



The Ninth Annual RBC Royal Bank Housing Study

February 2002

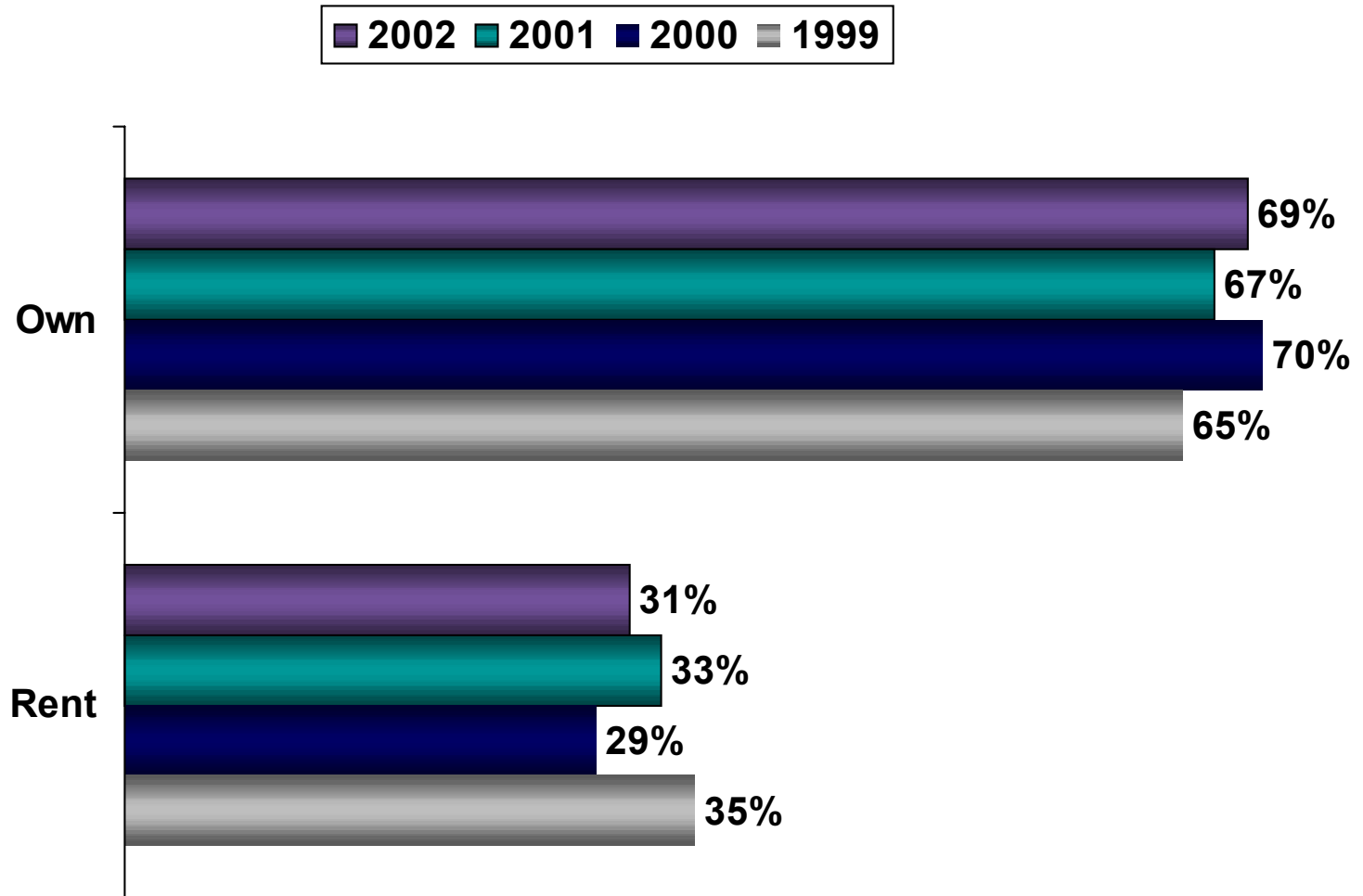
The Methodology...

- ❖ All data were collected using a custom questionnaire designed by the Ipsos-Reid in close consultation with Royal Bank.
- ❖ Telephone interviews took place in December 2001 with 1,500 Canadian adults.
- ❖ Margin of error is ± 2.5 percentage points, 19 times out of 20.
- ❖ Disproportionate sample to allow regional analysis.
- ❖ Data were weighted to reflect the actual geographic distribution of the Canadian population, according to 1996 Census data

First Off...

Those Reporting Ownership And Renting Is Pretty Consistent Since 1999 . . .

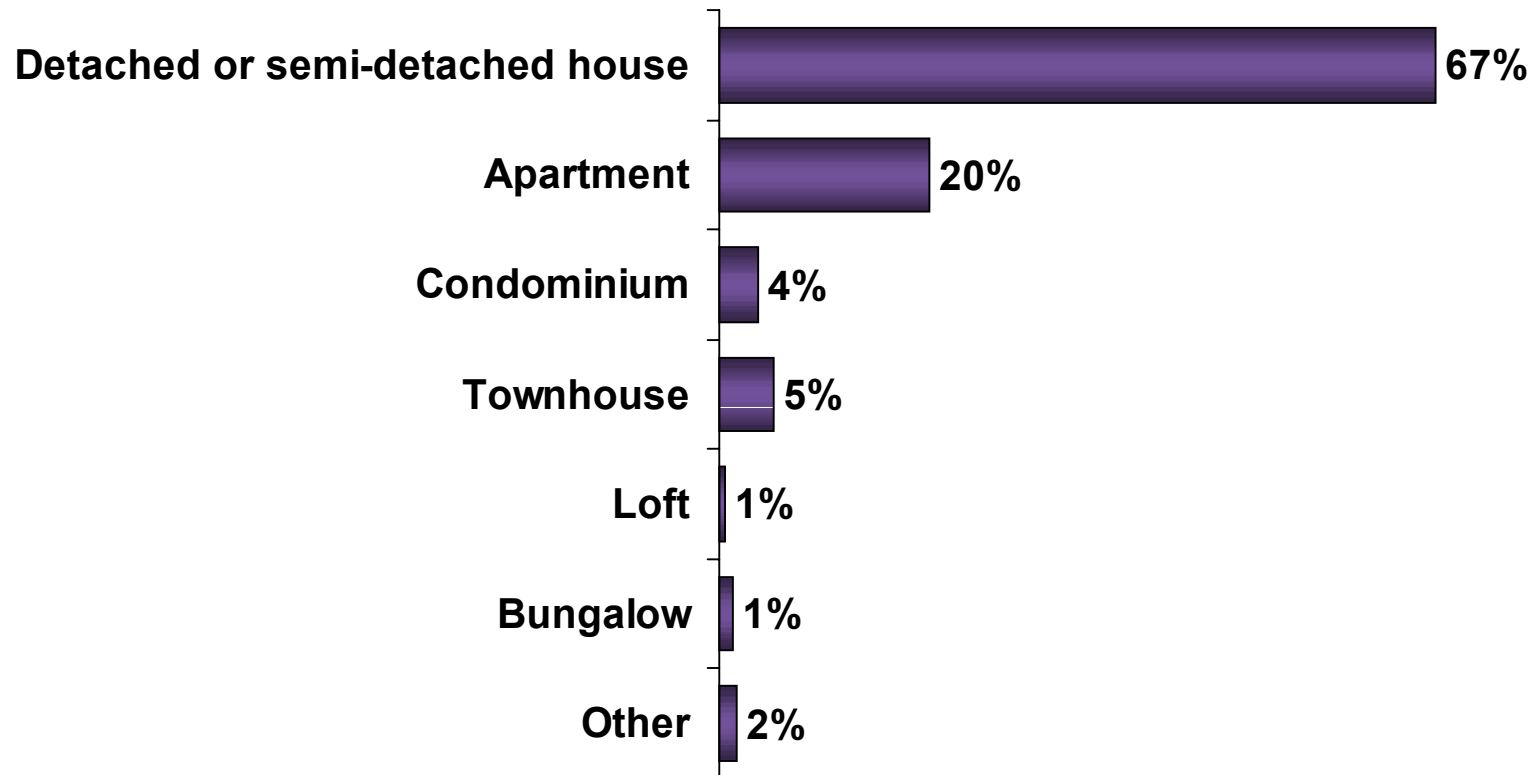
Do you own or rent your principal residence?



With Most (67%) Reporting A House As Their Home...

Which of the following best describes your principal residence?

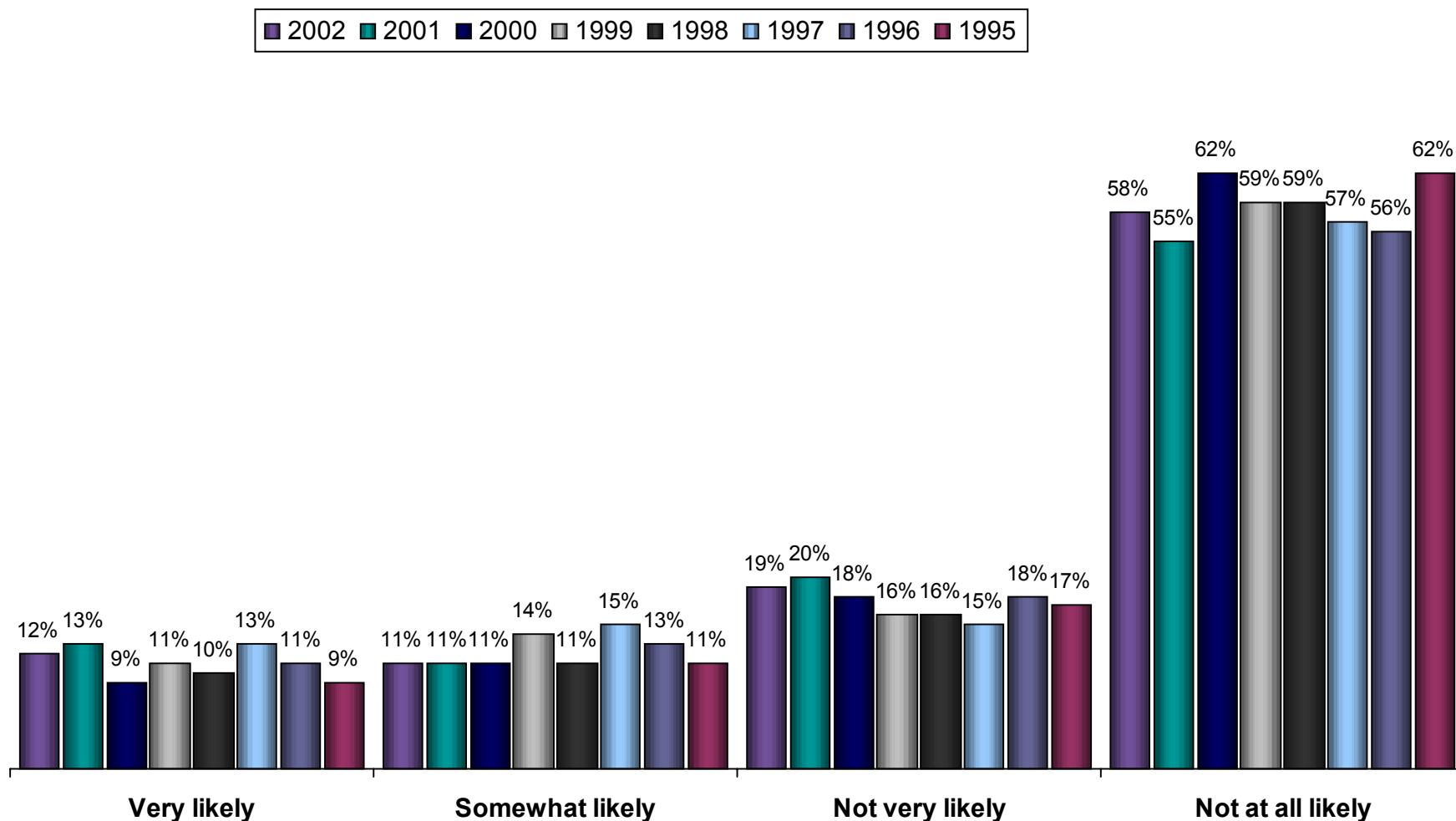
- 2002 Only -



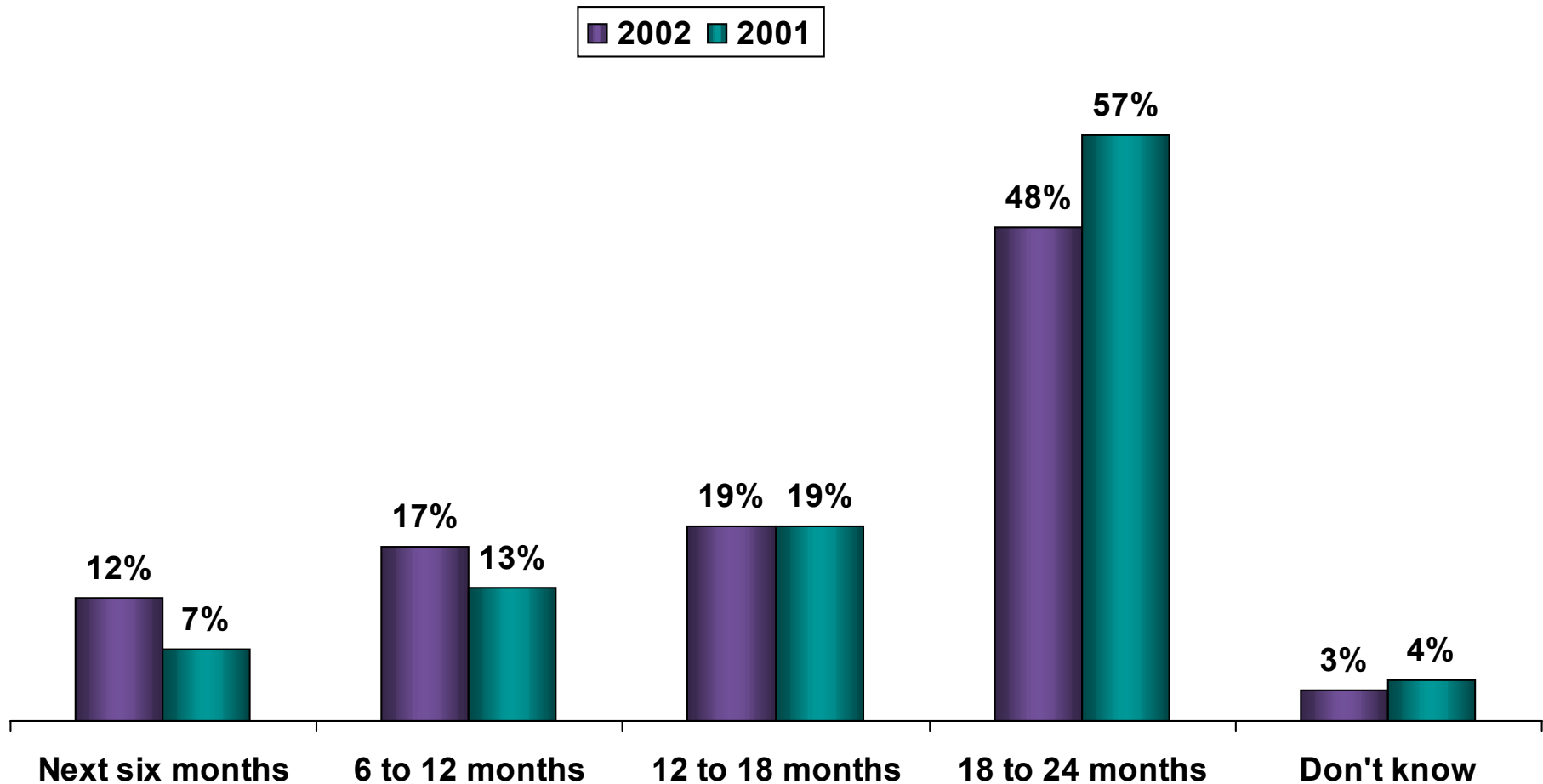
The Results...

