



HOMEBUYING INTENTIONS CONTINUE TO EDGE HIGHER IN ATLANTIC CANADA: RBC SURVEY

Atlantic Canadians least likely to have a mortgage

HALIFAX, March 8, 2010 — Three quarters (76 per cent) of Atlantic Canada residents believe now is the time to buy a home, rather than waiting until next year. This is up 20 per cent over 2009, with 11 per cent of Atlantic Canadians saying they are very likely to buy in the next two years, according to the 17th Annual RBC Homeownership Survey.

Survey respondents cited good housing prices, favourable interest rates and getting a new job as the primary reasons for their homebuying intentions. The RBC survey, conducted by Ipsos Reid, found that Atlantic Canadian homebuyers are most likely to want a newly-built home (43 per cent) and a smaller home (33 per cent).

“This is the second year in a row that we are seeing increased interest in homebuying in Atlantic Canada, which is among the strongest purchase intentions in the country,” said Craig Bannon, regional manager, Mortgage Development, RBC. “This positive attitude appears to reflect improving economic conditions in the region.”

On the mortgage front, Atlantic Canadian homeowners are least likely (55 per cent) to have a mortgage on their home and those that do have the lowest amount left to pay (\$80,569).

Atlantic Canadians are most likely to believe the cost of a mortgage (30 per cent), housing (27 per cent) and rental accommodations (36 per cent) will hold steady next year. They are also most likely to seek financial advice on homebuying from family members (29 per cent), compared to 13 per cent nationally.

Meanwhile, 98 per cent of Atlantic Canadians agree that homebuyers need to think ahead and be sure that if rates rise they will still be able to pay their mortgage, with almost all (99 per cent) looking to banks to help prepare homebuyers with scenarios that show what their payments could be if interest rates rise.

“It’s important that homeowners - especially first time buyers - get solid advice about what they can afford, not only today, but down the road. That’s why we recommend homebuyers meet with their banker to “stress test” their mortgage for interest rates increases before they buy,” added Bannon.

Regional Differences	National	AT
Believe buying a home is a good investment	91%	92%
Own A Home	68%	69%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	11%
Believe it is a buyer's market	42%	46%
Believe Mortgage Rates Will Be Higher in One Year's Time	64%	59%
Likely homebuyers who plan to take out a fixed rate mortgage	44%	54%
Likely homebuyers who plan to take out a variable rate mortgage	16%	15%
Likely homebuyers who plan to take out a combination mortgage	40%	32%
Homeowners Who Have a Mortgage	63%	55%
Mortgage holders who are paying off mortgage faster than expected	44%	47%
Mortgage holders who are concerned about interest rate increases in 2010	65%	70%
Mortgage holders who are taking advantage of low interest rates to pay down more principal on mortgage	63%	63%
Used Lump sum payment to reduce mortgage	18%	13%
Doubled up mortgage payment to reduce mortgage	16%	26%
Used a home equity line of credit to reduce mortgage	11%	10%

These are some of the findings of an RBC poll conducted by Ipsos Reid between January 8 and 13, 2010. The online survey is based on a randomly selected representative sample of 2,047 adult Canadians. With a sample of this size, the results are considered accurate to within ± 2.2 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 Atlantic Canada is 7.3 percentage points (N=179) and the margin of error for Atlantic Canadian homeowners is 8.8 percentage points (N=123). 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.

For further information contact:

Lori Smith, RBC, (902) 421-8121
Sean Simpson, Ipsos Reid, (416) 572-4474

For full tabular results, please see the Ipsos Reid website at www.ipsos.ca