



HOME PURCHASE INTENTIONS EDGE HIGHER IN BRITISH COLUMBIA: RBC POLL

VANCOUVER, March 8, 2010 — Thirty per cent of BC residents say they are likely to purchase a home in the next two years, up from 26 per cent last year, according to the 17th Annual RBC Homeownership Survey. The vast majority (89 per cent) also believe that buying a house or condominium is a good investment.

The RBC survey, conducted by Ipsos Reid, found that those intending to buy a home in B.C. plan to put down the largest down payment (\$92,676), compared to Canadians in other provinces. Survey respondents cited good housing prices and low interest rates as the primary reasons for their interest in purchasing a home.

“What we are seeing in B.C. is cautious optimism, tempered by a healthy dose of reality,” said Kevin Lutz, regional manager, Mortgage Specialists, RBC Royal Bank. “Our survey shows that B.C. homeowners recognize 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.”

Ninety-nine per cent of B.C. homeowners agree that ‘homebuyers need to think ahead and be sure that if rates rise they will still be able to pay their mortgage’, with 97 per cent 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 Lutz.

Among those who are likely to buy a home, British Columbians (31 per cent) are among the most likely to say they’ll buy a smaller home and they are more fond of lofts and condos (21 per cent) than any other province. They are also most likely to say they expect their home to be their primary source of income when they retire (32 per cent), compared to the national average (26 per cent).

Regional Differences	National	BC
Believe buying a home is a good investment	91%	89%
Own A Home	68%	75%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	9%
Believe it is a buyer's market	42%	48%
Believe Mortgage Rates Will Be Higher in One Year's Time	64%	69%
Likely homebuyers who plan to take out a fixed rate mortgage	44%	44%
Likely homebuyers who plan to take out a variable rate mortgage	16%	15%
Likely homebuyers who plan to take out a combination mortgage	40%	41%
Homeowners Who Have a Mortgage	63%	57%
Mortgage holders who are concerned about interest rate increases in 2010	65%	61%
Mortgage holders who are taking advantage of low interest rates to pay down more principal on mortgage	63%	56%
Used Lump sum payment to reduce mortgage	18%	14%
Doubled up mortgage payment to reduce mortgage	16%	9%
Used a home equity line of credit to reduce mortgage	11%	13%

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 British Columbia is ± 7.2 percentage points (N=X186) and the margin of error for British Columbia homeowners is ± 8.4 percentage points (N=135). 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:

Christie Smith, RBC, (604) 668-2651
Sean Simpson, Ipsos Reid, (416) 572-4474

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