



QUEBEC RESIDENTS MOST CONFIDENT IN LONG-TERM STABILITY OF HOUSING MARKET: RBC POLL

MONTREAL, March 8, 2010 — According to the 17th Annual RBC Homeownership Survey, 90 per cent of Quebec residents believe that buying a house or condominium is a good investment, with 26 per cent saying they are likely to purchase a home in the next two years, up from 22 per cent in 2009.

Survey respondents cited low interest rates and attractive housing prices as the primary reasons, along with the opportunity to buy a second home, according to the RBC survey conducted by Ipsos Reid. Despite the interest, 39 per cent of Quebecers say it makes more sense to wait until next year to buy a home, the highest percentage across the country. Respondents in Quebec are least likely (57 per cent) to believe that mortgage rates will increase over the next year and more likely to believe it is a balanced housing market.

Quebecers' optimism about the stability of the housing market ranks highest among all provinces. One-quarter of Quebec residents (28 per cent) believe that housing prices will be the same next year as they are today, compared to the national average of 21 per cent.

"Quebecers are taking a cautious approach to buying, but remain generally optimistic about the market's stability," said Danielle Coutlée, manager, Sales Strategy and Support, Quebec, RBC. "With a lower mortgage debt level than the national average, Quebecers are taking a disciplined approach when buying a home."

The poll found that most Quebec mortgage holders (81 per cent) say it is important for them to have their mortgage paid off by retirement and they are most likely to believe they're doing an "excellent job" of paying down their mortgage (30 per cent), higher than any other province. Mortgage holders are also least concerned that interest rate increases will cause them financial difficulty (39 per cent).

Although Quebec homeowners are most likely (68 per cent) to have a mortgage, and believe the value of their home has increased in the last two years on average, the amount they owe (\$100,948) is less than the national average (\$124,131). The vast majority (97 per cent) of Quebec respondents agree that homebuyers need to think ahead and be sure that if rates rise they will still be able to pay their mortgage.

"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 Coutlée.

Regional Differences	National	QC
Believe buying a home is a good investment	91%	90%
Own A Home	68%	64%
Owners and Renters Very Likely to Purchase a Home in the Next Two Years	10%	9%
Believe it is a buyer's market	42%	40%
Believe Mortgage Rates Will Be Higher in One Year's Time	64%	57%
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%	17%
Likely homebuyers who plan to take out a combination mortgage	40%	39%
Homeowners Who Have a Mortgage	63%	68%
Mortgage holders who are paying off mortgage faster than expected	44%	50%
Mortgage holders who are concerned about interest rate increases in 2010	65%	58%
Mortgage holders who are taking advantage of low interest rates to pay down more principal on mortgage	63%	62%
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%	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 Quebec is ± 4.5 percentage points (N=465) and the margin of error for Quebec homeowners is ± 5.7 percentage points (N=297). 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:

Raymond Chouinard, RBC, (514) 874-6556
Sean Simpson, Ipsos Reid, (416) 572-4474

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