

RBC FINANCIAL GROUP HOME RENOVATION STUDY

*Four In Ten (41%) Planning To Do Renovations In The Next
Twelve Months*

*Total Of Six In Ten (59%) Homeowners Planning Renovations In
The Next Two Years*



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RBC FINANCIAL GROUP HOME RENOVATION STUDY

Four In Ten (41%) Planning To Do Renovations In The Next Twelve Months

Total Of Six In Ten (59%) Homeowners Planning Renovations In The Next Two Years

Toronto, ON – Four in ten (41%) homeowners are planning home renovations in the next twelve months according to an RBC Financial Group Housing Renovation Study. When combined with those who are planning renovations in the next two years (18%), the survey indicates that almost six in ten (59%) homeowners are planning renovations or home improvements over the next two years.

Of those who are planning renovations in the next two years, most homeowners cite floors/flooring (17%), and painting/staining/caulking (17%) as the key undertakings.

On average, renovators plan to spend approximately \$12,700 on home renovations over the next two years. Specifically, one-third (35%) of renovators say they think they will spend \$10,000 or more on home renovations and most (51%) say they will finance these renovations through “cash.”

Renovators are split in terms of the time of year they plan to renovate or make home improvements: One-third (35%) will renovate in the spring, 24% say they will renovate in the fall, 23% in the summer, and 15% in the winter.

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As for where they get their home improvement ideas, three in ten (27%) say they have found inspiration for design, colour, model, or features from magazines, 21% say it has come from friends/family/neighbours homes, and (18%) say “myself/my own ideas.”

Almost half (46%) of renovators say they will do the majority of the planned home improvements/renovations themselves and 57% say they will purchase their renovation materials/supplies from “big box stores.”

Interestingly, if homeowners had a \$25,000 windfall to spend on a renovation or home improvement, 18% would spend the money on a “kitchen.” In contrast, other homeowners would spend the money on “new flooring” (12%), “bathroom” (12%), and “basement” (10%). All other types of home improvements were mentioned by less than 10% of homeowners.

These are the findings of an Ipsos-Reid/ RBC Financial Group poll conducted from September 17th to September 30th, 2004. For the survey, a representative randomly selected sample of 3074 adult Canadians was interviewed by telephone. With a sample of this size, the results are considered accurate to within ± 1.8 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. With a sample size of 1232 renovators, the results are considered accurate within ± 2.8 . The margin of error will be larger within regions and for other subgroupings of the survey population. These data were weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.



Four In Ten (41%) Homeowners Are Planning Home Renovations Over The Next 12 Months, And Six In Ten (59%) Are Planning Renovations In The Next Two Years...

Four in ten (41%) homeowners are planning renovations or home improvements over the next twelve months, six in ten (58%) say they are not, while the remaining 1% “don’t know” if they are planning renovations over the next twelve months.

- Residents of Atlantic Canada (48%) and Alberta (47%) are the most likely to be planning renovations over the next twelve months, followed closely by Saskatchewan/Manitoba (45%), and British Columbia (44%). Homeowners in Ontario (39%) and Quebec (37%) are slightly less likely to be planning renovations.
- Those aged 18-54 (48%) are more likely than those aged 55 and over (29%) to be planning renovations in the next twelve months.
- Men (44%) are more likely than women (38%) to be planning renovations.
- Those with an annual household income of \$60,000 or more (50%) are more likely than those with less than \$60,000 (36%) to be planning renovations.
- Homeowners with at least some post-secondary education (47%) are more likely than those with a high school diploma (33%) and those with less than a high school education (23%) to be planning renovations in the next twelve months.

One-third (32%) of those homeowners who said they were not planning renovations in the next twelve months say they are planning renovations in the next two years (18% of all



homeowners). Therefore, including those who say they are planning renovations in the next twelve months; approximately six in ten (59%) homeowners are planning renovations or home improvements over the next two years.

New Floors And Painting Top The List Of Home Improvements Renovators Are Planning In The Next Two Years

Of those who are planning renovations in the next two years, 17% say they are planning “new floors/flooring”, and the same proportion says “painting/staining/caulking” (17%). One in ten (12%) renovators are planning “new windows” (12%).