Home Buying Intention Outlook Virtually Matches 2001 . . .24% Likely Then, 23% Likely Now -- 12% Very Likely, Over Next Two Years...

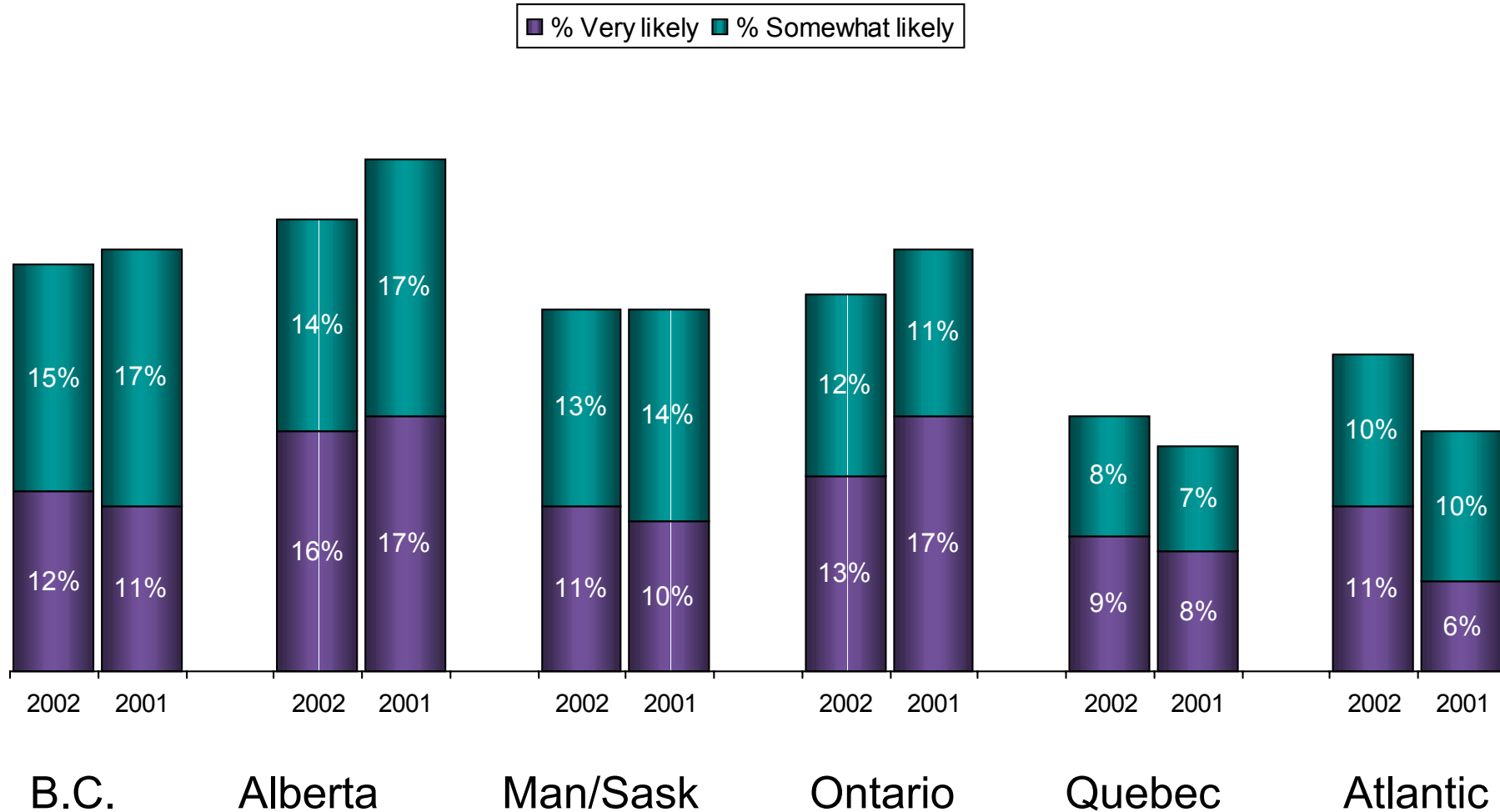
How likely are you to purchase a home (or another home) within the next two years?



And Of Those Intending To Buy, It Could Be Sooner In Comparison To Last Year -- 29% Intend To Buy In The Next 12 Months, 20% Last Year...

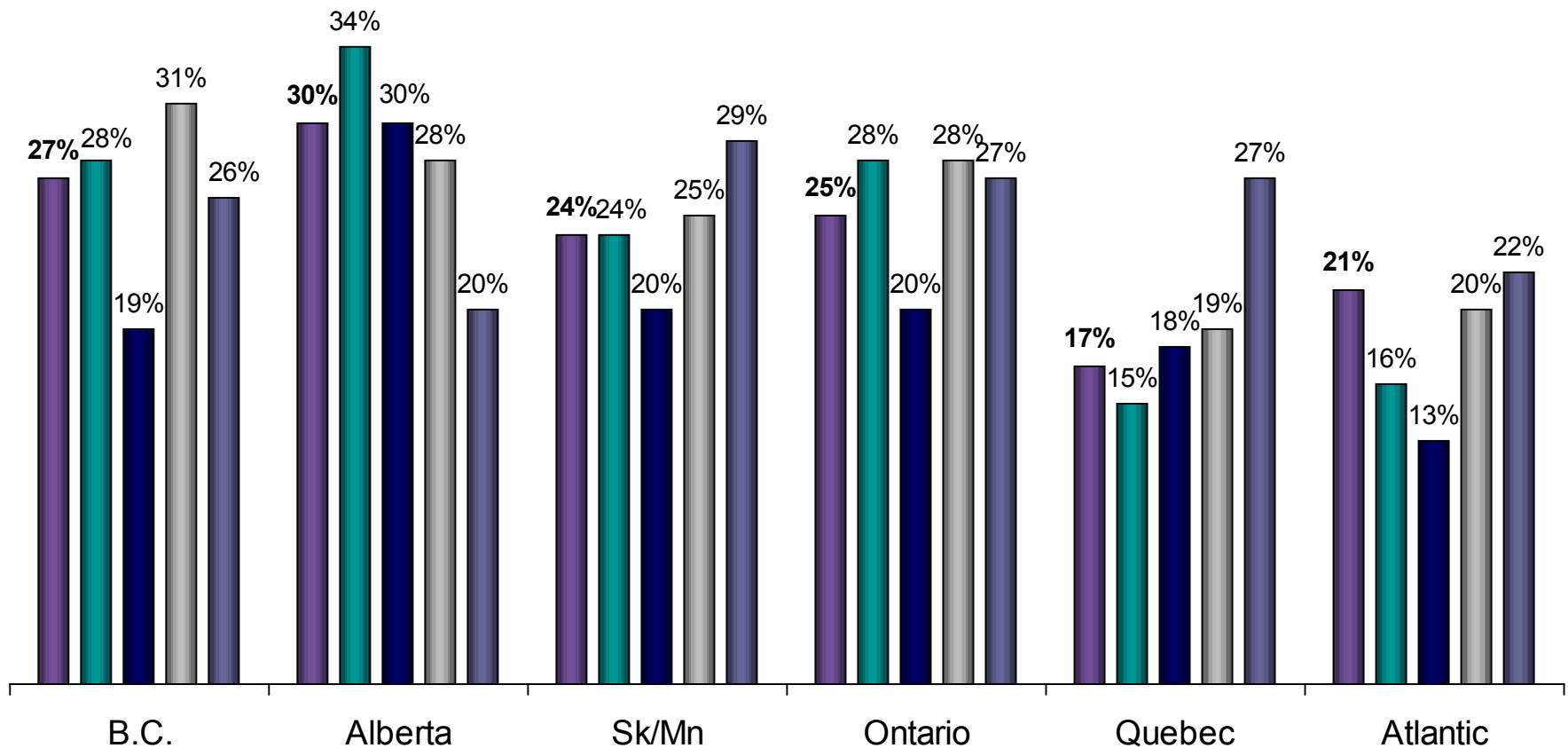


... With Renters Leading The Way, And Intentions Most On The Move In Alberta, BC And Ontario ... With A Jump In Atlantic Canada Over Last Year...



... Put In Historical Perspective ...

■ 2002 ■ 2001 ■ 2000 ■ 1999 ■ 1996

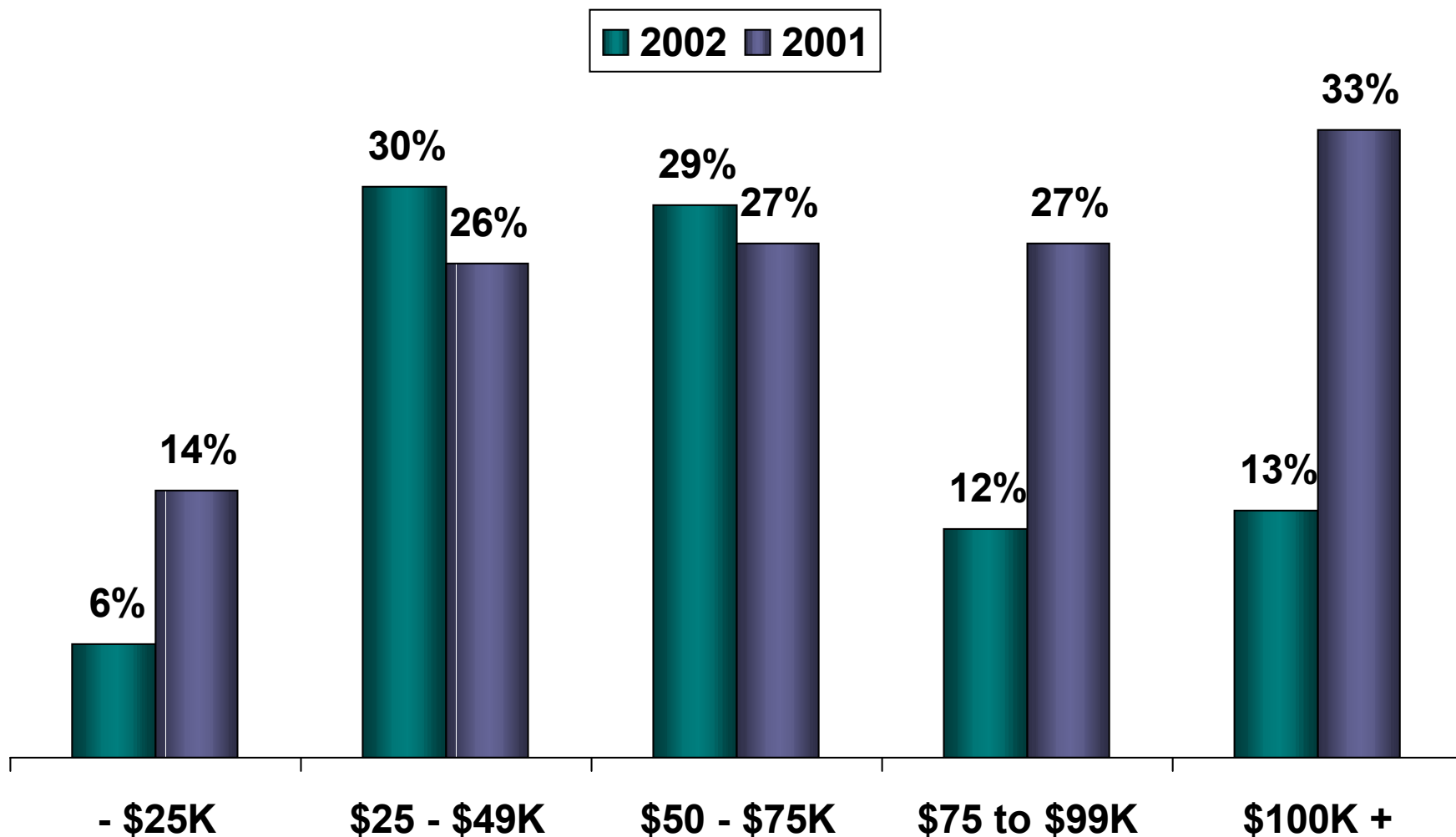


And Those Who Are Younger Are More Likely (Than Those Who Are Older) To Be In The Market Over The Next Two Years . . .

