



MAJORITY OF ONTARIANS SAY BUYING A HOME IS A GOOD INVESTMENT: RBC POLL

One-third indicate they are likely to buy a home in the next two years

TORONTO, March 8, 2010 — Ninety-two per cent of Ontario residents feel that buying a house or condominium is a good investment and are most likely (34 per cent) to say they are likely to buy a home in the next two years, up from 30 per cent last year, according to the 17th Annual RBC Homeownership Survey.

When asked for the primary reasons for their interest, respondents cited good housing prices (32 per cent) and interest rates (20 per cent), as well as the upcoming HST (five per cent). The RBC survey, conducted by Ipsos Reid, found that, 68 per cent of Ontario residents think it makes sense to purchase a home now instead of waiting until next year. Ontarians are among the most likely (55 per cent) to say they intend to buy a bigger home.

"We're seeing a high level of confidence in the Ontario real estate market with the majority of buyers continuing to believe it's a wise choice," said Doug Crowe, vice-president, Mortgages, Greater Toronto Area, RBC. "Homeowners are also aware of how important their mortgage decision is and are looking for more advice on their options."

The survey found that Ontarians are also the most likely (64 per cent) to think that housing prices will rise in 2010, with 67 per cent of mortgage holders concerned about interest rate increases. A majority (61 per cent) also believe interest rate increases will cause them financial difficulty.

The vast majority of homeowners in Ontario (96 per cent) agreed that homebuyers need to take responsibility to make sure they do not take on a mortgage they cannot afford, with 96 per cent looking at 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 Crowe.

Regional Differences	National	ON
Believe buying a home is a good investment	91%	92%
Own A Home	68%	68%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	10%
Believe it is a buyer's market	42%	44%
Believe Mortgage Rates Will Be Higher in One Year's Time	64%	66%
Likely homebuyers who plan to take out a fixed rate mortgage	44%	41%
Likely homebuyers who plan to take out a variable rate mortgage	16%	17%
Likely homebuyers who plan to take out a combination mortgage	40%	42%
Homeowners Who Have a Mortgage	63%	64%
Mortgage holders who are paying off mortgage faster than expected	44%	42%
Mortgage holders who are concerned about interest rate increases in 2010	65%	67%
Mortgage holders who are taking advantage of low interest rates to pay down more principal on mortgage	63%	64%
Used Lump sum payment to reduce mortgage	18%	21%
Doubled up mortgage payment to reduce mortgage	16%	16%
Used a home equity line of credit to reduce mortgage	11%	12%

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 Ontario is ± 3.5 percentage points (N=775) and the margin of error for Ontario homeowners is ± 4.3 percentage points (N=528). 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