- Residents of British Columbia (26%), Alberta (26%) and Saskatchewan/Manitoba (22%) are more likely than those in Atlantic Canada (14%), Ontario (13%), and Quebec (12%) to say they are planning new floors/flooring.
- Renovators in British Columbia (22%) are more likely than those in Alberta (19%), Saskatchewan/Manitoba (18%), Ontario (17%), and Quebec (15%) to say they are planning painting/staining/caulking. Residents of Atlantic Canada (8%) are less likely to say so.
- Atlantic Canadians (22%) are more likely than those in Quebec (17%), Saskatchewan/Manitoba (14%), Ontario (10%), Alberta (8%), and British Columbia (7%) to say they are planning new windows.

Other renovators are planning a renovation to a bathroom (12%), kitchen (12%), new roof (12%), basement (12%), and outdoor deck/patio (9%). All other mentions were cited by less than 10% of Canadians.



One-Third Of Renovators Will Spend Over \$10,000 On Home Renovations...

On average, renovators plan to spend approximately \$12,700 on home renovations over the next two years. One-third (35%) of renovators say they think they will spend \$10,000 or more on home renovations. Very few renovators (6%) say they will spend less than \$1,000 on these renovations, 16% say they will spend \$1,000 to \$2,499, 12% will spend \$2,500 to \$4,999, and 22% say they will spend between \$5,000 and \$9,999. The remaining 10% of renovators “don’t know” how much they will spend on renovations.

- Ontarians (40%) are the most likely to spend \$10,000 or more on home renovations, followed by those in British Columbia (36%), Alberta (35%), Atlantic Canada (32%), Saskatchewan/Manitoba (29%), and Quebec (27%).
- Those with an annual household income of \$60,000 or more (40%) are more likely than those with less than \$60,000 (29%) to say they will spend \$10,000 or more on renovations.
- Renovators with at least some post-secondary education (37%) are more likely than those with a high school diploma (28%) and those with less than a high school education (23%) to say they will spend \$10,000 or more on renovations.

And They Will Finance These Renovations Through Cash

Half (51%) of renovators say they will finance these renovations through “cash”. Other methods of financing include: “Savings/personal savings” (26%), “line of credit” (11%), “credit cards” (6%), and “secured line of credit” (5%). Less than 5% of renovators say they



will pay through other methods of financing. Just 5% of renovators “don’t know” how they will finance these renovations.

- Those with an annual household income of \$60,000 or more (14%) are much more likely than those with less than \$60,000 (8%) to say they will finance these renovations through a line of credit.
- Renovators aged 55 and over (58%) are more likely than those aged 18-54 (49%) to say they will use cash to finance their renovations.
- Men (55%) are more likely than women (47%) to use cash to finance these renovations.

Of those renovators who say they are planning to pay with cash and/or savings (77%), nine in ten (86%) say they will pay for “all” or “most” of their renovations through this method, with seven in ten (69%) who say they will pay for “all” of their renovations with cash or savings. Just 13% of renovators who are planning to finance these renovations with cash or savings say they will pay for only “some/none” of these renovations with cash or savings.

- Renovators in British Columbia (76%) are more likely than those in Saskatchewan/Manitoba (73%), Atlantic Canada (70%), Quebec (69%), Ontario (67%), and Alberta (66%) to say they will pay for “all” of their renovations with cash or savings.
- Those with an annual household income of \$30,000 or more (71%) are more likely than those with less than \$30,000 (58%) to say they will pay for “all” of their renovations with cash or savings.



- Renovators aged 55 and over (78%) are more likely than those aged 35-54 (70%) and those aged 18-34 (58%) to say they will pay for “all” of their renovations with cash or savings.

Renovations Happen All Year Long...

Renovators are split in terms of the time of year they plan to renovate or make home improvements. One-third (35%) of those planning to renovate within the next two years say they will renovate in the “spring.” One-quarter (24%) say they will renovate in the “fall” and the same proportion say they will renovate in the “summer” (23%). Fewer (15%) renovators say they will renovate in the “winter.”