% likely to buy	2002	2001	2000	1999	1998	1997
18 to 24	28%	36%	15%	36%	36%	25%
25 to 34	39%	36%	35%	38%	40%	47%
35 to 44	30%	29%	23%	26%	26%	34%
45 to 54	19%	19%	19%	21%	21%	23%
55 and older	7%	9%	8%	11%	11%	12%

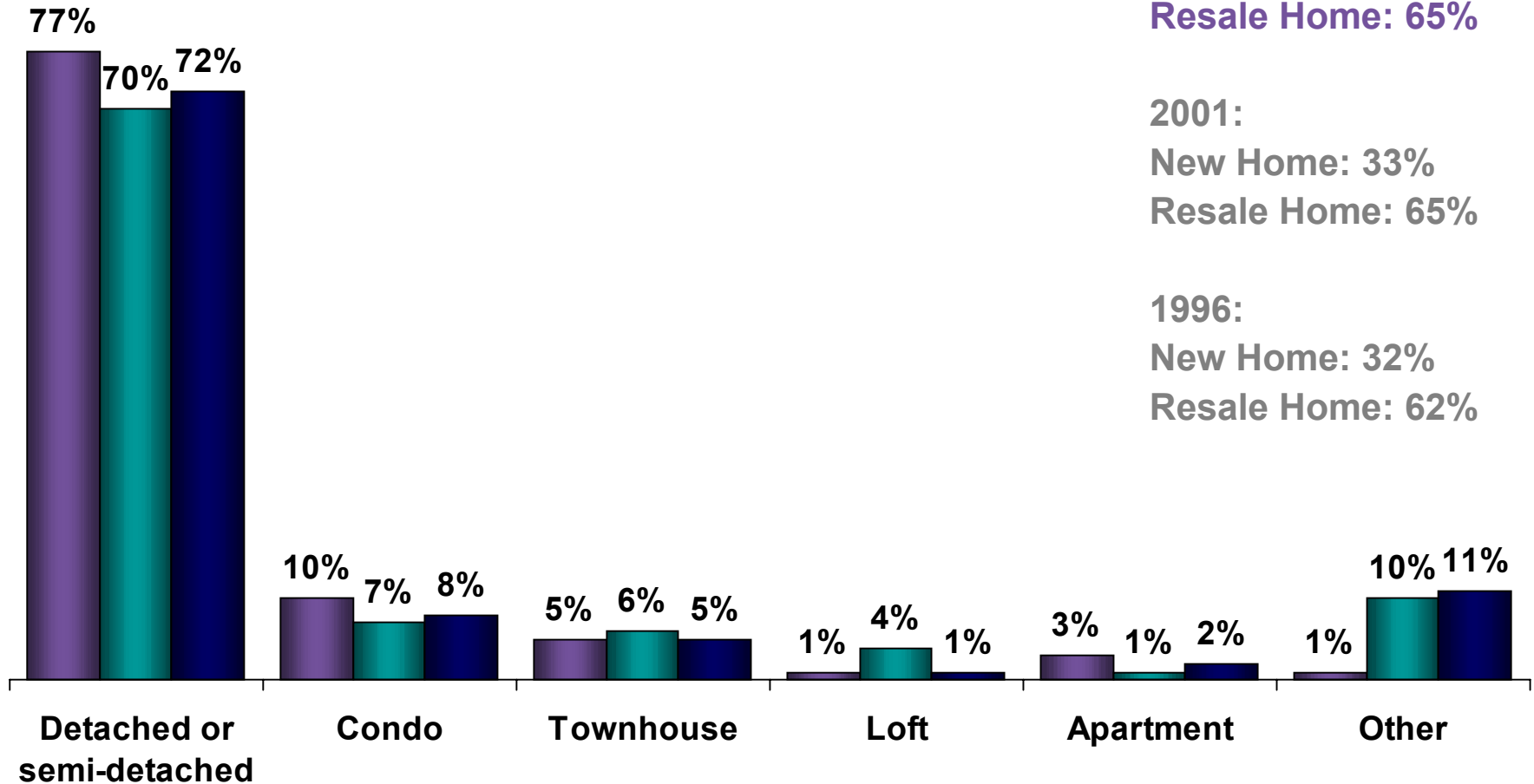
Average age of those intending to purchase over the next two years = 37

And Those Likely to Buy Are From Middle Income . . .



As For The Units, Resale (65%), Houses (72%) Dominate, With Detached Or Semi's Up Over Last Years Intentions...

■ 2002 ■ 2001 ■ 1996



2002:

New Home: 31%

Resale Home: 65%

2001:

New Home: 33%

Resale Home: 65%

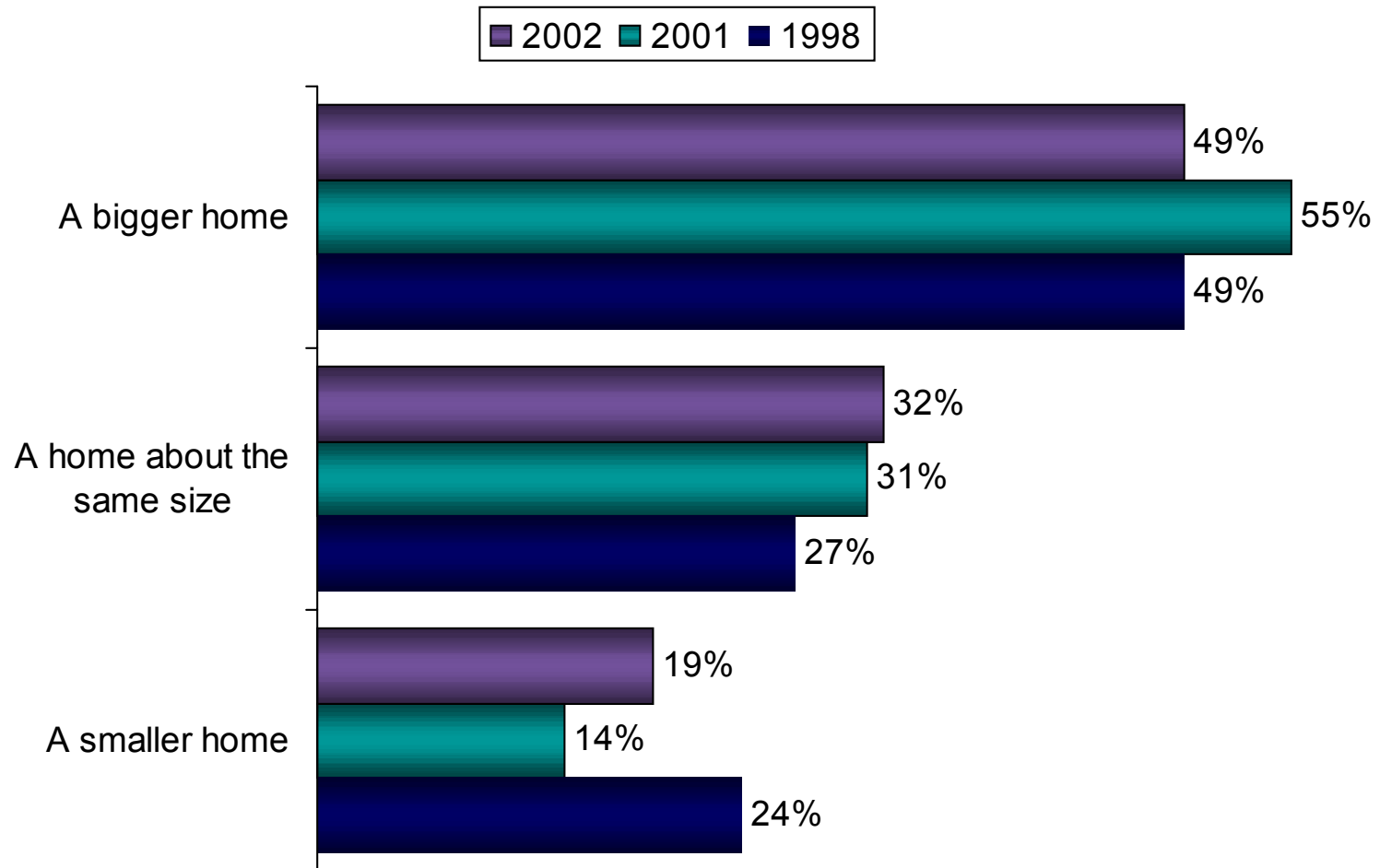
1996:

New Home: 32%

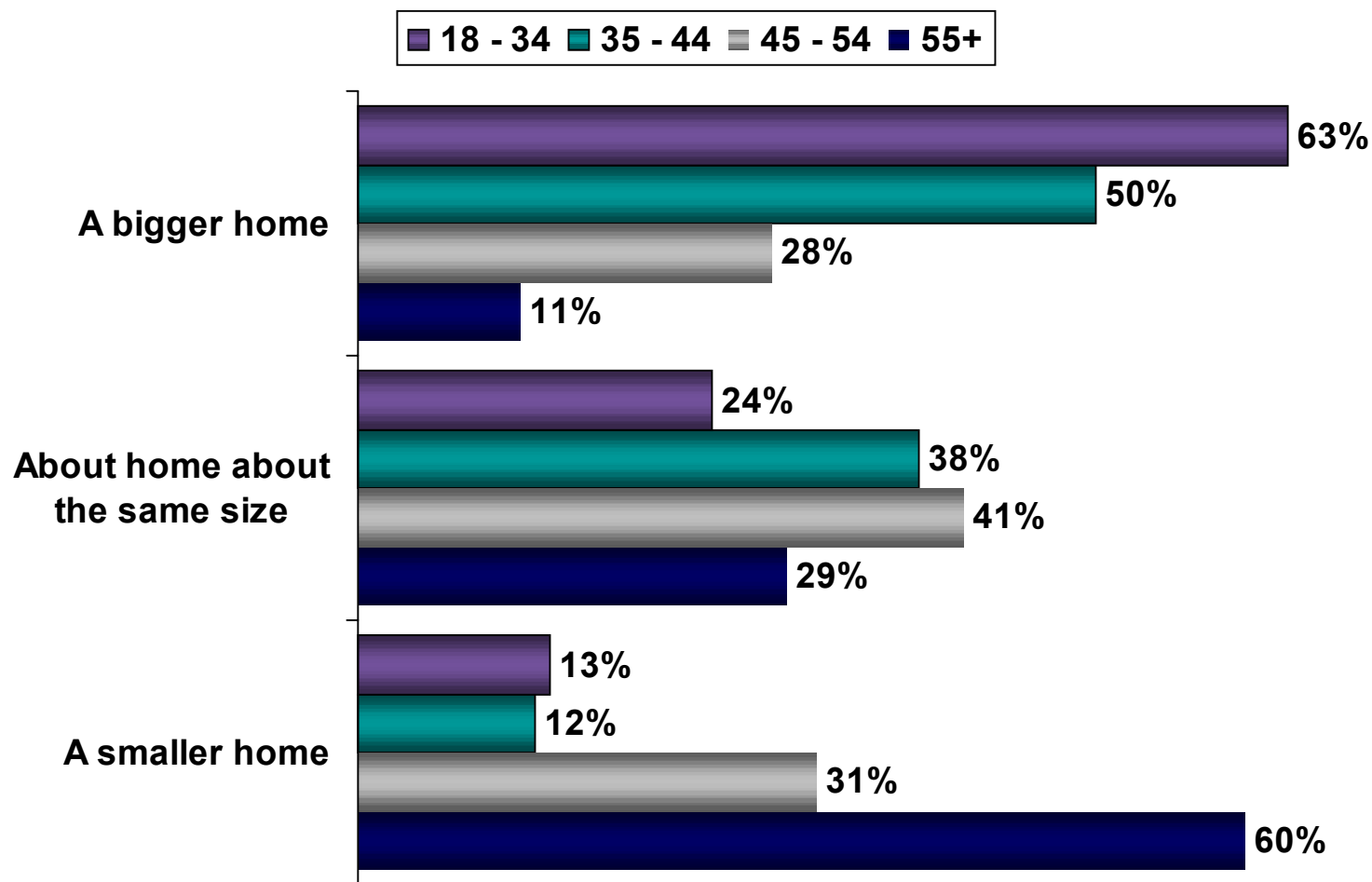
Resale Home: 62%

And While Almost Half Will Buy A Bigger Home, A Trend Appears To Be Developing In The Smaller Category. . .

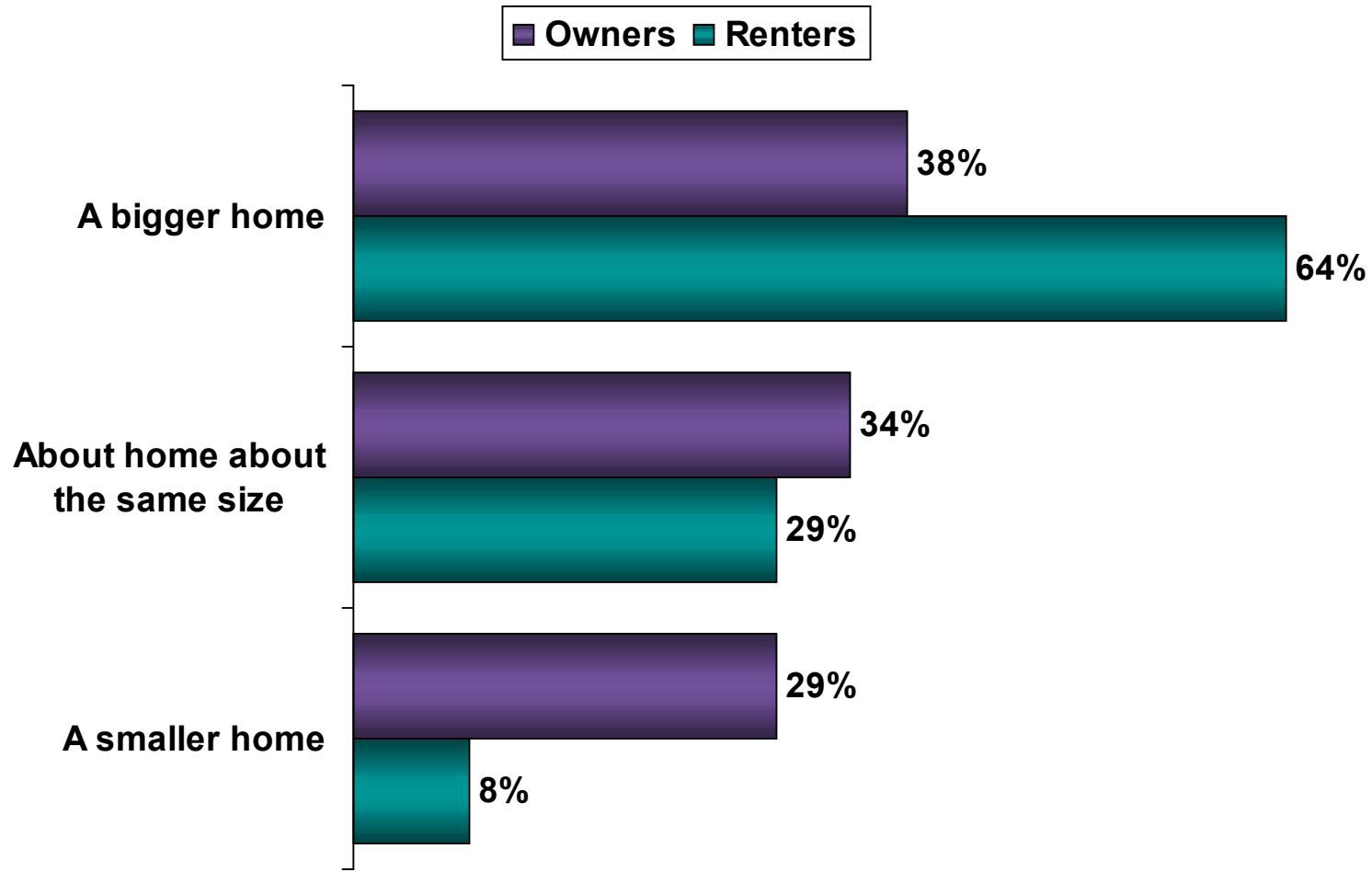
Are you planning to purchase a bigger home, a smaller home or a home about the same size as your current home?



