



# NEWS

## ALBERTA MAY SEE SLOWDOWN IN HOMEBUYING, FINDS RBC SURVEY

**CALGARY, March 4, 2008** — Homebuying intentions in Alberta appear to be cooling, according to RBC Royal Bank's 15th Annual Homeownership Survey. The poll found that eight per cent of Alberta residents said they are "very likely" to buy a home, down four per cent from 2007, while those who said they are "somewhat likely" to buy fell three percentage points from last year.

The poll also found that given current house prices and economic conditions, the number of Albertans who would "buy now" rather than wait until next year has also dropped from 52 per cent in 2007 to 38 per cent. Despite this, a large majority of Alberta residents continue to see great value in homeownership, with 83 per cent saying that buying a house or condominium is a "good" or "very good" investment.

"While purchase intentions in Alberta remain the highest in the country, we may see a slight cooling as potential homebuyers decide to sit tight this year," said Don Peard, vice-president, Mortgage Specialists, RBC. "We can attribute this shift in sentiment in part to the hot housing market that has caused home values to skyrocket. Nevertheless, Albertans remain very confident that buying a home is a smart, worthwhile investment."

Among those looking to buy within the next two years, 75 per cent said they will likely purchase a resale home and 68 per cent said they would opt for a detached house. Albertans are also intent on moving up, with 57 per cent saying they plan on buying a home larger than their current residence, and only 11 per cent looking to downsize.

On average, Alberta homeowners approximate the market value of their homes at \$350,603, well above the national average of \$239,560. In fact, Albertans estimate that the average value of homes in the province has increased by 44 per cent over the last two years – the highest percentage increase across Canada.

According to the poll, 12 per cent of Albertans who plan to buy a home in the next two years will choose a variable rate mortgage, which is up significantly from five per cent the previous year. However, fixed rate mortgages remain the preferred choice with almost half (49 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.

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| <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%        | 64%       | <b>65%</b> | 73%          | 67%       | 51%       | 74%       |
| Percentage of Homeowners Who Have a Mortgage                            | 62%        | 62%       | <b>62%</b> | 47%          | 63%       | 66%       | 57%       |
| Owners and Renters Very Likely to Purchase a Home in the Next Two Years | 7%         | 7%        | <b>8%</b>  | 9%           | 7%        | 7%        | 5%        |
| Believe Mortgage Rates Will Be Higher in One Year's Time                | 46%        | 49%       | <b>38%</b> | 48%          | 49%       | 41%       | 48%       |
| Believe Housing Prices Will Be Higher in One Year's Time                | 56%        | 58%       | <b>39%</b> | 65%          | 61%       | 50%       | 64%       |
| Homebuyers Likely to choose a Fixed Rate Mortgage on their new home     | 49%        | 44%       | <b>49%</b> | 42%          | 51%       | 51%       | 42%       |
| Homebuyers Planning to Purchase a Detached Home                         | 70%        | 62%       | <b>68%</b> | 71%          | 70%       | 74%       | 75%       |
| Homebuyers Planning to Buy a Bigger Home                                | 52%        | 41%       | <b>57%</b> | 57%          | 46%       | 63%       | 50%       |
| Homebuyers Planning to Buy Resale Home                                  | 76%        | 85%       | <b>75%</b> | 79%          | 77%       | 65%       | 83%       |
| Homebuyers Planning to Buy a New Home                                   | 24%        | 15%       | <b>25%</b> | 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 Alberta is  $\pm 6.0$  per cent (N=268) and the margin of error for Alberta homeowners is  $\pm 7.4$  per cent (N=175). 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).