



# NEWS

## RBC SAYS HOMEBUYING INTENTIONS IN B.C. MAY BE COOLING

**VANCOUVER, March 4, 2008** — According to RBC Royal Bank's 15th Annual Homeownership Survey, the pace of homebuying in British Columbia is set to slow as fewer B.C. residents intend to buy a home in the next two years. The poll found that 26 per cent of B.C. residents are either "very likely" or "somewhat likely" to buy a home, down eight per cent from 2007.

The number of British Columbians who would "buy now" in light of elevated house prices and unstable economic conditions, has also slipped to 47 per cent, from 59 per cent in 2007. Nevertheless, a strong majority of BC residents (85 per cent) still believe that buying a house or condominium is a "good" or "very good" investment.

"In 2008, we may see a shift in homebuying activity as purchase intentions appear to be softening and an increased number of potential buyers say it makes more sense to delay the purchase a home until next year," said Kevin Lutz, regional manager, Mortgage Specialists, RBC Royal Bank. "This change in sentiment can likely be attributed to a number of factors such as the rise in home prices and concerns about the economy, yet British Columbians continue to see great value in homeownership."

Among those looking to purchase a home in the next two years, 85 per cent said they will likely buy a resale home and 62 per cent said they would want a detached house. While 41 per cent said they plan on buying a home larger than their current residence, the number of those looking for a smaller home (29 per cent) is greater in B.C. than in any other region across the country.

On average, B.C. homeowners approximate the value of their home at \$341,401, well above the national average of \$239,560. They also estimate that the value of their home has increased by an average of 28 per cent over the last two years, making it among the highest percentage increases in the country.

According to the poll, 17 per cent of British Columbians who plan to buy a home in the next two years say they will choose a variable rate mortgage, up from 14 per cent last year. However, fixed rate mortgages remain the preferred choice with 44 per cent of respondents planning to lock in their rate. Thirty-nine per cent said they plan to choose a combination of both fixed and variable.

<b>Regional Differences</b>	<b>Nat</b>	<b>BC</b>	<b>AB</b>	<b>SK/MB</b>	<b>ON</b>	<b>QC</b>	<b>AT</b>
Own A Home	64%	<b>64%</b>	65%	73%	67%	51%	74%
Percentage of Homeowners Who Have a Mortgage	62%	<b>62%</b>	62%	47%	63%	66%	57%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	7%	<b>7%</b>	8%	9%	7%	7%	5%
Believe Mortgage Rates Will Be Higher in One Year's Time	46%	<b>49%</b>	38%	48%	49%	41%	48%
Believe Housing Prices Will Be Higher in One Year's Time	56%	<b>58%</b>	39%	65%	61%	50%	64%
Homebuyers Likely to choose a Fixed Rate Mortgage on their new home	49%	<b>44%</b>	49%	42%	51%	51%	42%
Homebuyers Planning to Purchase a Detached Home	70%	<b>62%</b>	68%	71%	70%	74%	75%
Homebuyers Planning to Buy a Bigger Home	52%	<b>41%</b>	57%	57%	46%	63%	50%
Homebuyers Planning to Buy Resale Home	76%	<b>85%</b>	75%	79%	77%	65%	83%
Homebuyers Planning to Buy a New Home	24%	<b>15%</b>	25%	21%	23%	35%	17%

These are some of the findings of an RBC poll conducted by Ipsos Reid between January 17 and 21, 2008. The online survey is based on a randomly selected representative sample of 3,023 adult Canadians. With a sample of this size, the results are considered accurate to within  $\pm 1.8$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error for residents of British Columbia is  $\pm 4.8$  per cent (N=415) and the margin of error for British Columbia homeowners is  $\pm 6.0$  per cent (N=266). The margin of error will be larger for other sub-groupings of the population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2006 Census data.

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For full tabular results, please see the Ipsos Reid website at [www.ipsos.ca](http://www.ipsos.ca).