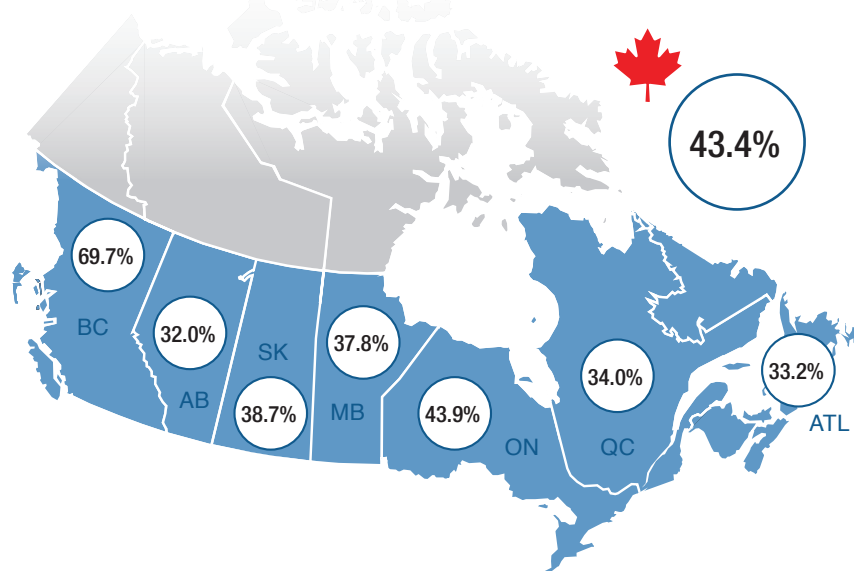


## Where Housing Affordability Stands in Canada

### Benchmark Detached Bungalow – Second Quarter 2012

According to the latest Housing Trends and Affordability report issued by RBC Economics Research, affordability measures for the **benchmark detached bungalow** rose by 0.2 percentage points to 43.4 per cent in the second quarter of 2012 (a rise in the measure represents deterioration in affordability).



	Q2 Housing Affordability (%)	Q/Q Percentage Point Change	Y/Y Percentage Point Change	Historical Average Since '85 (%)
CANADA	43.4	0.2	0.0	39.5
BC	69.7	1.2	-1.1	50.0
AB	32.0	-0.3	-0.8	36.1
SK	38.7	1.4	-1.0	36.9
MB	37.8	1.9	0.9	36.9
ON	43.9	0.3	1.3	40.8
QC	34.0	-0.7	-0.9	33.1
ATL	33.2	0.5	-0.2	32.0

RBC's housing affordability measures capture the proportion of pre-tax household income needed to service the costs of owning a specified category of home at going market values.



#### VANCOUVER

The Vancouver-area continues to be the least affordable market in Canada by a considerable margin. RBC's measures deteriorated further for all types of housing in the area, standing close to the worst levels on record.



#### CALGARY

- Calgary's housing market enjoyed stronger home resales and building activity, as well as moderately rising prices, and continues to register one of the most attractive affordability levels among Canada's largest cities.



#### TORONTO

- The Toronto area market saw modest deterioration in affordability for the second straight quarter. Homeownership costs consumed a larger share of household income in comparison to the historical average, revealing the presence of some greater-than-usual stress in the market, though mostly in single family home categories.



#### OTTAWA

- There was no change in homeownership costs as a share of household income in the Ottawa area market in the second quarter. RBC measures continue to stand above their long-run average and near their historic peaks, representing a greater-than-normal strain on Ottawa homebuyers.



#### MONTREAL

- In Montreal, the RBC measures remain roughly in line with historic norms for most housing categories. However, the measure for the two-storey homes segment remained notably above its long-term average, indicating that greater-than-usual tensions will likely persist.