



RBC Financial Group
Home Renovation Study
2006

August 28, 2006



Methodology...

- Online interviews were conducted among a randomly selected, nationally representative sample of 2367 Canadian homeowners...
- All interviews were conducted in English and French...
- Interviewing took place from August 17th-21st 2006...
- Data was weighted by region, age & sex according to Census data...



Sample Stratification and Margin of Error...

- The margin of error for the full sample is ± 2.0 percentage points, 19 times out of 20.
- The margin of error for subsets of the total sample are detailed in the table below.

Total Sample	N	+/- % 95% of the time
Region	2367	2.0
BC	330	5.4
Alberta	228	6.5
Saskatchewan/Manitoba	157	7.8
Ontario	911	3.3
Quebec	562	4.1
Atlantic Canada	179	7.3
Annual Household Income		
\$55K-<\$100K	503	4.4
\$100K-\$149K	208	6.8
\$150K+	68	11.9

	N	+/- % 95% of the time
Age	2367	2.0
18-34	647	3.9
35-54	972	3.1
55+	748	3.6
Gender		
Male	1133	2.9
Female	1234	2.8



Sample Stratification and Margin of Error...

- The margin of error for the full sample or Renovators is ± 2.4 percentage points.
- The margin of error for subsets of Renovators are detailed in the table below.

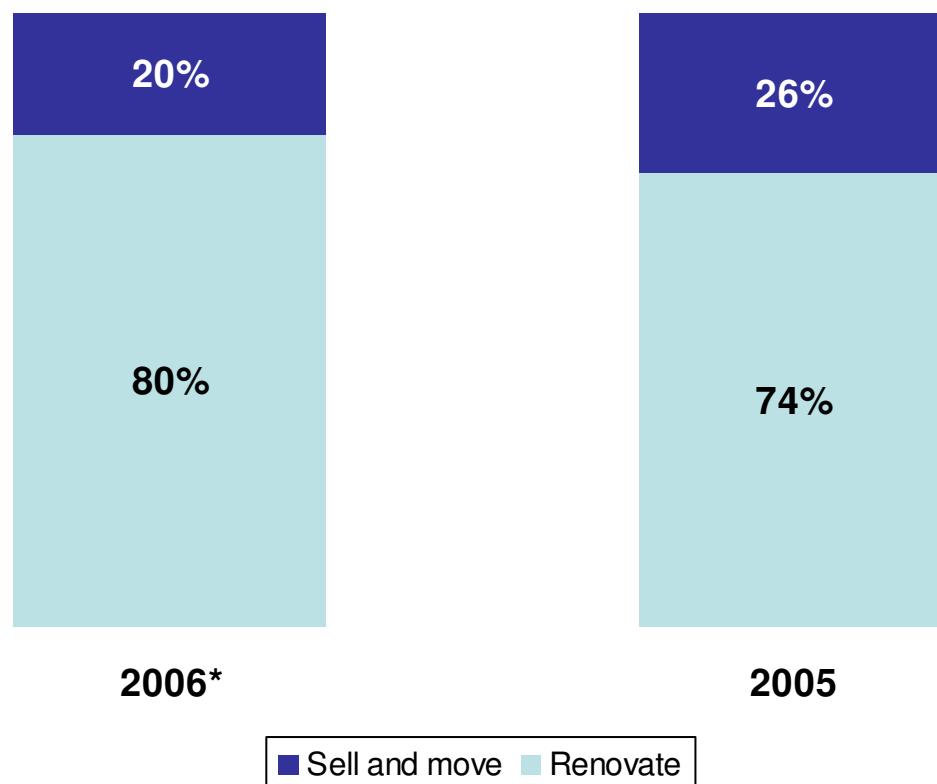
"Renovators"	N	+/- % 95% of the time
Renovator	2367	2.0
Yes	1662	2.4
No	1142	2.9
Region		
BC	216	6.7
Alberta	171	7.5
Saskatchewan/Manitoba	119	9.0
Ontario	644	3.9
Quebec	369	5.1
Atlantic Canada	163	8.2

	N	+/- % 95% of the time
Renovate When		
1 year	1366	2.7
2 years	296	5.7
Age		
18-34	448	4.6
35-54	728	3.6
55+	487	4.4
Gender		
Male	769	3.5
Female	894	3.3
Renovation Spending		
<\$5k	729	3.6
\$5k-<\$10k	217	6.7
\$10k+	250	6.2



Among All Homeowners, Most (80%--up six points from 2005) Would Prefer To Renovate Their Current Home Than To Sell And Move...So...

% of adult Canadian homeowners



Among Renovators the findings are similar: 82% would prefer to renovate and 18% would prefer to sell and move.