- Renovators living in Quebec (40%) are the most likely to say they will renovate in the spring, followed by those in Alberta (40%), Saskatchewan/Manitoba (38%), British Columbia (33%), Ontario (33%), and Atlantic Canada (30%).
- Men (26%) are more likely than women (20%) to say they will renovate in the summer.
- Those living in Atlantic Canada (31%) are more likely than those in Quebec (25%), Ontario (24%), Alberta (22%), British Columbia (19%), and Saskatchewan/Manitoba (16%) to say the time of year they plan to renovate is the fall.
- Renovators in Alberta (18%), Saskatchewan/Manitoba (18%), British Columbia (16%), and Ontario (16%) are more likely than those in Atlantic Canada (10%) and Quebec (9%) to say they plan to do renovations in the winter.



Most Inspiration Comes From Magazines Or Friends And Family...

Three in ten (27%) Canadians who are planning to renovate within the next two years say they got the inspiration for design, colour, model, or features from “magazines.” Two in ten (21%) say their inspiration came from “friends/family/neighbours homes” and the same proportion (18%) say “myself/my own ideas.” One in seven (14%) renovators got their inspirations from “big box stores” such as Home Depot, Rona, Sears Home, Lansing or the Building Box and another 13% say “TV home improvement shows.” Just 6% of renovators say they got their inspiration from a “specialty store” such as interior décor, design shops, flooring, tile or cabinet stores.

- Renovators aged 18-34 (34%) are more likely than those aged 35-54 (27%) and those aged 55 and older (19%) to say they get inspiration from “magazines.” Younger renovators aged 18-34 (17%) are also more likely than older renovators (11%) to say they get inspiration from “TV home improvement shows.”
- Women (35%) are more likely than men (18%) to say they get inspiration from “magazines.” Women (15%) are also more likely than men (10%) to say they get inspiration from “TV home improvement shows.”
- Men (13%) are more likely than women (29%) to say they got inspiration from “friends/family/neighbours.”
- Those with an annual household income of \$30,000 or more (29%) are twice as likely as those with less than \$30,000 (15%) to say they get inspiration from “magazines.”



Half (46%) Of Renovators Say They Will Do The Majority Of Renovations Themselves...

Half (46%) of renovators say they will do the majority of the home improvements/renovations themselves.

- Renovators living in Saskatchewan/Manitoba (58%) and Alberta (54%) are the most likely to say they will do the majority of the renovations themselves, followed by far behind by residents of British Columbia (46%), Ontario (46%), Atlantic Canada (45%), and Quebec (40%).
- Renovators aged 18-34 (58%) are more likely than those aged 35-54 (50%) and those aged 55 and over (30%) to say they will do the majority of the renovations themselves.
- Men (60%) are twice as likely as women (33%) to say they will do the majority of the renovations themselves.

Almost four in ten (36%) say a “contractor” will do the majority of the renovations.

- Renovators aged 55 and over (51%) are more likely than those aged 35-54 (34%) and those aged 18-34 (24%) to say a “contractor” will do most of the work.
- Those with an annual household income of \$60,000 or more (40%) are more likely than those with \$30,000 to just under \$60,000 (32%) and those with less than \$30,000 (28%) to say a “contractor” will do the majority of the renovations.

Two in ten (21%) say their “family” will do the majority of the renovations.



- Residents of Atlantic Canada (26%) are more likely than those in Quebec (24%), Saskatchewan/Manitoba (24%), British Columbia (21%), and Alberta (20%) to say that “family” will do the majority of their renovations. Canadians living in the province of Ontario (17%) are the least likely to say so.
- Women (33%) are much more likely than men (7%) to say that “family” will do the majority of renovations.
- Renovators with an annual household income less than \$60,000 (24%) are more likely than those with \$60,000 or more (17%) to say their “family” will do the majority of the renovations.

Just 5% of renovators say their “friends” will do the majority of renovations and 1% say some “other” resource will do the majority of renovations. Only 2% of renovators “don’t know” who will do the majority of renovations.

Six In Ten (57%) Renovators Say They Will Purchase Their Renovation Materials From Big Box Stores...

Six in ten (57%) renovators say they will purchase their renovation materials/supplies from “big box stores.”