Where Older Canadians Appear to be Buying...



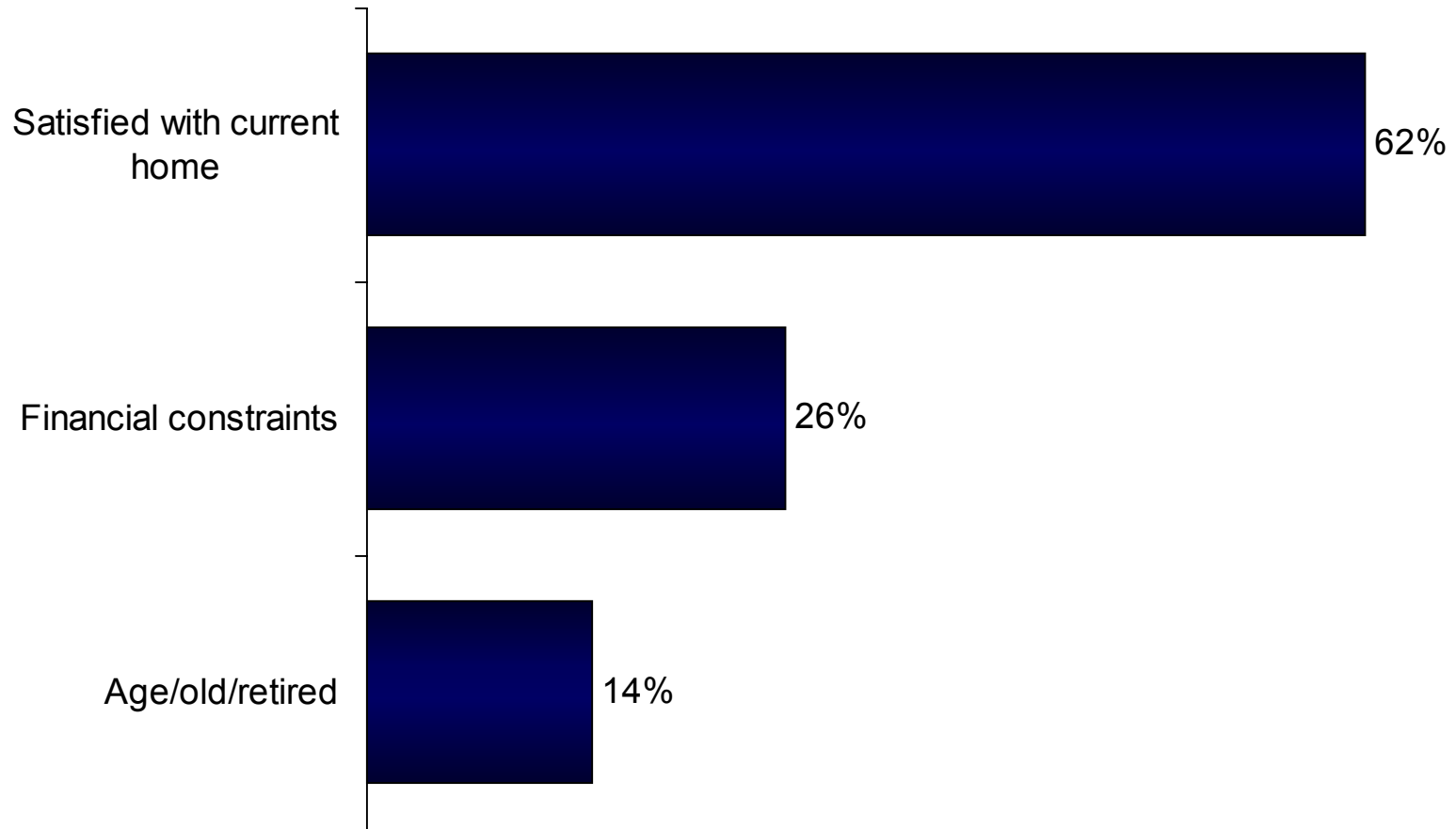
As Well, Owners Are More Likely to Buy Smaller Homes. . .



Finally, Why The 77% of Canadians Who Are *Not Likely To Buy* In The Next Two Years . . . Aren't . . .

Why are you not likely to buy a home in the next two years?

- 2002 Only -

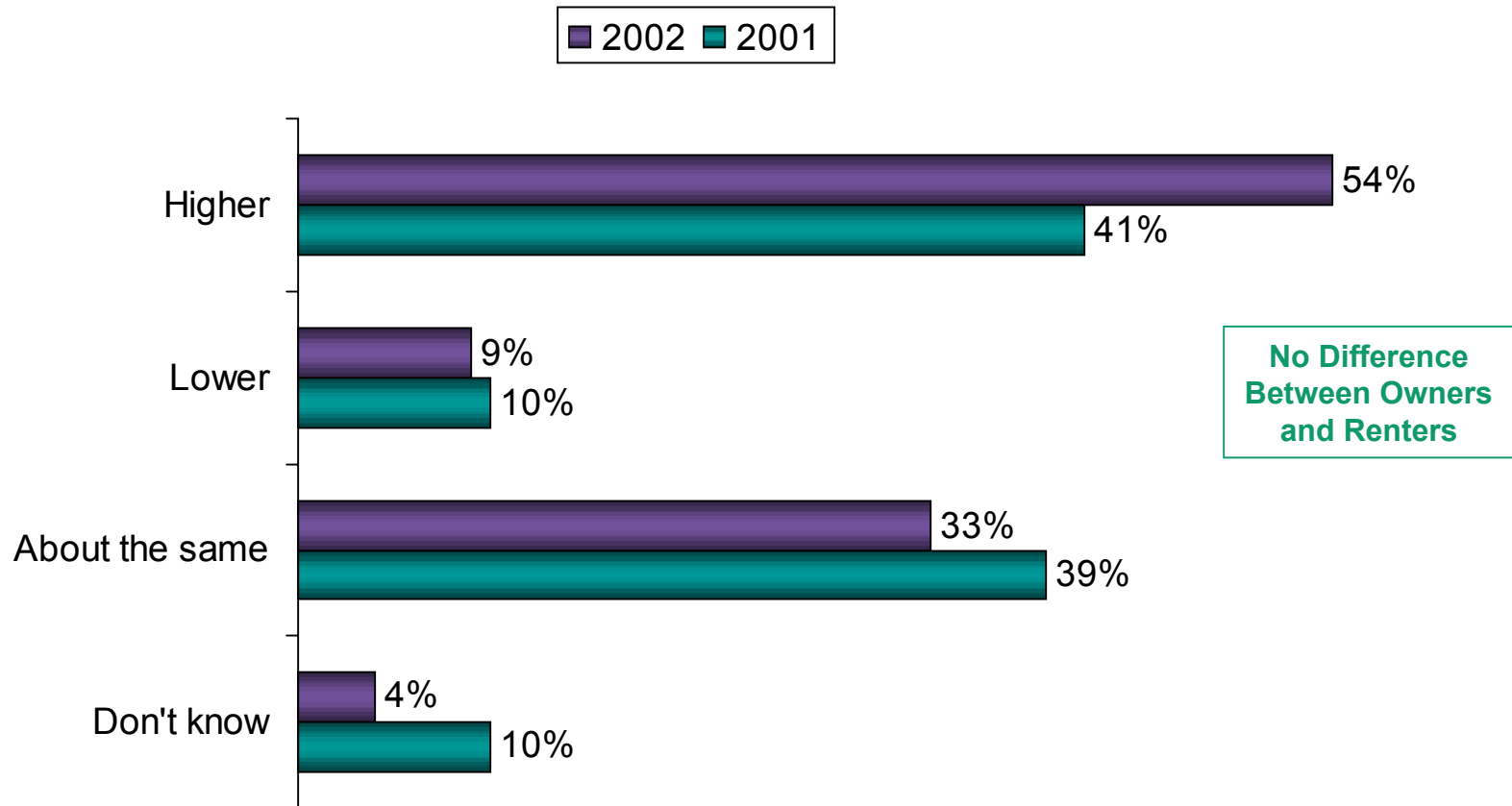


BASE: Not likely to purchase (N=1149)

**So, What Are Some
Of The Possible
Motivations For An
Increase In Short
Term Buying
Intentions?**

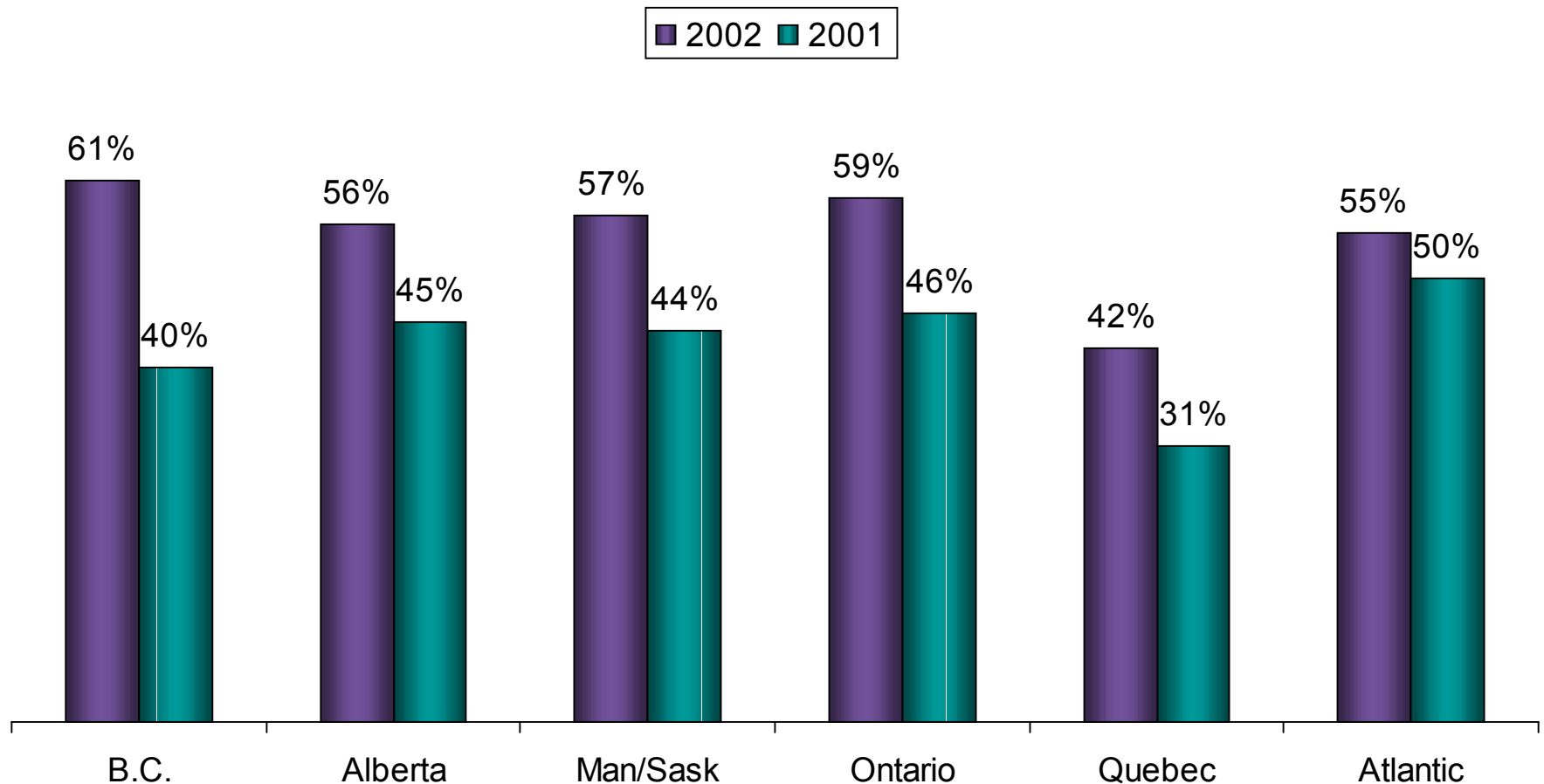
Over Half (54%) Think Mortgage Rates Will Be Higher This Time Next Year . . .

Thinking about this time next year, do you expect that mortgage rates will be higher, lower or the same as they are today?



With Most Regions At 6 In 10 Believing So, Except In Quebec Where It's 4 In 10 . . .

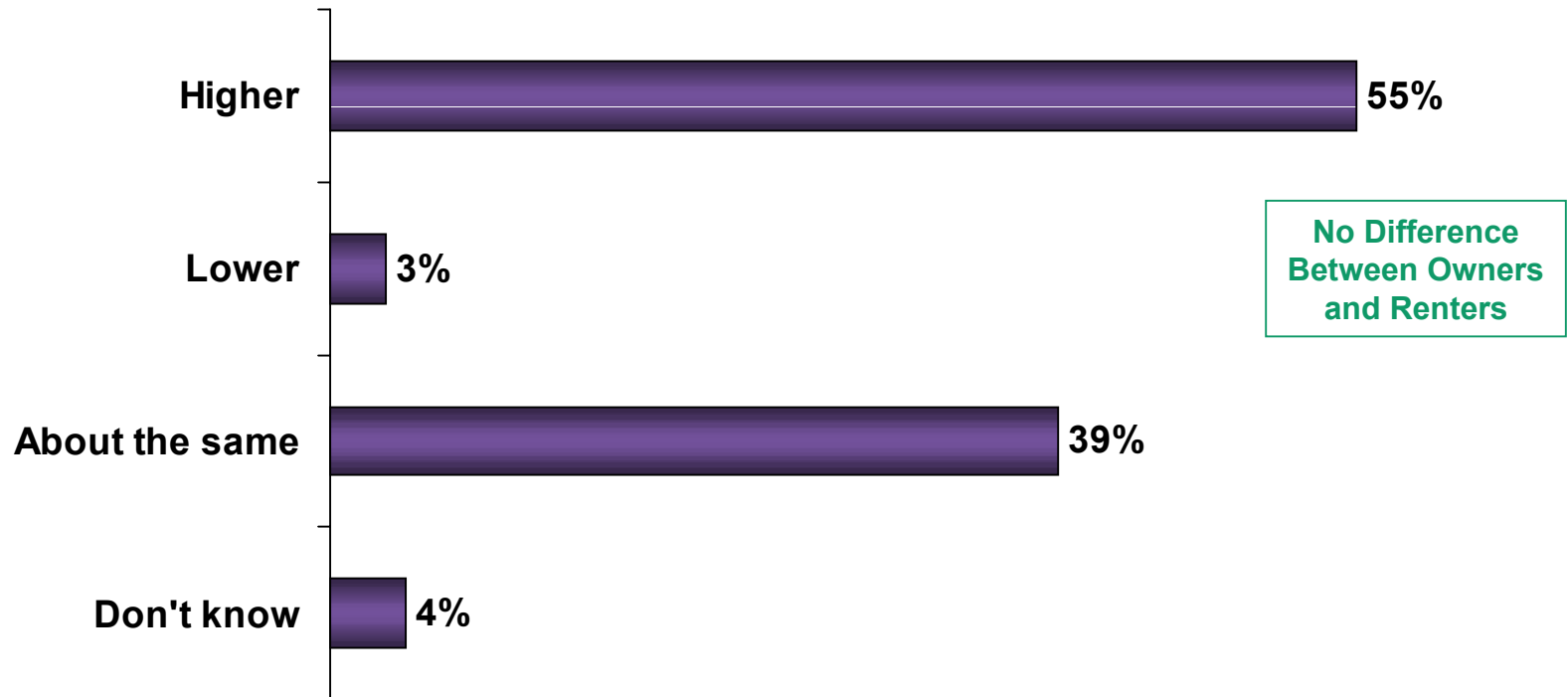
% Higher Over Next 12 Months



And Almost 6 In 10 (55%) Thinking Rents Will Rise . . .