*DKs excluding

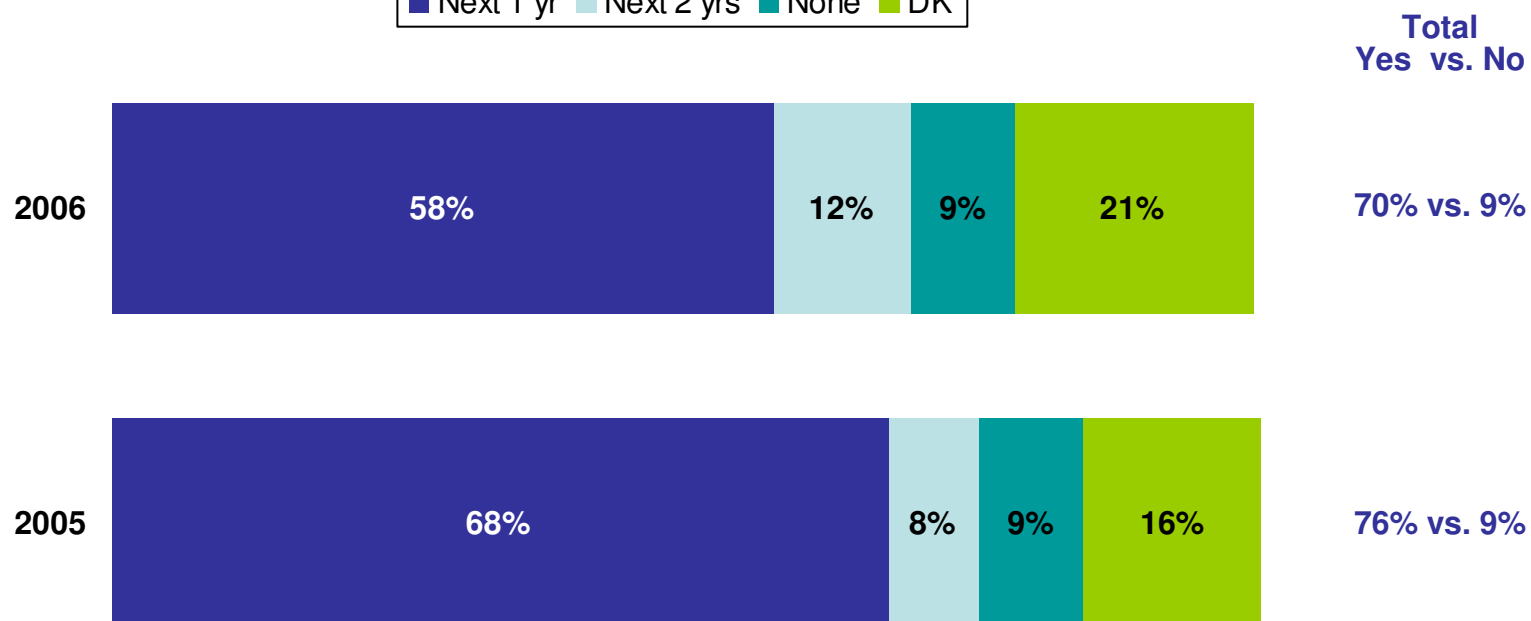
Q17: If your current home needed major renovations, and you had a choice about what to do, what would you be more likely to do: sell your current home and move to another home, or renovate your current home? (Unweighted Base: 2006= 2367, 2005=1854)



7 In 10 Homeowners Plan Reno's/Home Improvements Over The Next 2 Years, Down 6 Points @ '05 –Fewer For Next Year (58%, -10 Points)...-15, Ontario -14, Quebec -8, 18-34 -14...

