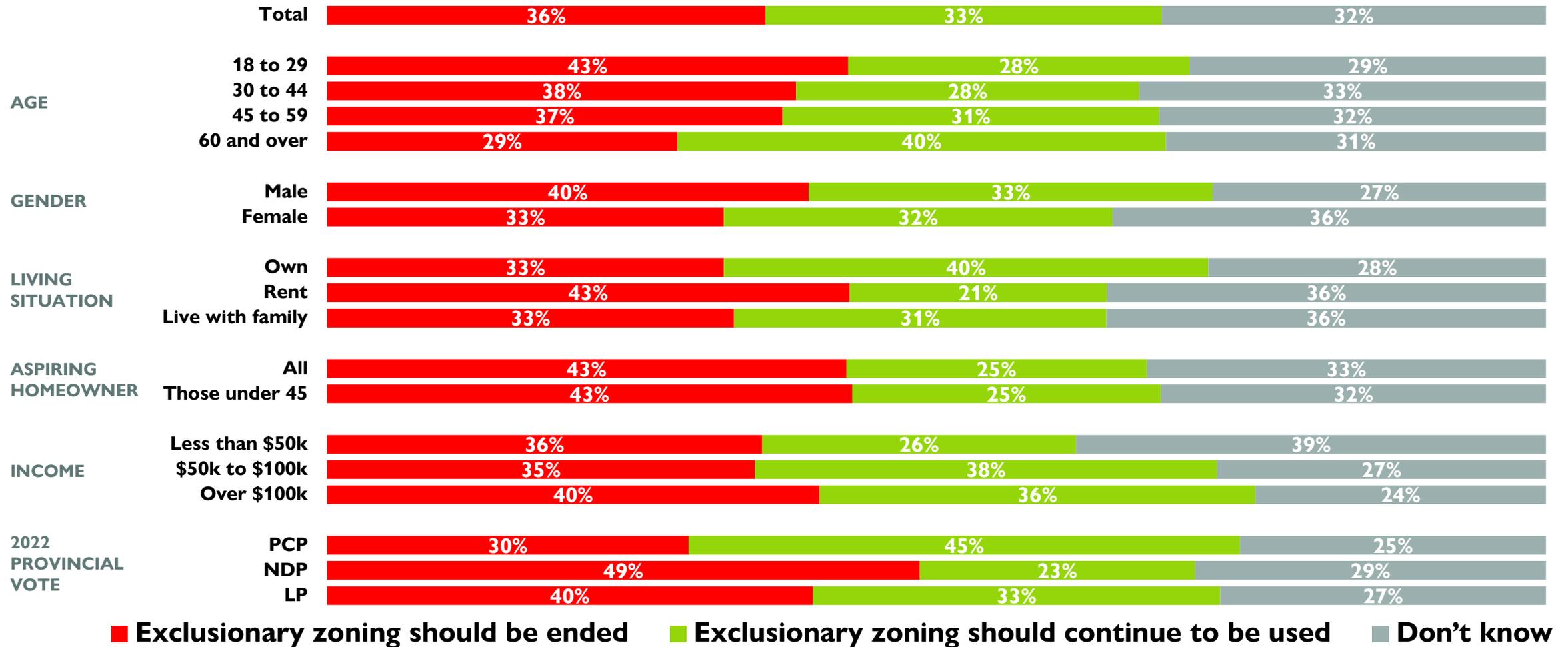
Before today, have you heard of the term “exclusionary zoning”?

VIEWS ABOUT “EXCLUSIONARY ZONING”



Municipalities that allow exclusionary zoning don't allow different types of homes to be built in neighbourhoods that have mostly a certain kind of house. For example, in neighbourhoods where there are mostly single-family homes, rules prevent multi-unit dwellings like tri-plexes or garden suites to be built. Some have argued that exclusionary zoning prevents much needed housing to be built in existing neighbourhoods and encourages urban sprawl. Others argue that exclusionary zoning protects the character of existing neighbourhoods and changes the nature of a community. Given these views, which view comes closest to your view?

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