Thinking about this time next year, do you expect that the price of rental accommodations will be higher, lower or the same as they are today?

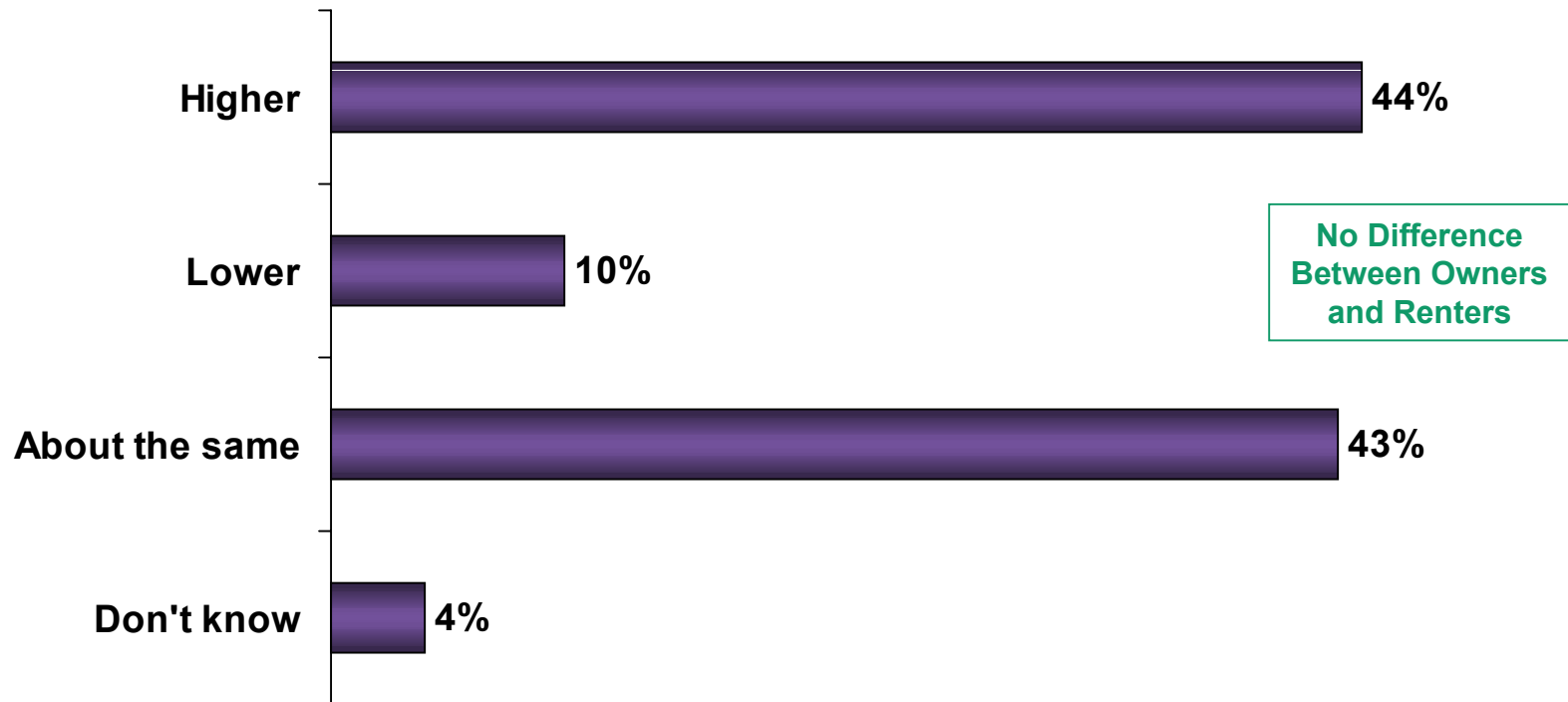
- 2002 -



Fewer Than Half (44%) Believing House Prices Will Also Rise . . .

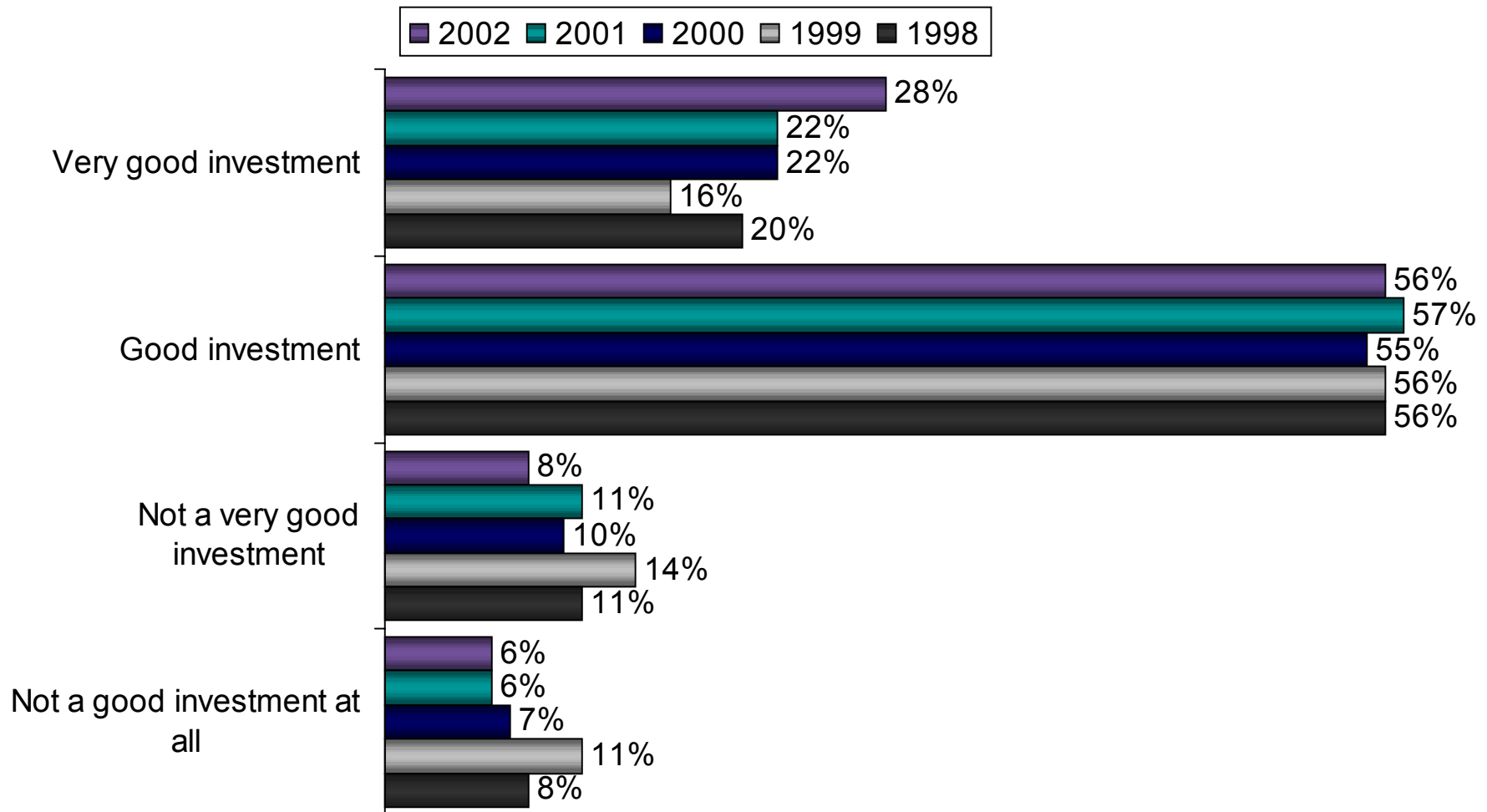
Thinking about this time next year, do you expect that housing prices will be higher, lower or the same as they are today?

- 2002 -



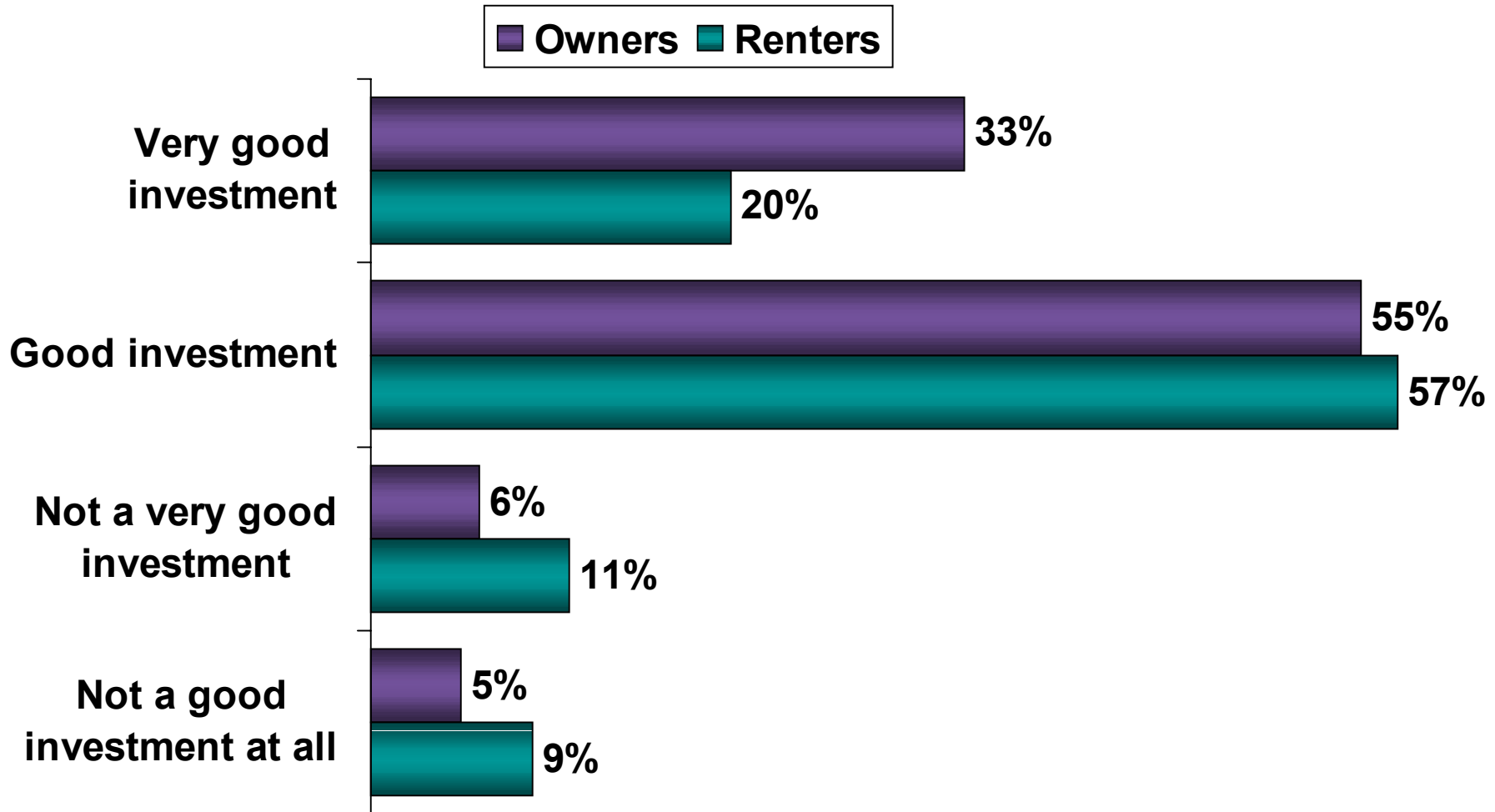
Which Likely Leads To More Canadians Thinking That Purchasing A Home This Year Is A Very Good Investment Compared To Last Year . . .

Do you feel that buying a house or condominium is currently a very good investment, a good investment, not a very good investment, or not a good investment at all?



Especially Among Current Owners...

Do you feel that buying a house or condominium is currently a very good investment, a good investment, not a very good investment, or not a good investment at all?

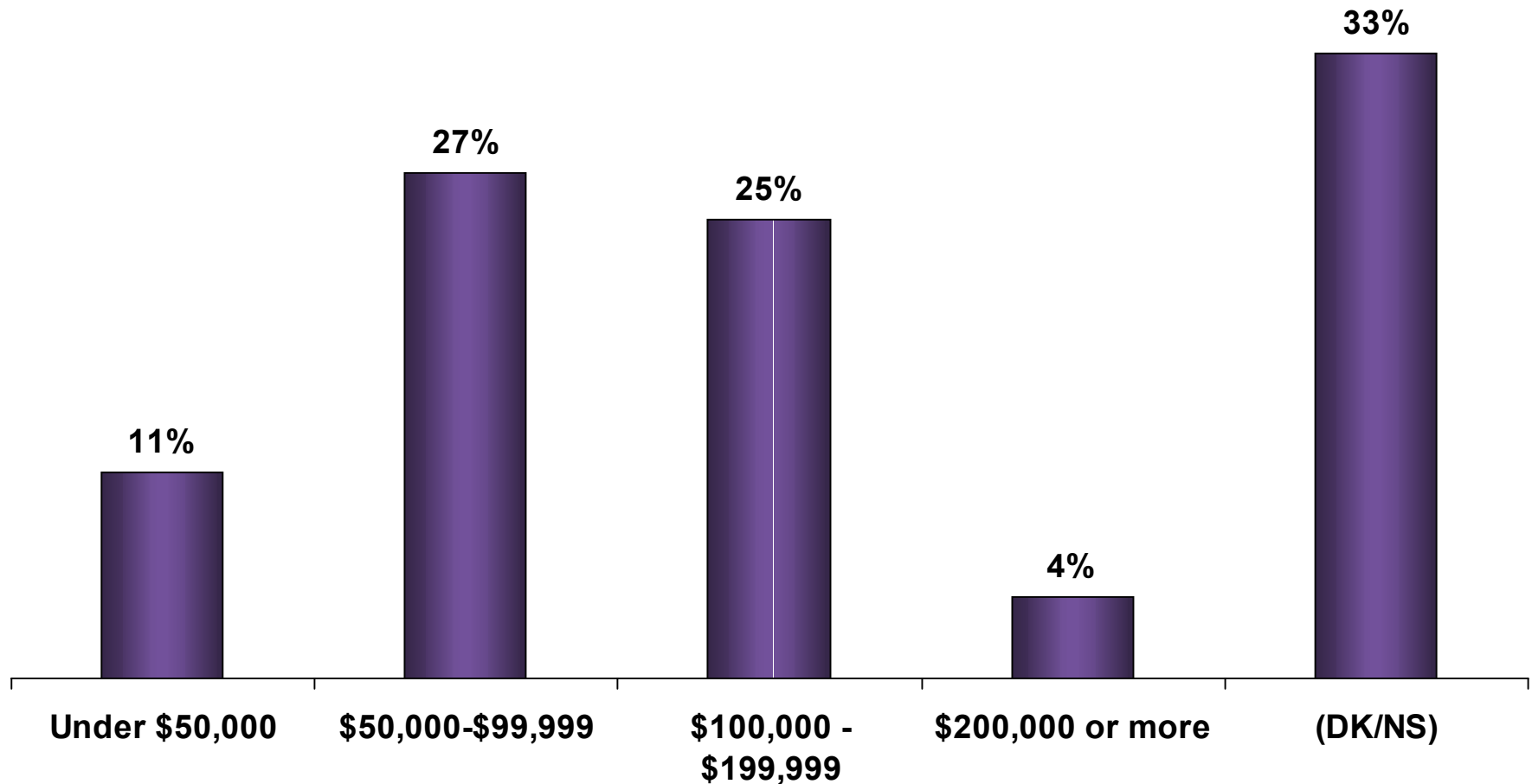


So Let's Talk Mortgages...