% of adult Canadian homeowners

■ Next 1 yr ■ Next 2 yrs ■ None ■ DK



This group will be referred to as *“Renovators”*

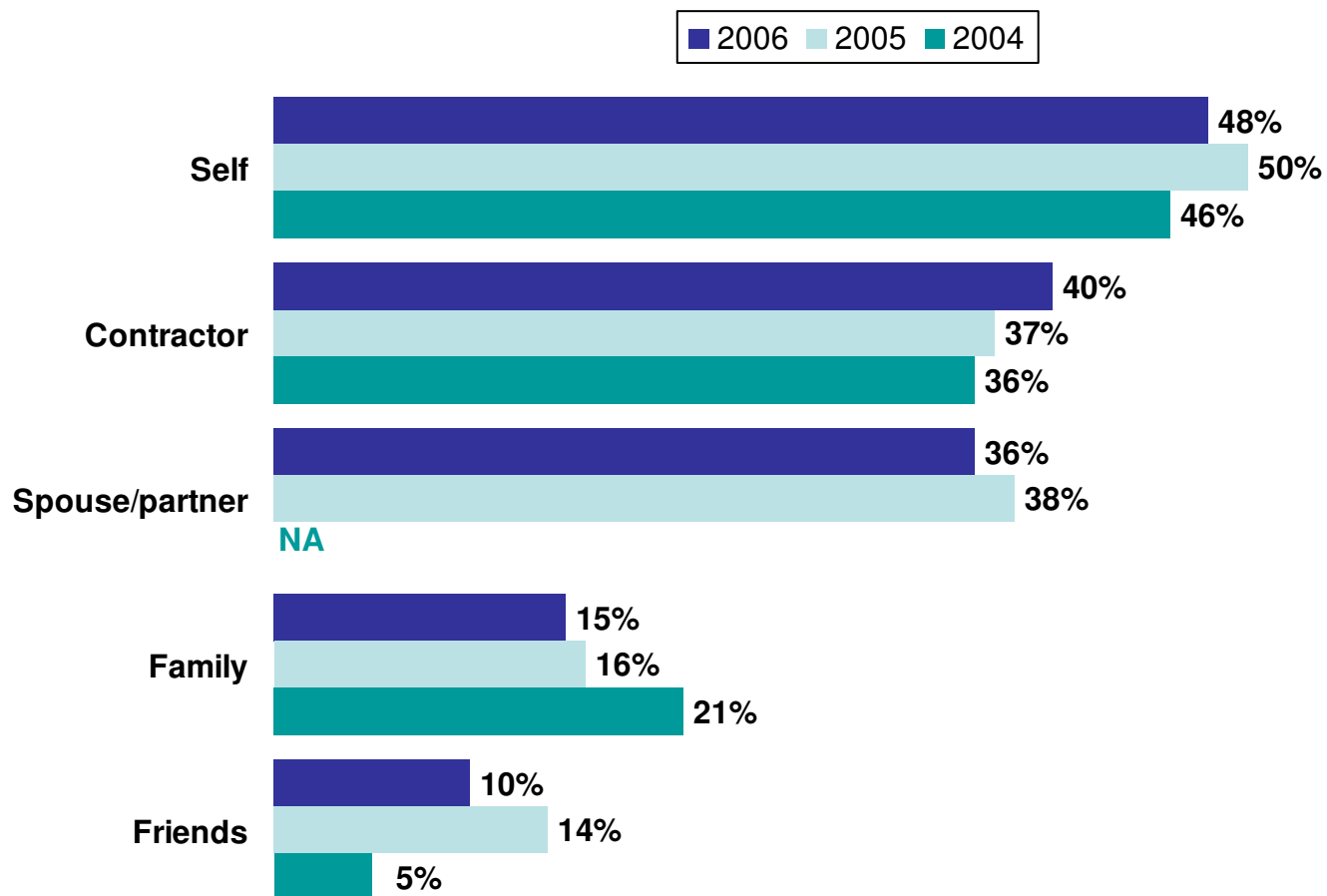
Q2A: Are you planning any renovations or home improvements to your home over the next twelve months? (Unweighted base: 2006=2367, 2005=1854)

Q2B: What about over the next two years? (Unweighted base: 2006=1033, 2005=627)



Half Of Renovators (48%) Plan To Do Renovations Themselves...But Slightly More (+4) Using Contractors Than Two Years Ago...

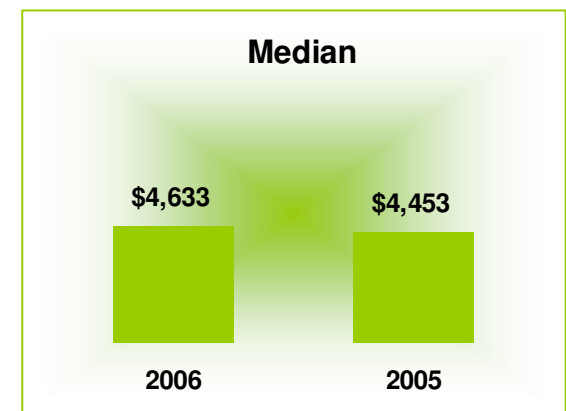
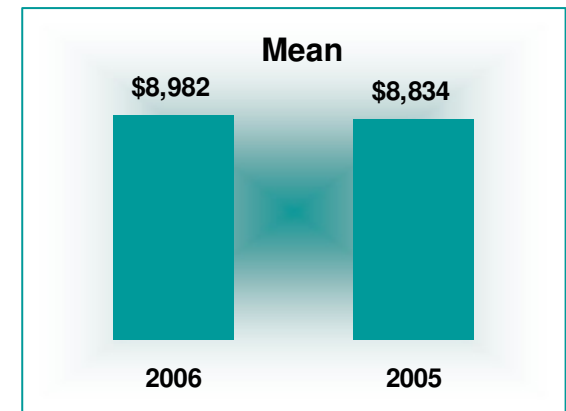
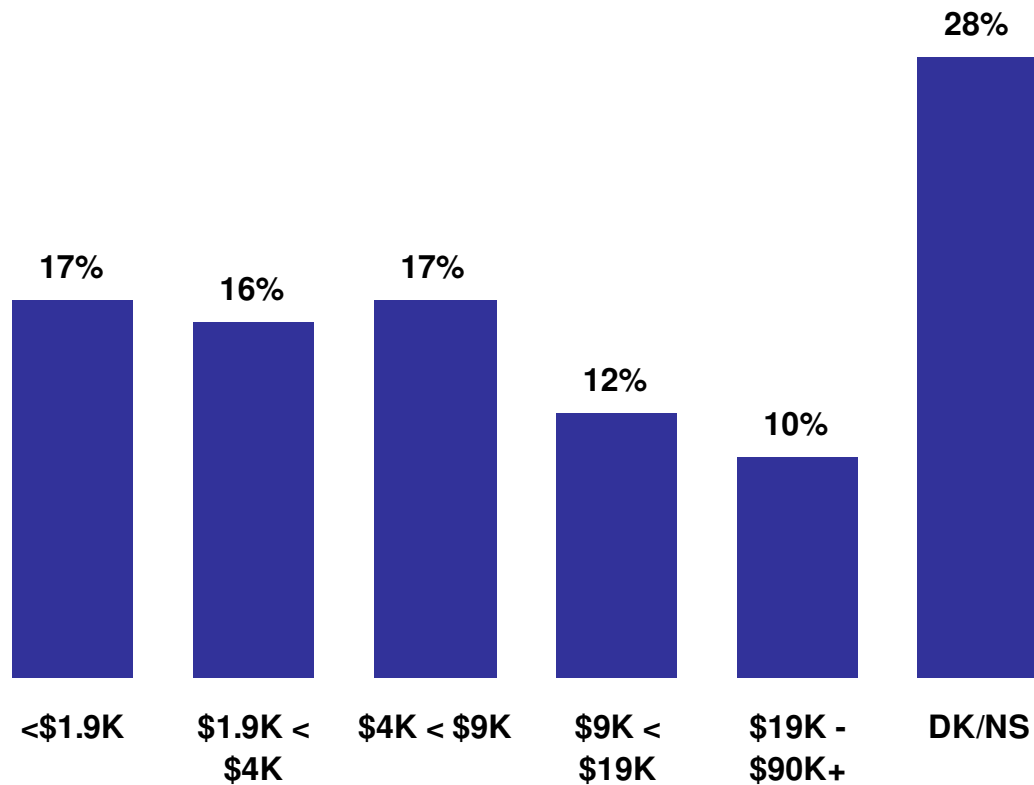
% of adult Canadian homeowners who intend to renovate in the next 2 years





