



NEWS

RBC SURVEY FINDS HOMEBUYING INTENTIONS COOLING IN THE GTA

TORONTO, March, 2008 — According to RBC Royal Bank's 15th Annual Homeownership Survey, the Greater Toronto Area could see a slowdown in home purchases this year. The poll found that 26 per cent of GTA residents said they are either "very likely" or "somewhat likely" to buy a home over the next two years, which is down from 36 per cent in 2007.

The number of GTA residents who would "buy now" rather than wait until next year has also slipped, falling five percentage points from last year to 54 per cent. Also the vast majority (91 per cent) of residents from the GTA continue to believe buying a house or condominium is a "good" or "very good" investment.

"We expect to see some softening in homebuying this year in the GTA, which is consistent with what we're seeing in Ontario as a whole," said Kathy Ellis, sales manager, Builder Development. "This might be a result of the run-up in home prices in the region and concerns about the economic environment; however, it has not deterred too many prospective homebuyers from their plans to buy in 2008."

Among those looking to buy within the next two years, 78 per cent said they will likely purchase a resale home, while 64 per cent said they will be looking to buy a detached house and 23 per cent planning to purchase a condominium or loft. A majority (60 per cent) of those polled said they plan on buying a larger home than their current residence, while 24 per cent said they would be looking for something smaller.

On average, GTA homeowners approximate the market value of their homes at \$328,217, well above the national average of \$239,560. Residents estimate that the average value of their home has increased by 16 per cent over the last two years.

According to the poll, 15 per cent of GTA residents who plan to buy a home in the next two years say they will choose a variable rate mortgage. Fixed rate mortgages remain the most popular choice with 50 per cent of respondents planning to lock in their rate. Thirty-five per cent said they would choose a combination of both fixed and variable.

Regional Differences	GTA	Nat	BC	AB	SK/MB	ON	QC	AT
Own A Home	70%	64%	64%	65%	73%	67%	51%	74%
Percentage of Homeowners Who Have a Mortgage	66%	62%	62%	62%	47%	63%	66%	57%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	7%	7%	8%	9%	7%	7%	5%
Believe Mortgage Rates Will Be Higher in One Year's Time	45%	46%	49%	38%	48%	49%	41%	48%
Believe Housing Prices Will Be Higher in One Year's Time	60%	56%	58%	39%	65%	61%	50%	64%
Homebuyers Likely to choose a Fixed Rate Mortgage on their new home	50%	49%	44%	49%	42%	51%	51%	42%
Homebuyers Planning to Purchase a Detached Home	64%	70%	62%	68%	71%	70%	74%	75%
Homebuyers Planning to Buy a Bigger Home	60%	52%	41%	57%	57%	46%	63%	50%
Homebuyers Planning to Buy Resale Home	78%	76%	85%	75%	79%	77%	65%	83%
Homebuyers Planning to Buy a New Home	22%	24%	15%	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 representative sample of this size, the results are considered accurate to within ± 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 the GTA is ± 6.2 per cent ($n = 248$) and the margin of error for GTA homeowners is ± 7.5 per cent ($n = 172$). 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.