- Albertans (64%) are more likely than those in Ontario (58%), Quebec (58%), Saskatchewan/Manitoba (52%), British Columbia (51%), and Atlantic Canada (50%) to say they will purchase most of their renovation materials from big box stores.



- Renovators aged 18-34 (63%) are more likely than those aged 35-54 (59%) and those aged 55 and over (45%) to say they will purchase most of their renovation materials from big box stores.
- Canadians who are planning to do renovations within the next two years and have an annual household income of \$60,000 or more (61%) are more likely than those \$30,000 to just under \$60,000 (56%) and those with less than \$30,000 (48%) to say they will purchase their materials from a big box store.

One in ten (9%) renovators will purchase their materials “through a contractor” and the same proportion say they will purchase their materials at a “specialty store.”

- Canadians aged 55 and over (15%) are twice as likely as those aged 18-54 (7%) to say they will purchase their materials from a contractor.

Fewer renovators say they will purchase their materials at a “local store/local lumberyard” (6%), “other large retailers” (5%) such as Canadian Tire, The Bay, Sears, Future Shop, or Ikea. Only 4% of renovators say they will purchase most of their renovation/home improvement materials/supplies from some “other” source. One in ten (10%) say they “don’t know” where they will purchase these materials.

Two In Ten (18%) Homeowners Say If They Had \$25,000 Windfall To Spend On Renovations They Would Spend It On A Kitchen...

Two in ten (18%) homeowners say if they had \$25,000 to spend on renovations they would spend it on a “kitchen.”



- Ontarians (21%) are the most likely to say they would spend this money on a kitchen, followed by those in Quebec (18%), Atlantic Canada (17%), Saskatchewan/Manitoba (17%), Alberta (16%) and British Columbia (13%).
- Those with an annual household income of \$60,000 or more (22%) are more likely than those with less than \$60,000 (16%) to say they would spend this money on a kitchen.

One in ten homeowners say if they had \$25,000 to spend on a renovation or home improvement they would use it for “new flooring” (12%), “bathroom” (12%), “basement” (10%), “a new addition” (9%), or “new windows” (8%). All other home improvements were mentioned by less than 8% of renovators.

Two In Ten (22%) Homeowners Have Borrowed Against Home Equity...In Line With Last Year (23%)...

Two in ten (22%) homeowners say they have borrowed against the equity on their home by increasing the amount of mortgage, or by taking out a secured line of credit. In the 11th RBC Annual Housing survey the same proportion (23%) reported having actually done so. Most homeowners (62%) have never done so and almost two in ten (16%) “don’t know” if they have ever borrowed against the equity in on their home.

- Homeowners living in British Columbia (25%), Alberta (24%) and Ontario (24%) are the most likely to say they have borrowed against the equity on their home, followed by those in Quebec (19%) and Atlantic Canada (19%). Residents of Saskatchewan/Manitoba (16%) are the least likely to have ever done so.



- Canadians with at least some post-secondary education (24%) are more likely than those with a high school diploma (18%) and those with less than a high school education (15%) to say they have borrowed against the equity on their home.
- Those with a annual household income of \$60,000 or more (27%) are more likely than those with \$30,000 to just under \$60,000 (22%) and those with less than \$30,000 (16%) to say they have borrowed against the equity on their home.

Of Those Who Have Borrowed Against Home Equity, Four In Ten (37%) Say The Primary Reason Was To Renovate Their Home

Of those who have borrowed against the equity on their home, four in ten (37%) say the primary reason was the “renovate” their home.

- Canadians living in the province of Quebec (47%) are the most likely to say they have borrowed against the equity on their home for renovations, followed by those in Saskatchewan/Manitoba (42%), Atlantic Canada (41%), Ontario (36%), British Columbia (32%), and Alberta (27%).

Other reasons homeowners give for borrowing against the equity in their home are as follows: “Pay off debt/debt consolidation” (14%), “buy vehicle” (9%), “make an investment” (6%), “buy another property” (5%), and “finance a business” (5%). All other mentions were cited by less than 5% of homeowners.

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For more information on this news release, please contact:

John Wright
Senior Vice President

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