How Much Do Renovators Think They'll Spend? A Mean Average Of \$8,982...\$148 More Than Last Year...

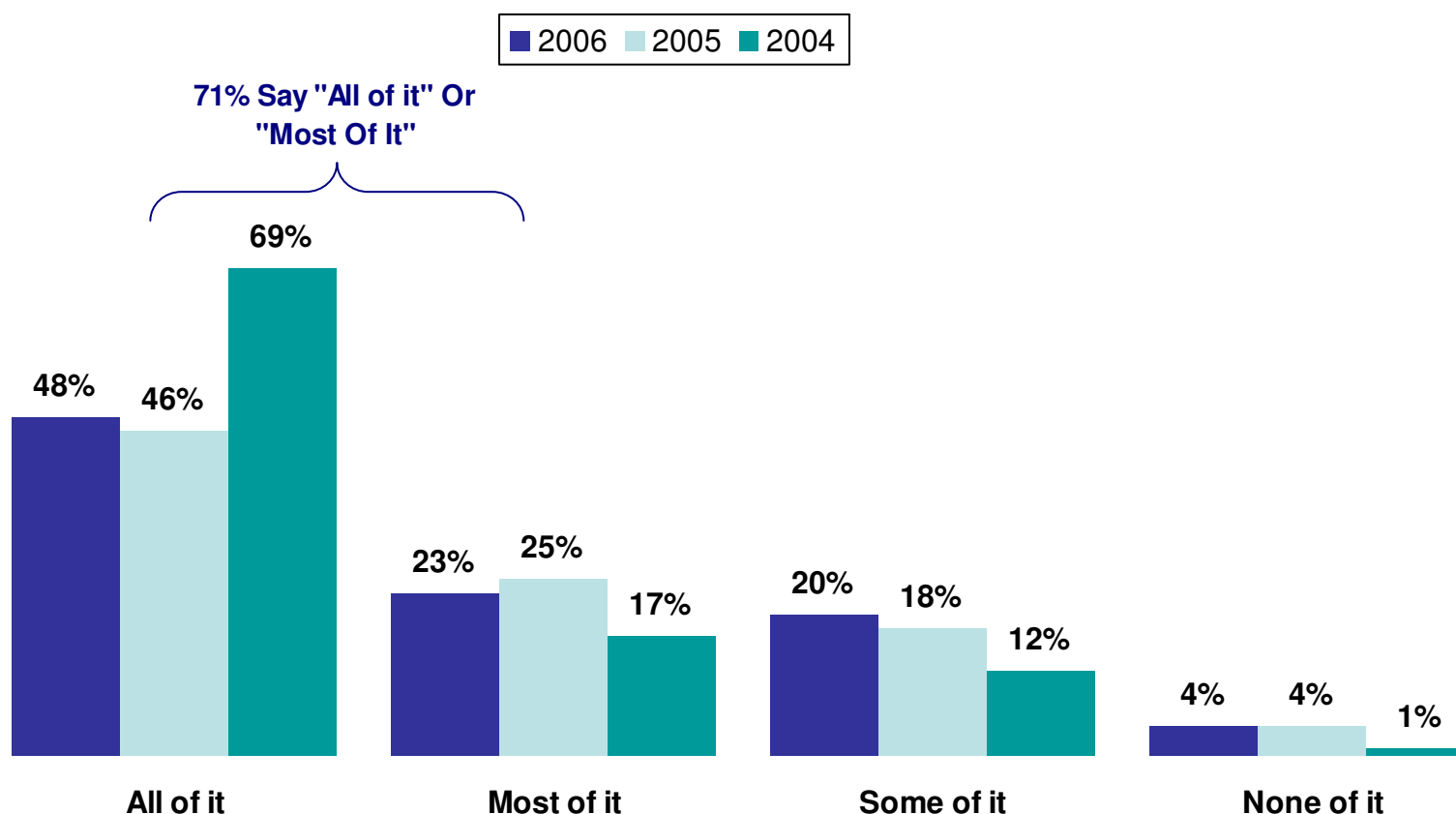
% of adult Canadian homeowners who intend to renovate in the next 2 years





