

Canadian homeowners and renters struggling with housing costs

The most recent survey from Modus Research, reveals that not only renters that are struggling to deal with the cost of housing in Canada but also homeowners.

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Homeowners and renters are struggling with housing costs in Canada.

Large numbers of both groups have cut expenditures in essential areas like food, raising new questions about housing affordability.

Full release available [here](#).

Toronto, Ontario – The most recent survey from Modus Research and the [Modus Public Omnibus](#), reveals that it is not only renters that are struggling to deal with the cost of housing in Canada but also homeowners.

Nearly everyone agrees that “the cost of housing in Canada is out of control.” Reflecting a dire situation for Canadians, slightly more than 8 in 10 think housing costs are out of control. This view is held by large majorities across virtually all demographic categories, whether it be low or high income, homeowners or renters, or across regions.

The percentages agreeing that the cost of Canadian housing is out of control:

- Renters 86%, owners 79%
- Regions: BC 83%, Alberta 77%, Prairies 83%, Ontario 86%, Quebec 71%, Maritimes 83%
- Income groups: <\$40K 81%, \$40K-\$59K 83%, \$60K-\$79K 80%, \$80K-\$99K 80%, \$100-\$149K 83, \$150K+ 80%

Alarming, large numbers of Canadians - renters and homeowners alike - have been cutting essential household expenditures.

It is often correctly reported that renters are feeling the brunt of the current housing



affordability crisis. What is not so well recognized is the extent to which homeowners are feeling this pain as well. Many homeowners are heavily leveraged after 20 years of escalating home prices in Canada.

While 71% of renters have cut food expenditures over the past 12 months, this is also true for 63% of home owners.

Canadian households have cut back on essential expenditures over the past year:

Food: overall 65% cut back

- Renters 71%, owners 63%

Clothing: overall 69% cut back

- Renters 71%, owners 68%

Personal care: overall 49% cut back

- Renters 52%, owners 49%

Savings: overall 74% cut back

- Renters 76%, owners 73%

Even more concerning is that most Canadians see no end in sight for this housing affordability crisis.

While sizable minorities anticipate decreasing home prices both short- and long-term, most Canadians foresee worsening housing costs for both renters and homeowners. Almost everyone anticipates increased rents.

- Over three-quarters (79%) anticipate Canadian residential rents to increase over the next year
- Despite widely reported declines in real estate over the past six months, a plurality of Canadians think home prices will increase over the next year. Long-term, most Canadians (almost two-thirds) foresee continued increases in housing prices.

Discussion

These results paint a pressing situation for large numbers of Canadians. Household budgets are clearly under strain for homeowners and renters alike, raising new questions about housing affordability in Canada. In an environment of higher inflation and rising interest rates, a majority of both groups have been cutting food expenditures, among other essential items.

Despite escalating home prices over the past 20 years in Canada, housing affordability was seen as largely unaffected by prices due to historically low interest rates. Canadian households have taken on a great deal of debt over this time. Increasing interest rates will strain household budgets further.

Canadians are very troubled about the cost of housing itself. They expect rents and home prices to worsen for the foreseeable future. Rising interest rates may tame home prices but can other measures (that do not strain household budgets) be taken to reduce housing costs in Canada?

Our next release from this survey will show that Canadians view speculation (particularly by large players in the market) as the key driver of escalating home prices.

[Please visit our site for the full release.](#)

Methodology

The survey was conducted from September 1 to 20 using the Modalis Public Opinion panel – 100% recruited using random probability telephone sampling. Because the panel is built entirely using random probability sampling, it is valid to cite the margin of error for this survey. The survey is based on a representative sample of 1,007 Canadian adults and has a margin of error of +/- 3.1% pts 95 times out of 100. The survey data is weighted by age, gender, and region according to the latest Statistics Canada census.

About Modus Research

Modus Research is an independent market research firm founded over 10 years ago with a mission to revitalize the science of survey research in Canada. We provide a viable option for clients who care about professionalism, scientific rigour and integrity.

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