The Majority (56%) Of Canadians Who Own a Home Carry a Mortgage . . . But 1/3 Can't Recall The Original Amount . . .

What was the original amount of your current mortgage?

- 2002 Only -



And More Than That (36%) Don't Know The Average Amount Of The Mortgage They Carry . . .

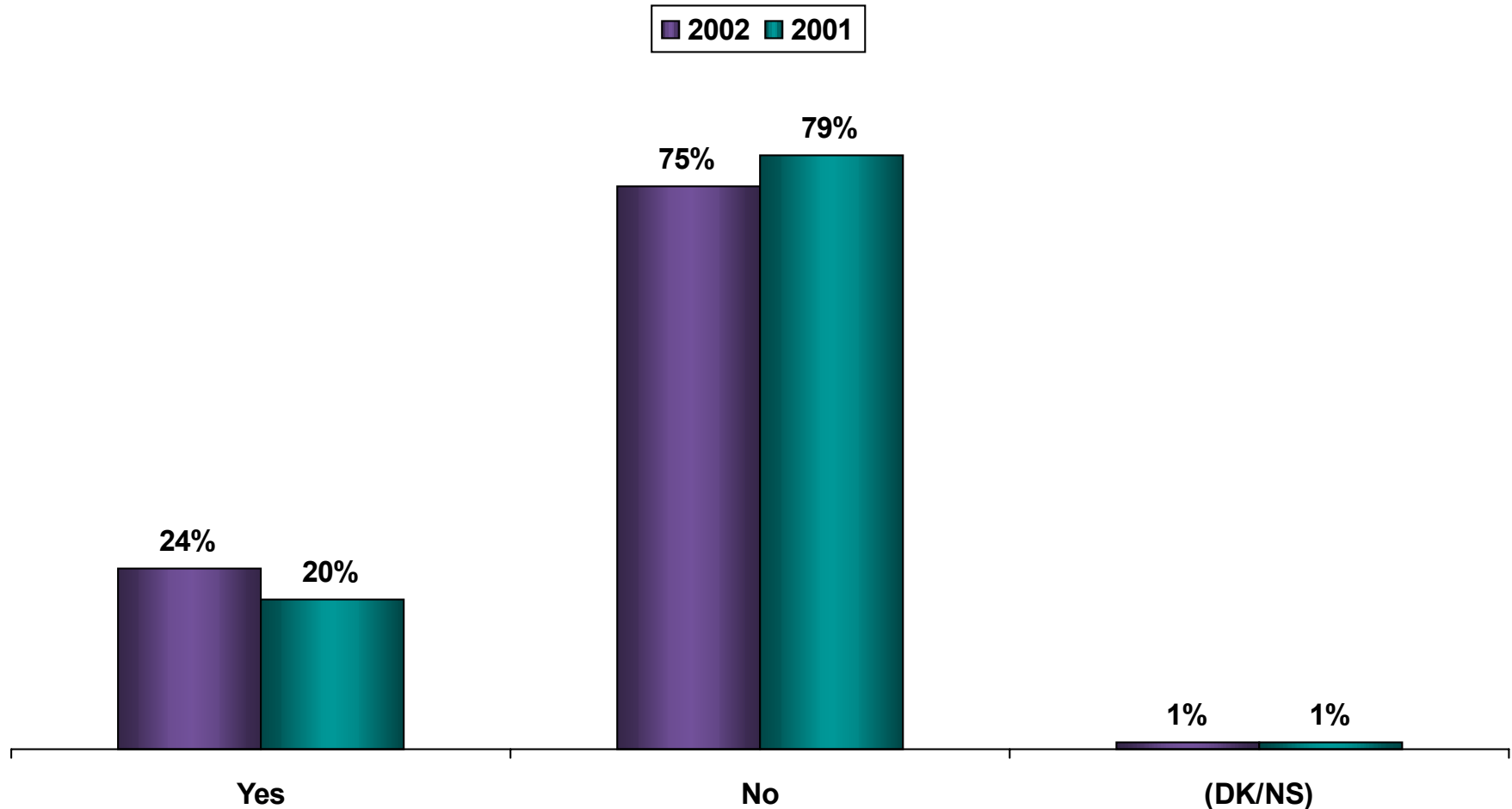
How much is left to pay on your mortgage?

- 2002 Only -

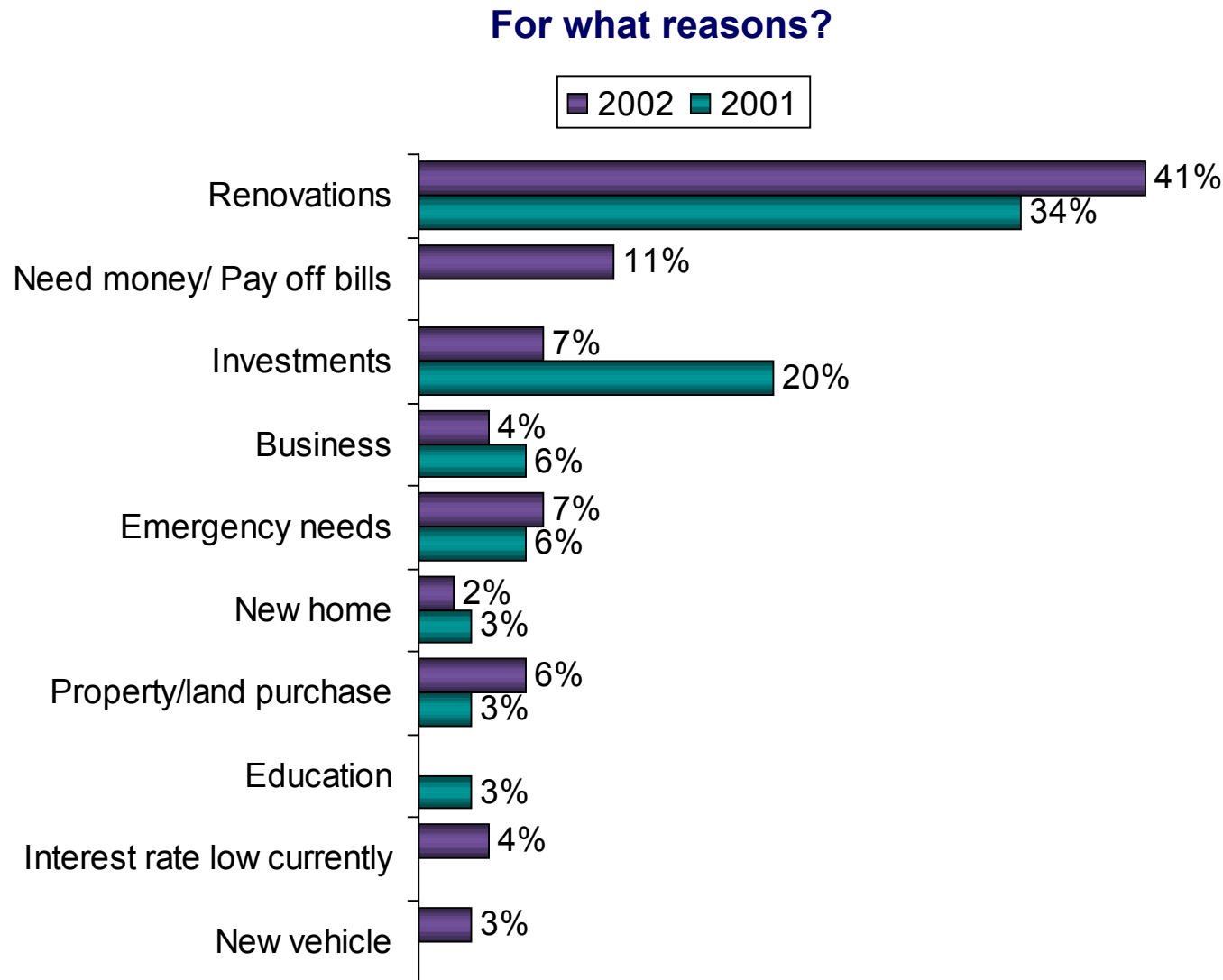


But 24%, Up From Last Year (20%), Say They'd Borrow Against Their Home Equity . . .

Would you ever consider borrowing against the equity in your home, that is, increasing the mortgage on your home?



Mainly For Renovations (41%), And Many Less Than Last Year That Said They'd Borrow For Investments...

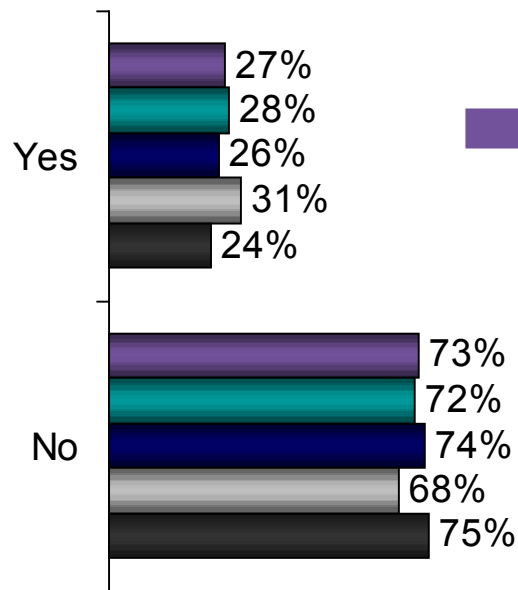


Speaking Of Renovations...

27% Plan To Renovate Over The Next 12 Months...More Financing In Cash Than last Year...

Are you planning any renovations to your home over the next twelve months?

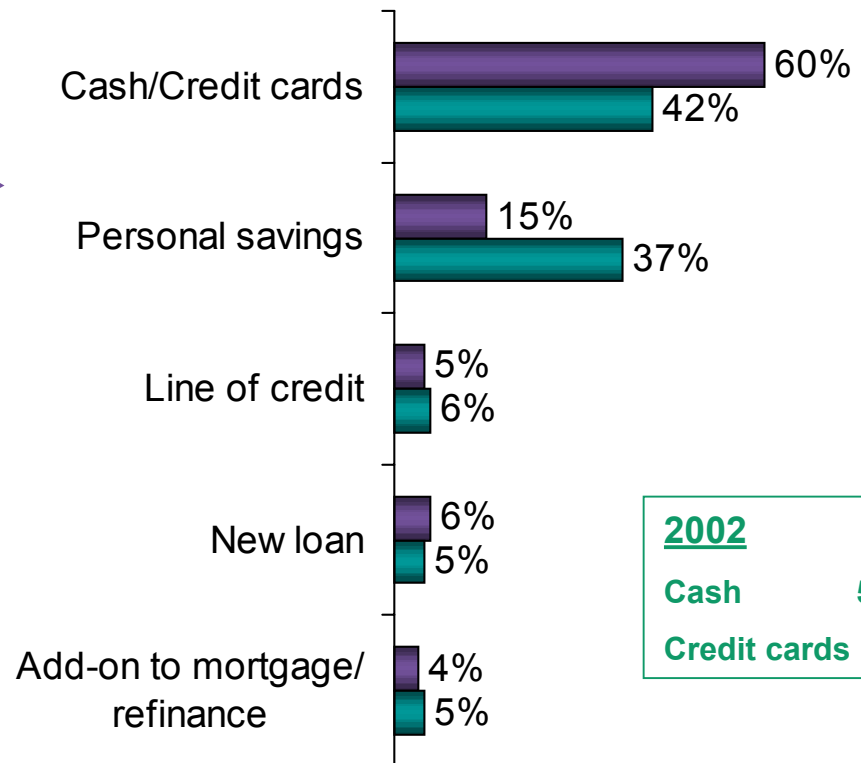
■ 2002 ■ 2001 ■ 2000 ■ 1999 ■ 1998



2002: 1,500 Respondents
Previous years: 1,200 Respondents

How are you planning to finance the renovations you are planning to do?