Most Renovators (71%) Will Use Cash Or Savings To Pay For All (48%) Or Most (23%) For Their Renovations...Virtually Same to Last Year...

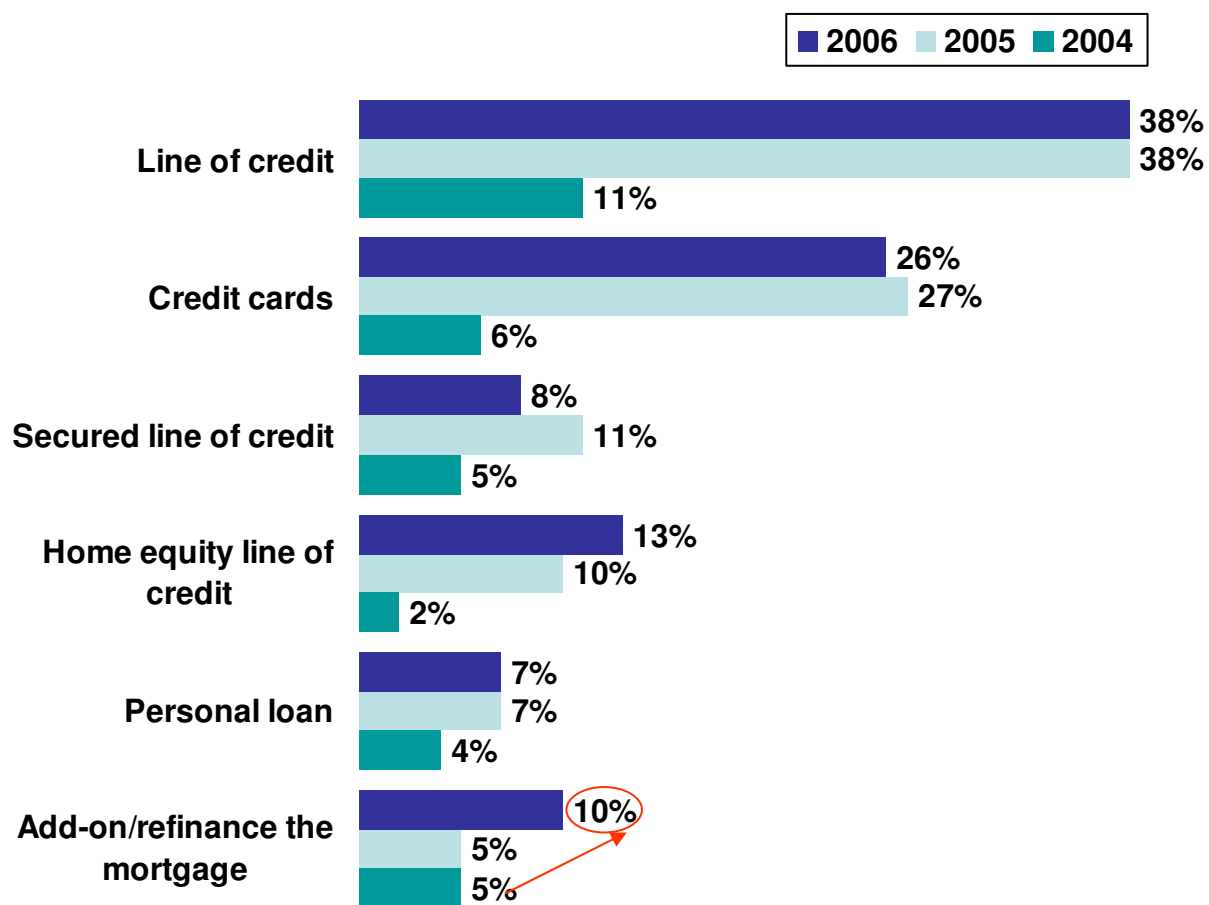
% of adult Canadian homeowners who intend to renovate in the next 2 years





For Those Who Don't, Line Of Credit And Cards Same As 2005...But Refinancing Mortgage Jumps...Home Equity Line Of Credit Climbs...Secure Line Of Credit Slips...

