



RBC Financial Group
14th Annual
Homeownership Survey
March 2007



Introduction

14th Annual Homeownership Survey



Purpose & Methodology

- The annual survey is conducted to track Canadians attitudes & behaviours around home buying & home ownership.
- The survey was administered online in English & French January 18th – 22nd, 2007.
- A total of 2,404 adult Canadians were surveyed, resulting in an overall confidence interval of +/-2.0%.
- Data was weighted by region, age & sex according to Census data



Executive Summary

➤ **Consumer outlook is good.**

- Most Canadians think purchasing a home is a good investment and most would recommend doing it now rather than waiting until next year. Moreover, while most Canadians think rental prices will only continue to rise, the proportion that think housing prices are going up is shrinking, suggesting perhaps a less frightening playing field. Additionally, there is less concern today about interest & mortgage rate hikes.

➤ **Home purchase intentions remain positively stable.**

- The trend continues to be towards a longer term buying horizon and bigger, detached, and/or re-sale homes are still the preferred type, though there appears to be a shift developing towards downsizing.

➤ **Mortgages on the rise?**

- The proportion of Canadian mortgage holders continues to nudge upwards. Incidence follows an expected age pattern and is lower in the Prairies. Fixed mortgages are still the preferred choice for current holders.

➤ **Incidence of borrowing & refinancing stable.**

- Significant proportions have borrowed against the equity in their home.



Detailed Findings

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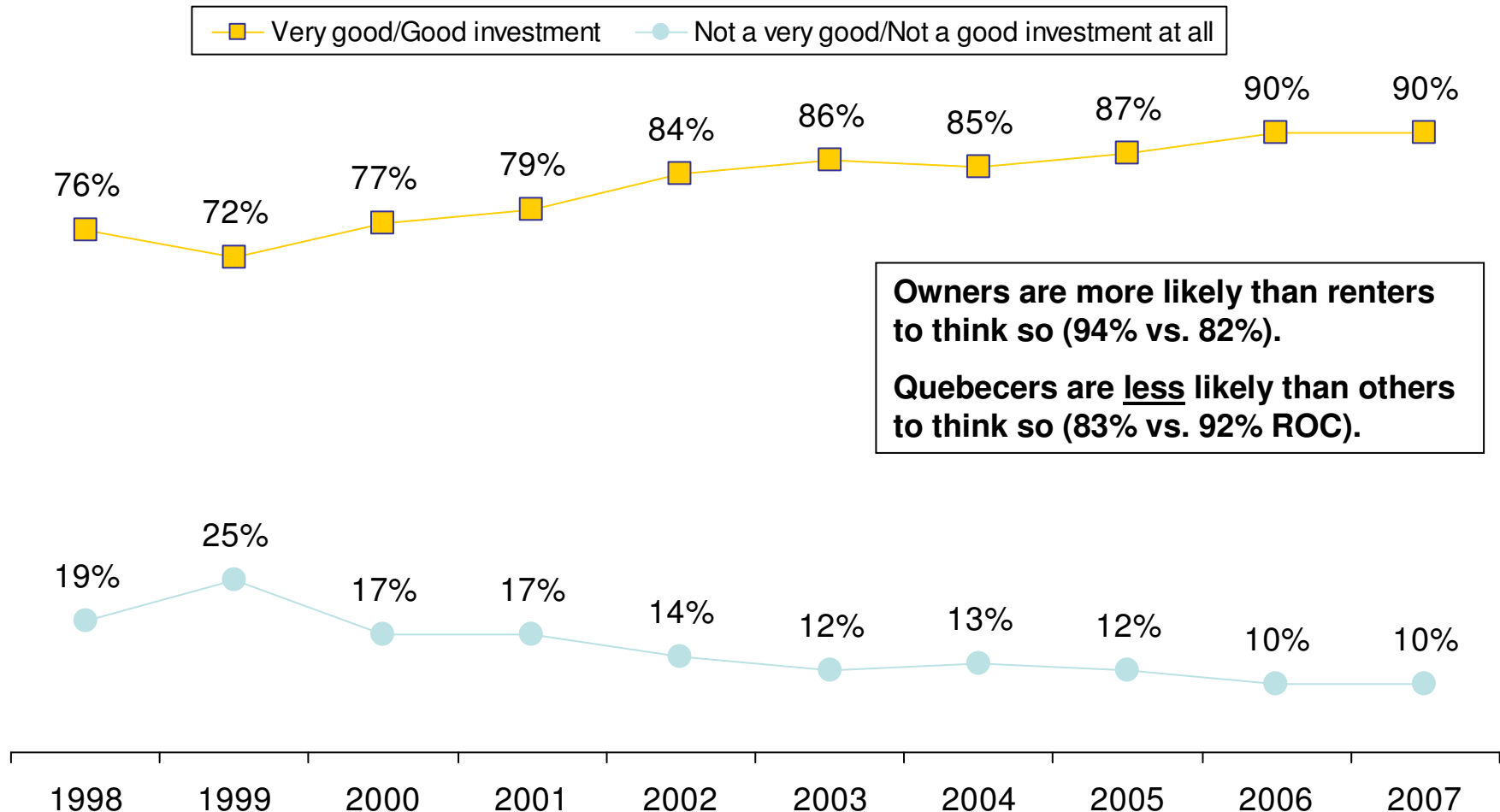
Consumer Outlook

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Most Canadians Continue To See Housing Purchases As A Good Investment...

