



RBC SURVEY FINDS ALBERTANS MOST INTERESTED IN HOMEBUYING COMPARED TO OTHER CANADIANS

Current housing prices and interest rates driving intentions

CALGARY, March 8, 2010 — Alberta residents are keenly focused on the housing market, with 92 per cent of respondents believing that buying a home is a good investment, according to the 17th Annual RBC Homeownership Survey. On a national level, Albertans are the most likely (13 per cent) to say they are very likely to buy a home within the next two years, and among those looking to buy, they are also most likely (40 per cent) to say they will buy within the next year.

Survey respondents cite good housing prices, favourable interest rates and the opportunity to buy a home as an investment or second home as the primary reasons behind their buying intentions. The RBC survey, conducted by Ipsos Reid, found that Albertans intending to buy a home plan to put down one of the largest down payments (\$85,434) compared to Canadians in other regions. This represents 13.6 per cent of their estimated home value, slightly higher than the national average.

Encouragingly, 77 per cent of Alberta residents, the highest level in Canada, believe they're doing a "good job" of paying down their mortgage. They are also more likely (29 per cent) to have put down a lump sum payment to reduce their mortgage or have doubled up on a mortgage payment to reduce their mortgage (22 per cent).

"Albertans are feeling positive about their housing market and this is a good sign for the economy," said Don Peard, vice-president, Mortgage Specialists, RBC. "Paying down an existing mortgage is a prudent approach and there are a number of other options available that can help you better manage your mortgage and build home equity faster."

The study also shows Albertan mortgage-holders, along with residents of the Prairies, are most likely (75 per cent) to be concerned about interest rate increases in 2010, with 70 per cent, believing that mortgage rates will be higher next year.

The vast majority (98 per cent) of Albertan homeowners agreed that homebuyers need to take responsibility to make sure they do not take on a mortgage they cannot afford, with 97 per cent also looking to banks to 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 Peard.

Regional Differences	National	AB
Believe buying a home is a good investment	91%	92%
Own A Home	68%	65%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	13%
Believe it is a buyer’s market	42%	44%
Believe Mortgage Rates Will Be Higher in One Year’s Time	64%	70%
Likely homebuyers who plan to take out a fixed rate mortgage	44%	47%
Likely homebuyers who plan to take out a variable rate mortgage	16%	13%
Likely homebuyers who plan to take out a combination mortgage	40%	40%
Homeowners Who Have a Mortgage	63%	60%
Mortgage holders who are paying off mortgage faster than expected	44%	42%
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%	67%
Used lump sum payment to reduce mortgage	18%	29%
Doubled up mortgage payment to reduce mortgage	16%	22%
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 Alberta is ± 5.9 percentage points (N=276) and the margin of error for Alberta homeowners is ± 7.4 percentage points (N=178). 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:

Jo-Ann Fraser, RBC, (403) 292-3372
Sean Simpson, Ipsos Reid, (416) 572-4474

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