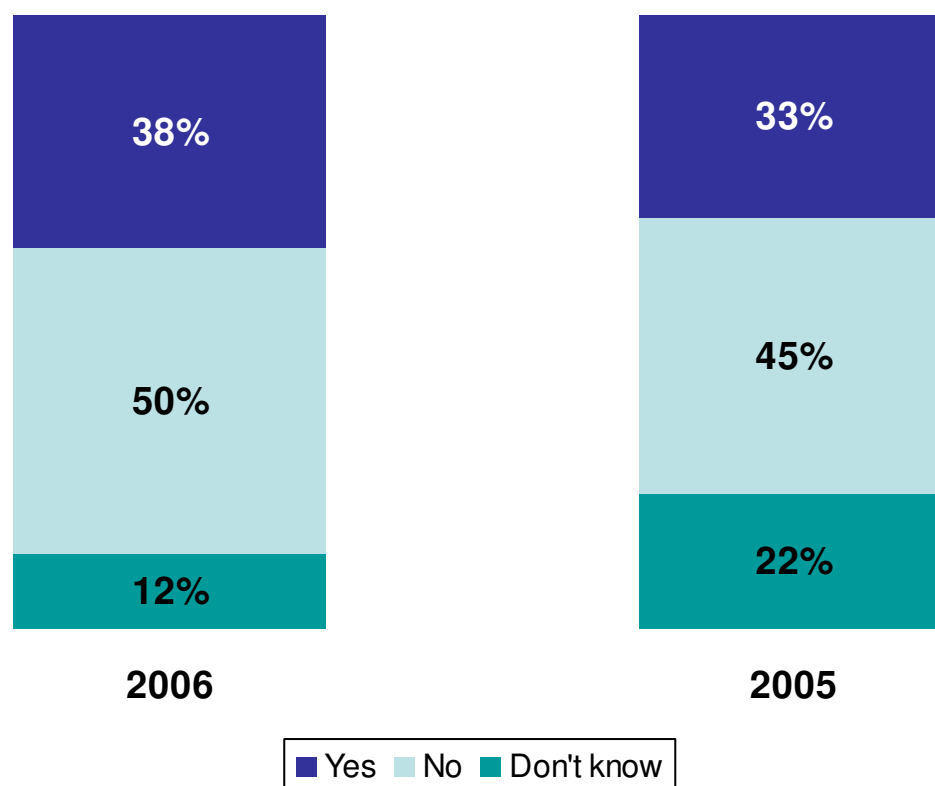
% of adult Canadian homeowners who intend to renovate in the next 2 years and don't plan to use only cash/savings





Among All Homeowners, 38% Might Borrow Against Their Home Equity To Finance Renovation, Up 5 Points Over 2005...

% of adult Canadian homeowners



Among Renovators the findings are somewhat different :

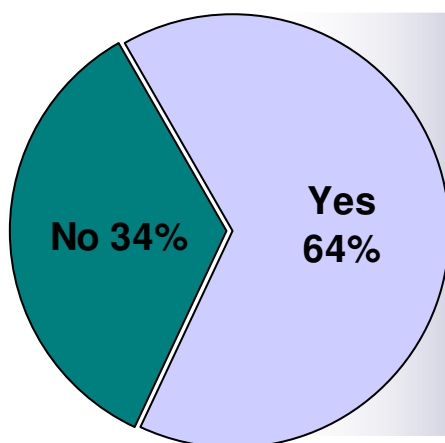
- 43% would consider borrowing against the equity in their home (5 points higher),
- 46% would not, and
- 11% don't know.



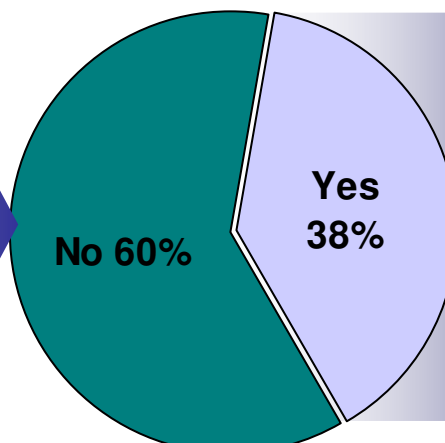
Most Of Those Who Renovated Had A Budget, But 4 in 10 Exceed The Budget By An Average of 88%...*Affluent Most Likely to Have Budget (76%) and To Exceed (51%)...*

NEW

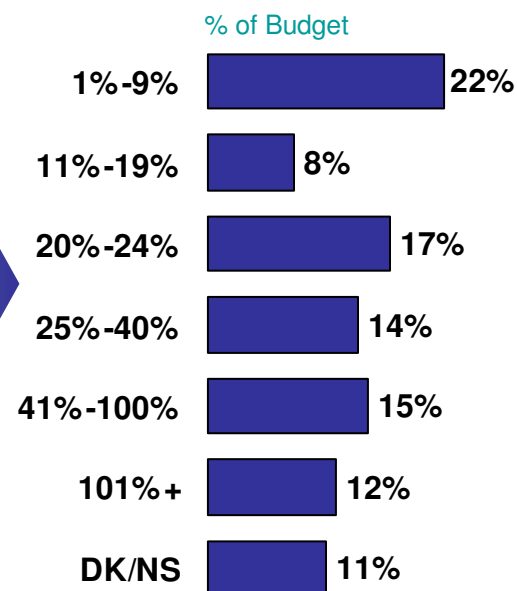
Had a Budget?