■ 2002 ■ 2001



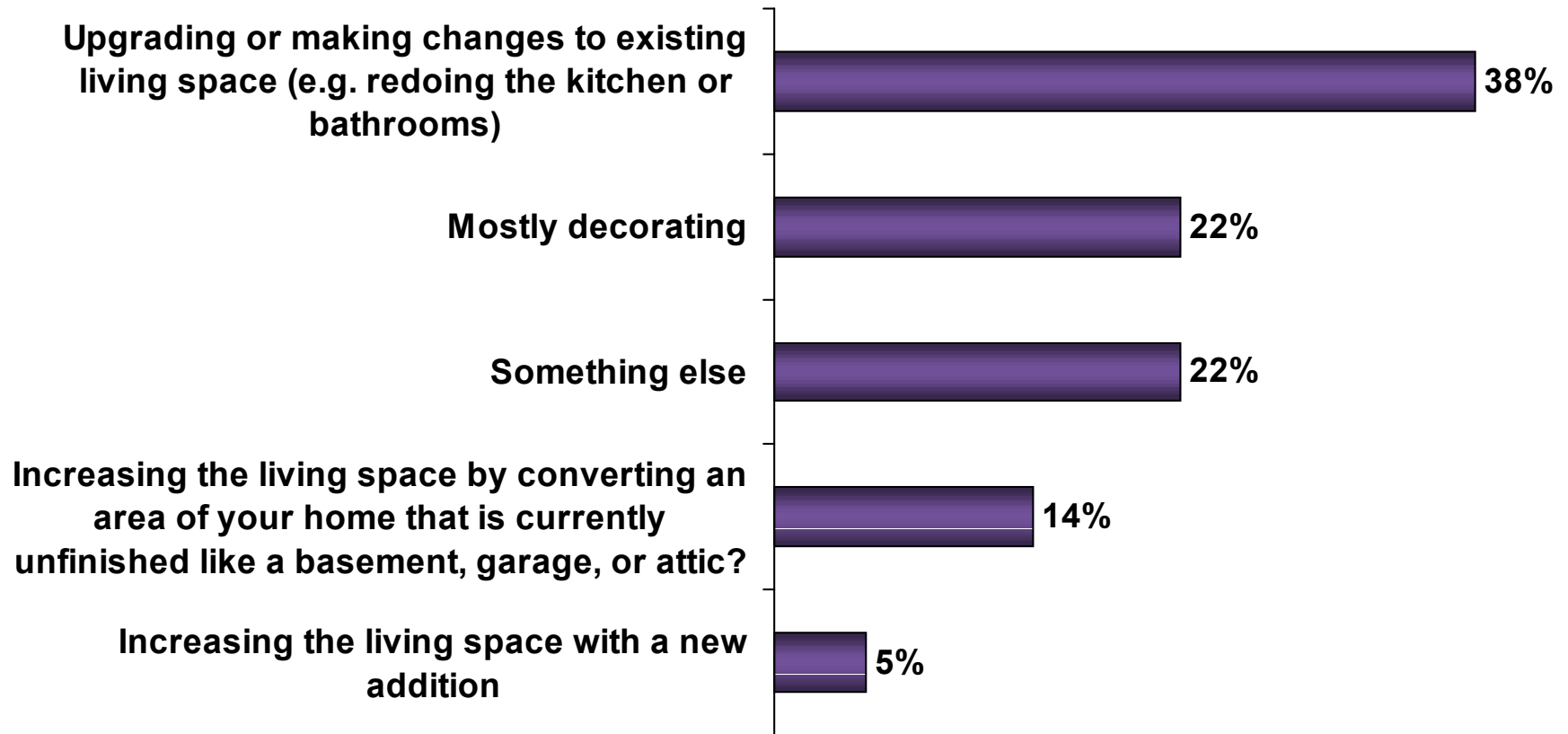
2002
Cash 56%
Credit cards 4%

2002 Plan Renovation (N=406)
2001: Plan Renovation (N=330)

With Upgrading Or Making Changes to *Existing Living Space* Being The Focus. . .

What will be the main focus of your renovation?

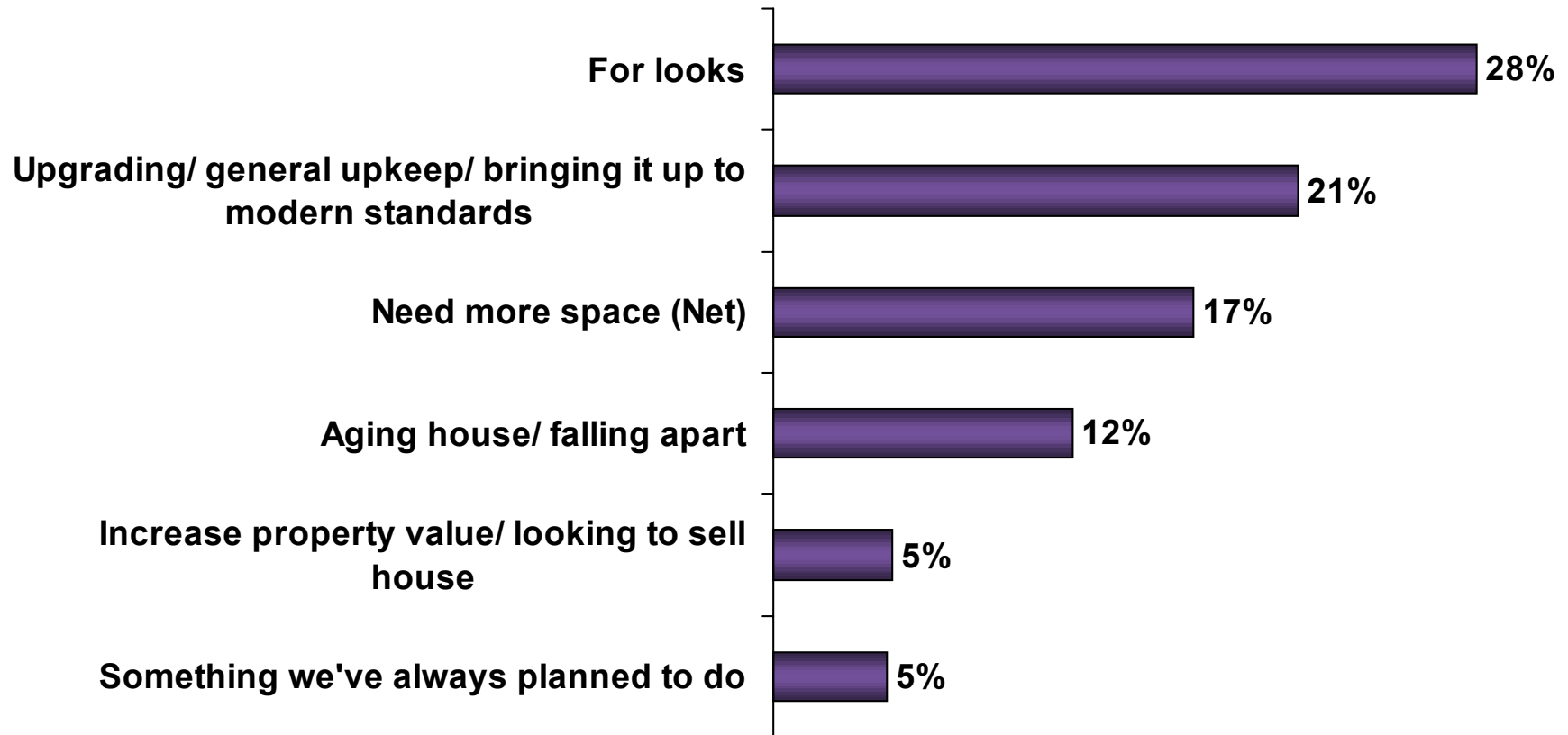
- 2002 Only -



Mainly For *Cosmetic* Reasons, And General Upkeep . . .

What is the main reason of your renovation?

- 2002 Only -



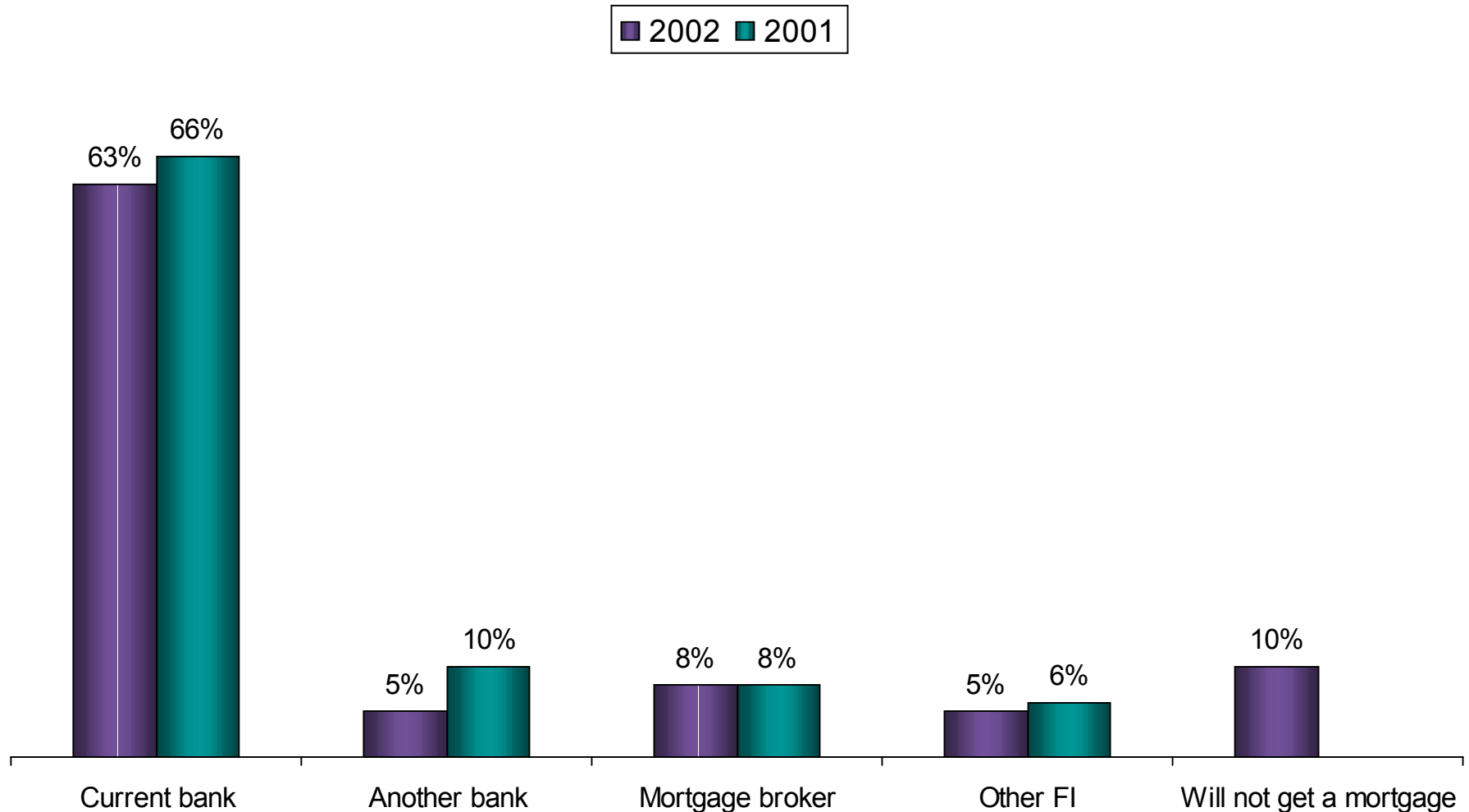
**Ok, Enough About
Renovations...**

Back To Mortgages...

**Where Folks Want
Them From, And What
They Want...**

Two Thirds (63%) Would Go To Their Current Bank To Get A Mortgage If they Were Going To Buy In The Next Two Years . . .

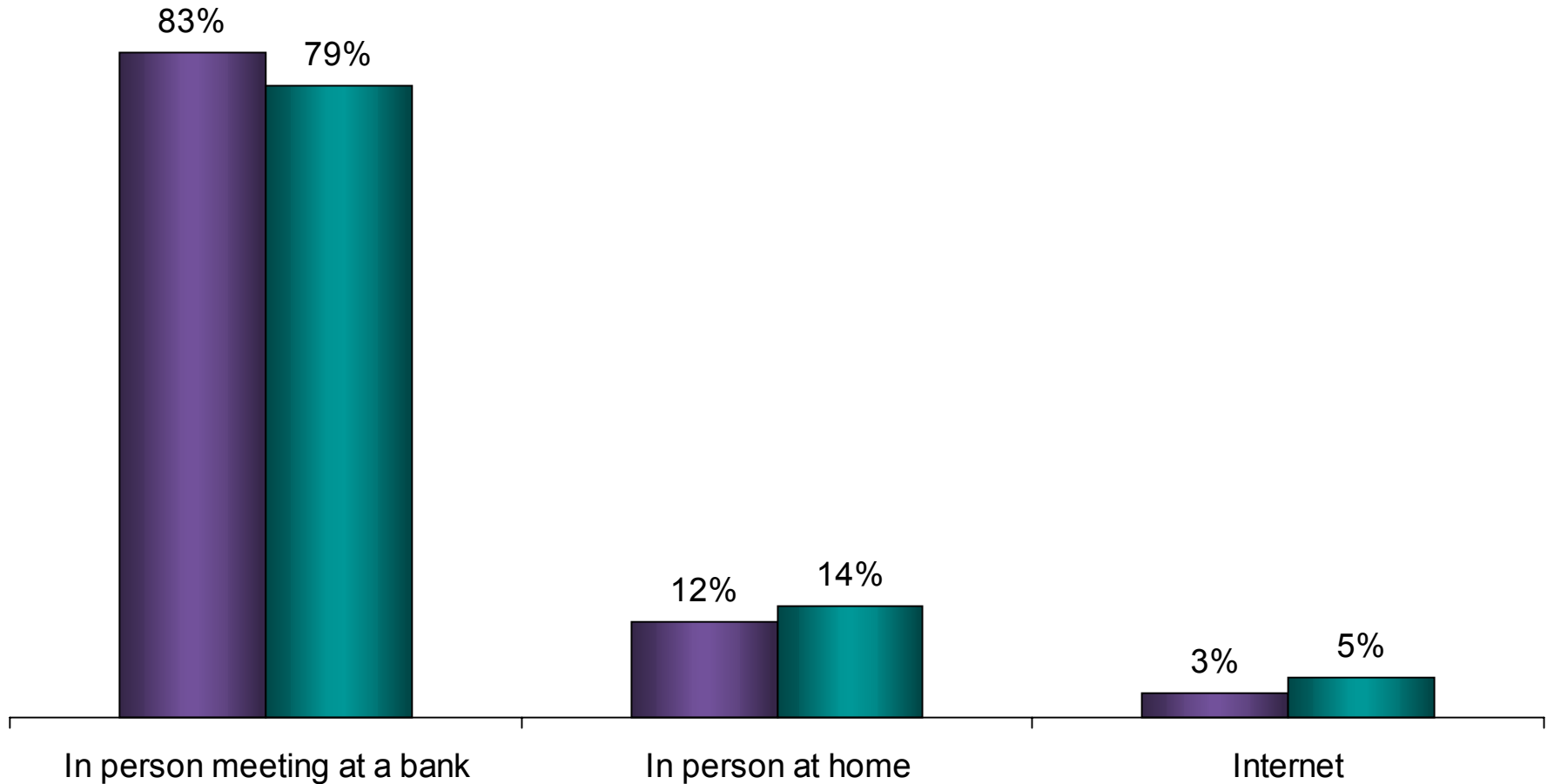
If you were buying a home in the next two years, where do you expect that you will get your mortgage?



Most (86%) Would *Prefer* A Mortgage Through An In-Person Meeting At A Bank . . .

Would you prefer to apply for a mortgage...

