



## **HOMEBUYING INTEREST INCREASING IN SASKATCHEWAN AND MANITOBA: RBC SURVEY**

### **Current housing prices and major life changes driving intentions**

**SASKATCHEWAN, March 8, 2010** — Ninety-one per cent of Saskatchewan and Manitoba respondents believe that buying a home is a good investment according to the 17<sup>th</sup> Annual RBC Homeownership Survey. Twenty-eight per cent say they are likely to purchase a home in the next two years, which is up slightly from 25 per cent last year,.

Survey respondents cite good housing prices, getting married and obtaining a new job as the primary reasons for their interest in homebuying. The RBC survey, conducted by Ipsos Reid, found potential homebuyers in Saskatchewan and Manitoba are allocating the lowest amount across the country for a down payment (\$27,335), with this figure representing the highest proportion of their home's estimated value (15.1 per cent).

The vast majority (98 per cent) of Prairie homeowners agreed that homebuyers need to think ahead and be sure that if rates rise they will still be able to pay their mortgage. Almost all respondents (99 per cent) are looking to banks to prepare homebuyers with scenarios that show what their payments could be if interest rates rise.

"Saskatchewan and Manitoba residents are generally feeling cautious about rate increases and are focused on their down payments," said Richard Schwan, regional vice-president, Mortgage Specialists and Investment Retirement Planners, RBC. "People realize how important their mortgage decision is and see it as a shared responsibility with their banks to make informed decisions about what they can afford."

The poll also found that only 15 per cent of Manitoba and Saskatchewan residents believe that homebuyers currently have the advantage over those selling, the lowest figure in Canada. Mortgage holders in the Prairies are most likely (75 per cent) to be concerned about interest rate increases in 2010 and most likely (94 per cent) to say it's important to have their mortgage paid off before they retire, the highest percentage in the country.

"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 Schwan.

<b>Regional Differences</b>	<b>Nat</b>	<b>SK/MB</b>
Believe buying a home is a good investment	91%	91%
Own A Home	68%	72%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	8%
Believe it is a buyer's market	42%	15%
Believe Mortgage Rates Will Be Higher in One Year's Time	64%	62%
Likely homebuyers who plan to take out a fixed rate mortgage	44%	51%
Likely homebuyers who plan to take out a variable rate mortgage	16%	11%
Likely homebuyers who plan to take out a combination mortgage	40%	38%
Mortgage holders who are paying off mortgage faster than expected	44%	37%
Mortgage holders who are concerned about interest rate increases in 2010	65%	75%
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%	24%
Doubled up mortgage payment to reduce mortgage	16%	18%
Used a home equity line of credit to reduce mortgage	11%	11%

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  $\pm 2.2$  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 Saskatchewan and Manitoba is  $\pm 7.6$  percentage points (N=166 and the margin of error for Saskatchewan and Manitoba homeowners is  $\pm 9.0$  percentage points (N=120). 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)