Go Over Budget?



By How Much?



Exceeded Budget On Average By 88%

Q15: When you did your renovations, did you have a budget? (Unweighted Base: N=1529)

Q16: And, did your renovations go over budget? (Unweighted Base: N=962)

Q16a: And by how much did you exceed your budget? (Unweighted Base: N=369)



Painting/Staining/Caulking And Floors Are The Most Popular *Home Improvements* Planned, Followed By Exterior Improvements Such As Windows, Roof, And Fencing...

Home Improvement	2004	2005	2006	Change '06 vs '05
Painting/Staining/Caulking	17%	51%	46%	-5
Floors	17%	35%	30%	-5
Windows	12%	21%	21%	-
Roof	12%	12%	12%	-
Fencing	0%	1%	9%	8
Driveway	2%	12%	7%	-5
New siding	1%	2%	7%	5
Fireplace	0%	0%	5%	5
Hot Tub	0%	5%	3%	-2
Furnace/Heating	2%	1%	1%	-
Security system	0%	0%	2%	2
New garage	2%	1%	1%	-
Insulation	2%	1%	1%	-
Big screen TV	0%	6%	0%	-6
New doors	2%	1%	0%	-1
Stairs	0%	1%	0%	-1

 Up from last year
 Down from last year



And, The Most Common *Reno's Planned* Are To The Bathroom, The Kitchen, The Basement, Landscaping, And The Deck/Patio...

Renovations	2004	2005	2006	Change '06 vs '05
Bathroom	12%	33%	36%	3
Kitchen	12%	27%	28%	1
Basement	12%	26%	27%	1
Landscaping	7%	29%	26%	-3
Outdoor Deck/Patio	9%	23%	26%	3
Home office	0%	0%	5%	5
Home Theatre	0%	6%	4%	-2
New Addition	6%	4%	4%	-
Sound System	0%	4%	3%	-1
Pool	0%	2%	2%	-
Bedroom	3%	18%	1%	-17
Family room/living room	0%	1%	1%	-
Moving/removing walls	1%	0%	0%	-