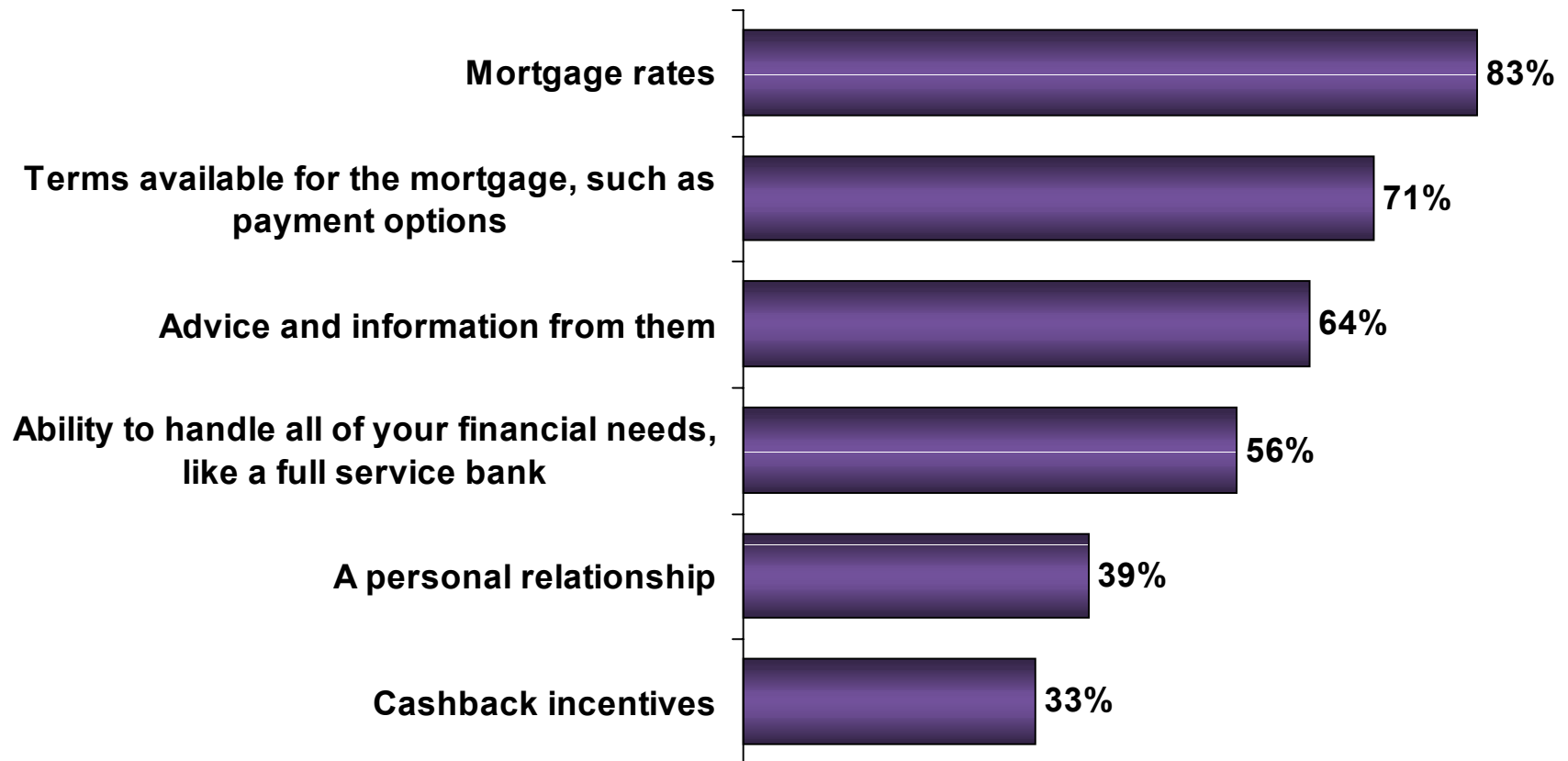
■ 2002 ■ 2001



And When They're Choosing Where They'd Get The Mortgage From, These Are Key Things To Put In The Window . . .

On a scale from '1' to '10', where '1' means not at all important and '10' means extremely important, how important to you is each of the following when choosing a mortgage lender?

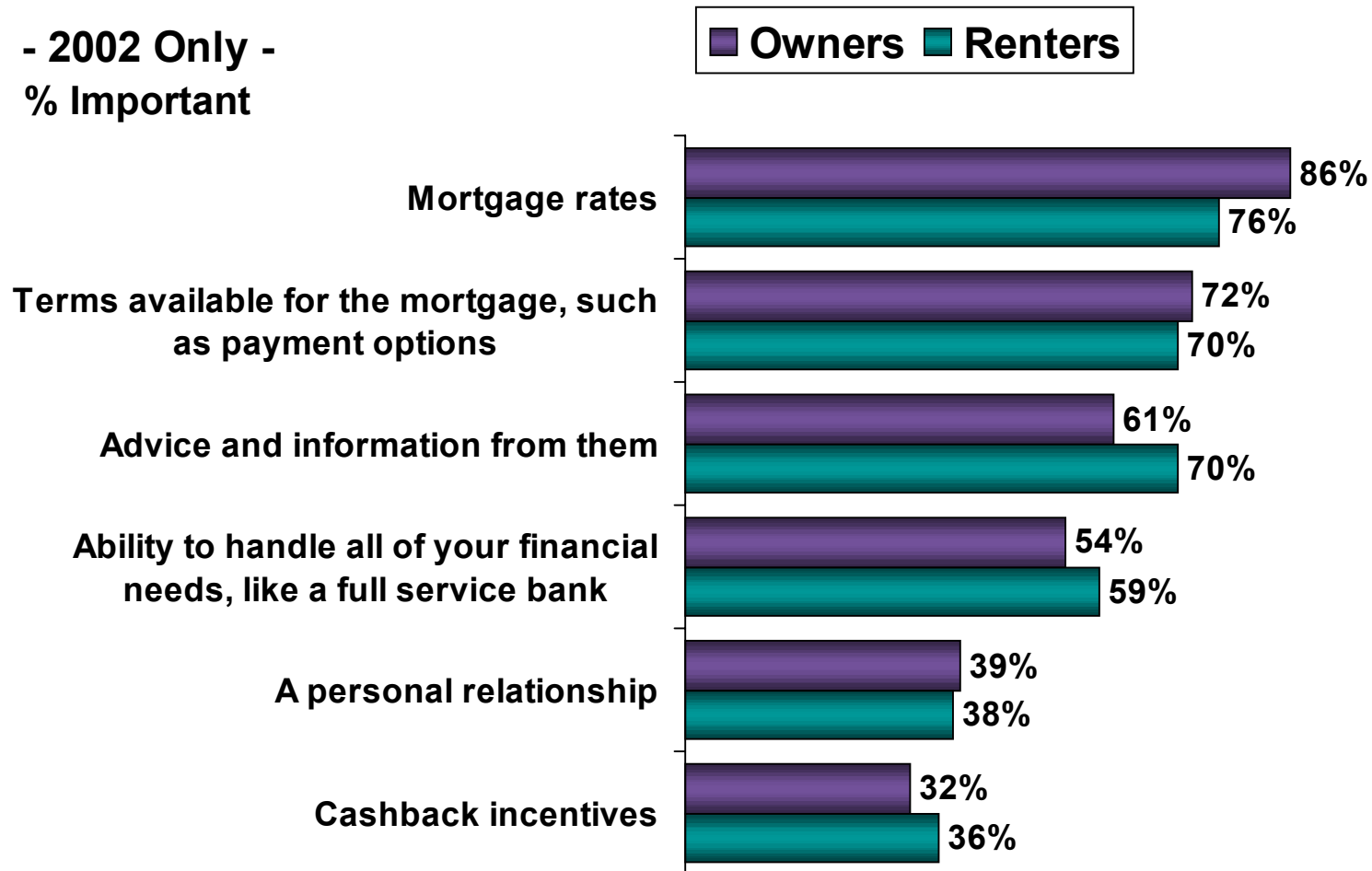
**- 2002 Only -
% Important**



Almost The Same For Owners And Renters...But More Advice For Renters...

On a scale from '1' to '10', where '1' means not at all important and '10' means extremely important, how important to you is each of the following when choosing a mortgage lender?

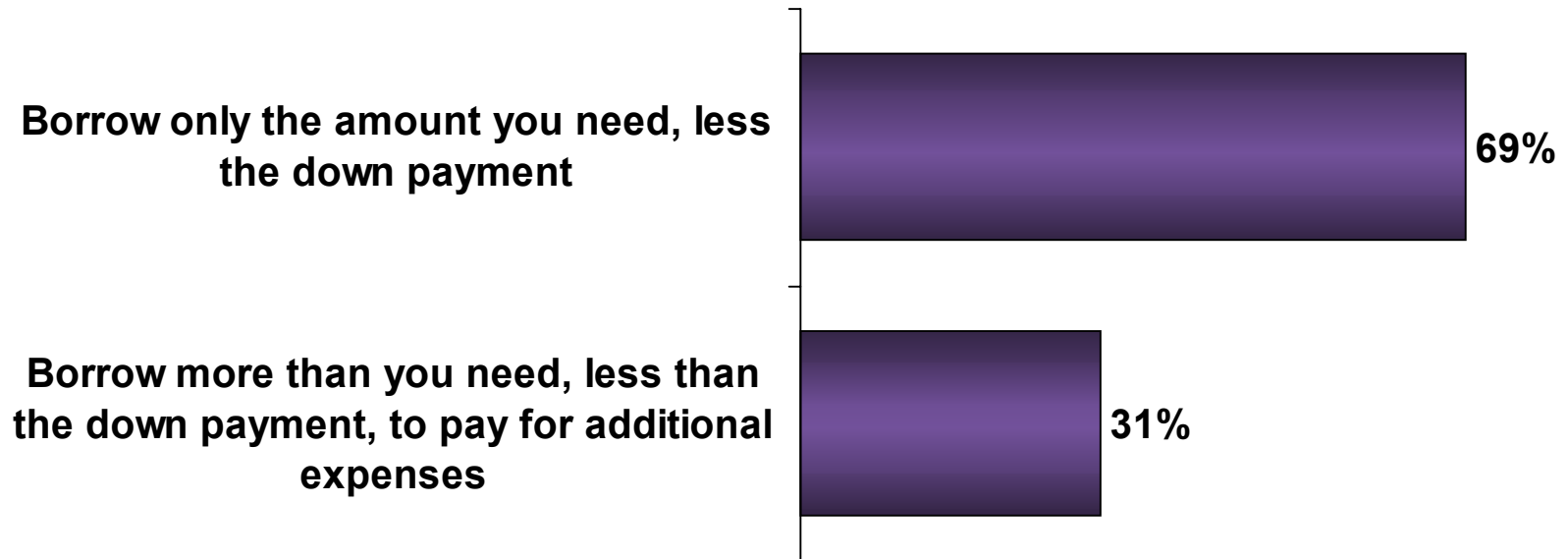
- 2002 Only -
% Important



And For Those Who Actually Intend To Purchase In The Next 2 Years And Take A Mortgage, 31 % Will Want A *Top-Up* . . .

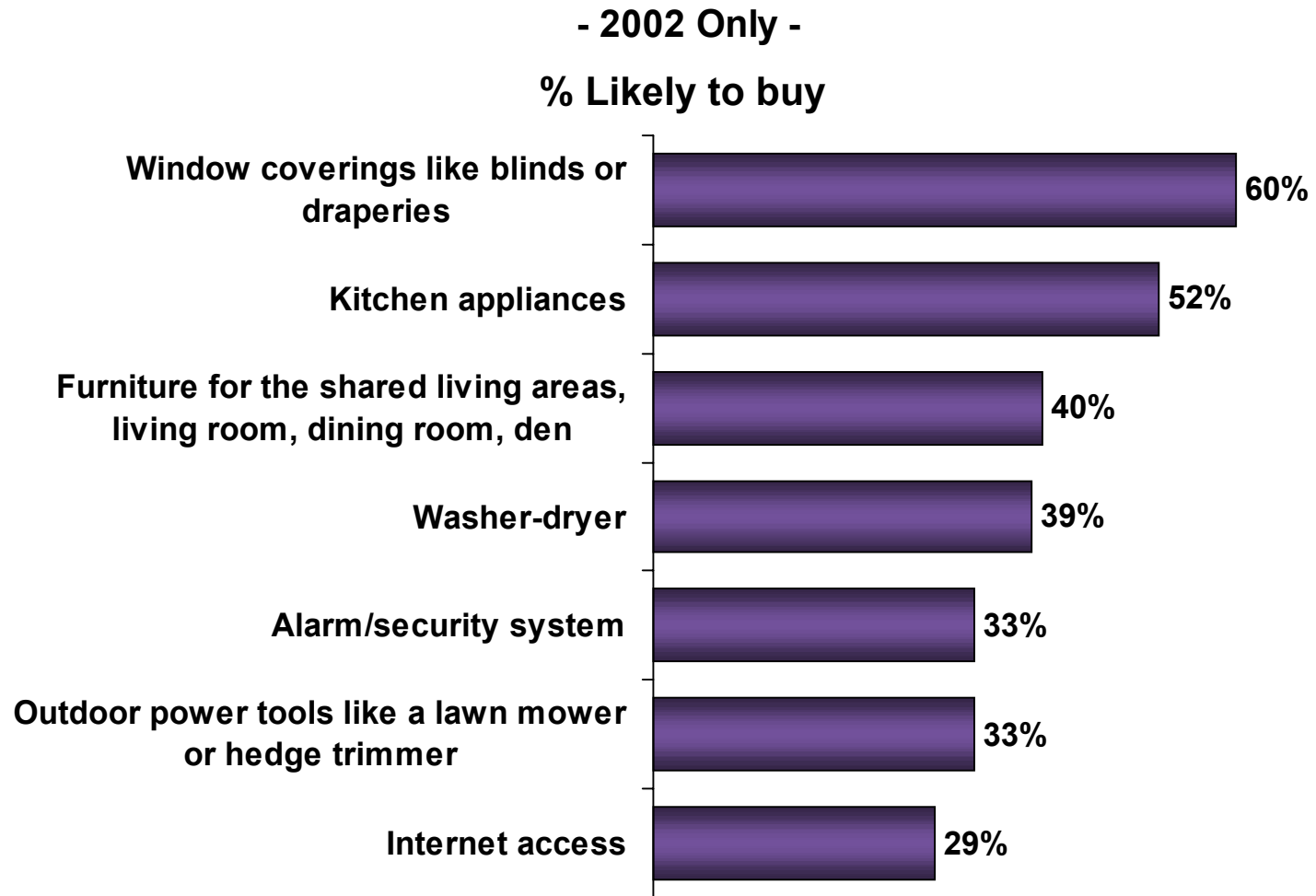
Which are you more likely to do...?

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To Pay For...

Which of the following do you think you will purchase when you buy your new home?





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