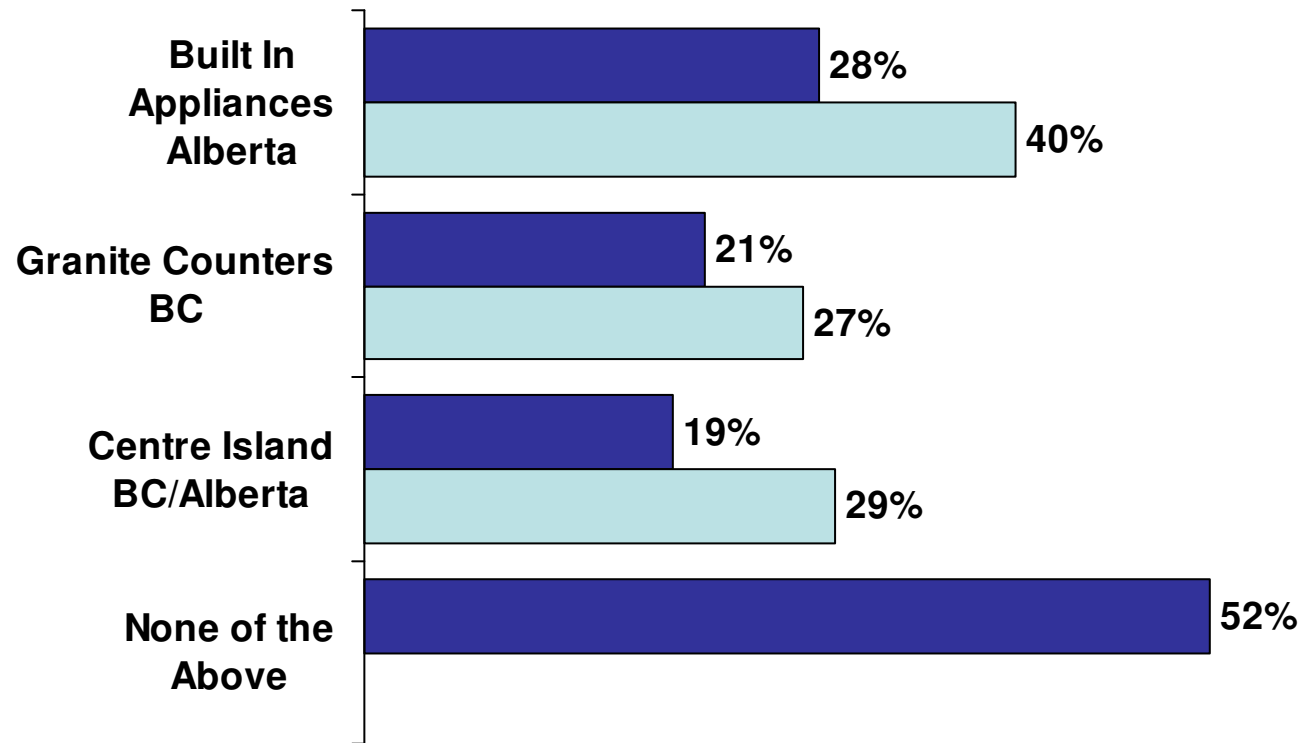
Up from last year

Down from last year



Among Those Planning Kitchen Renos, Who Are Planning Most Are In The West...

NEW

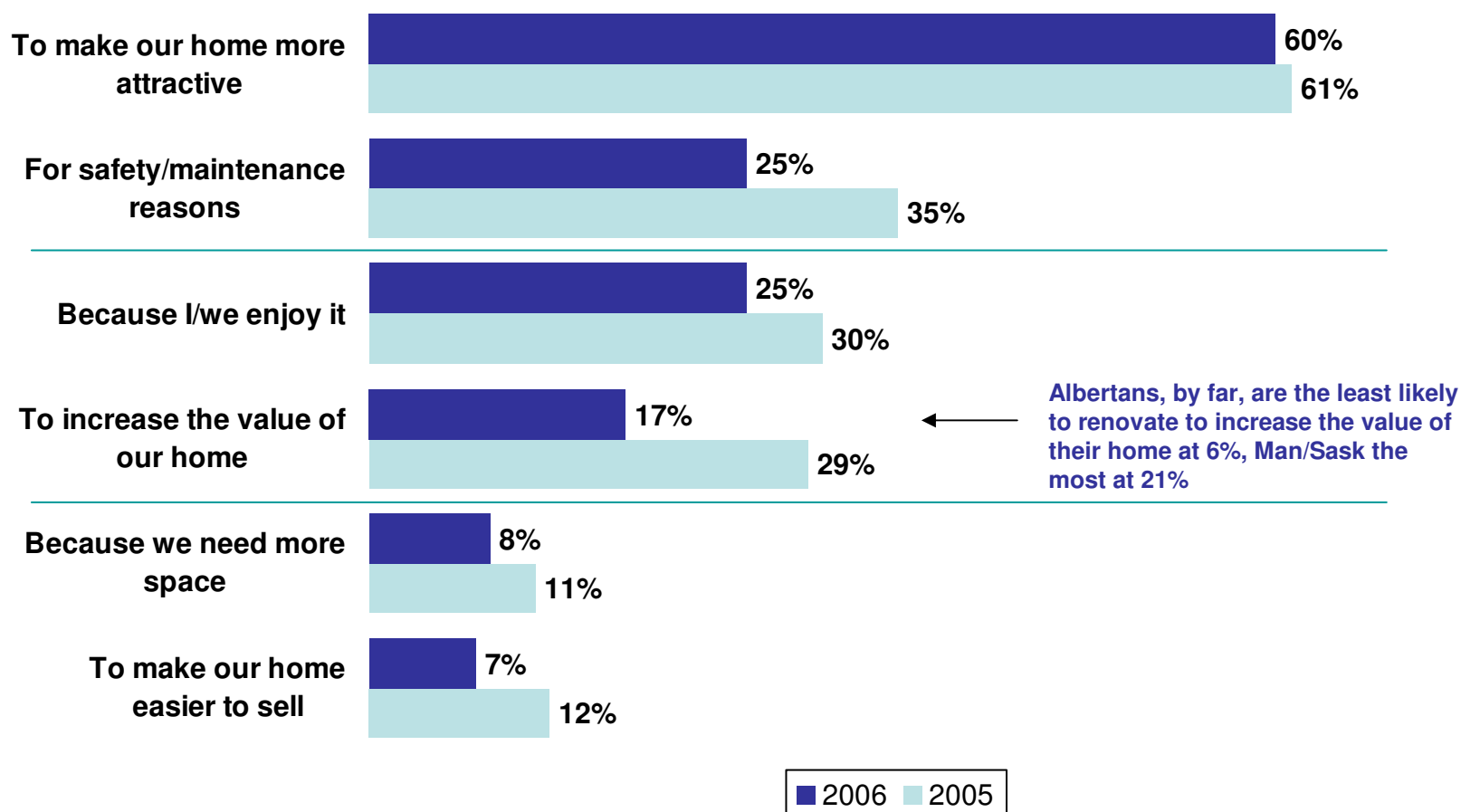


Those planning to reno in the *next year* are more likely to be planning kitchen renovations than those planning renos in the next 2 years (28% vs. 20%)



Why Are They Renovating? Most Want To Make Their Home More *Attractive* -...Only 8% Say They Need More Space...

% of adult Canadian homeowners who intend to renovate in the next 2 years





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