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?

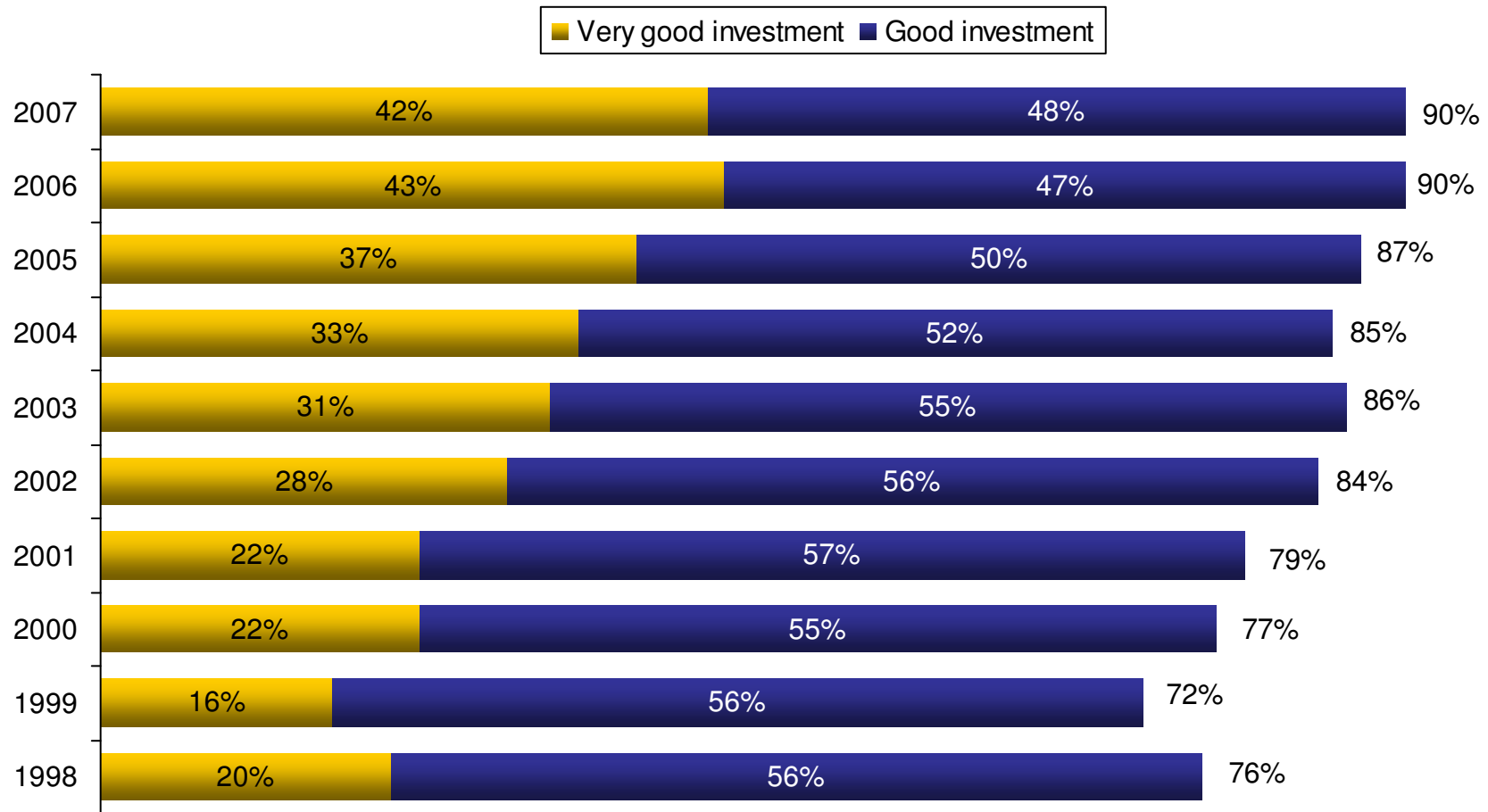


2007: 2404 respondents; 2006: 2158 Respondents; 2005: 2,001 Respondents; 2004: 2,000 Respondents; 2002 & 2003: 1,500 Respondents; Previous years: 1,200 Respondents



And 42% Think It's A *Very Good* Investment...

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?

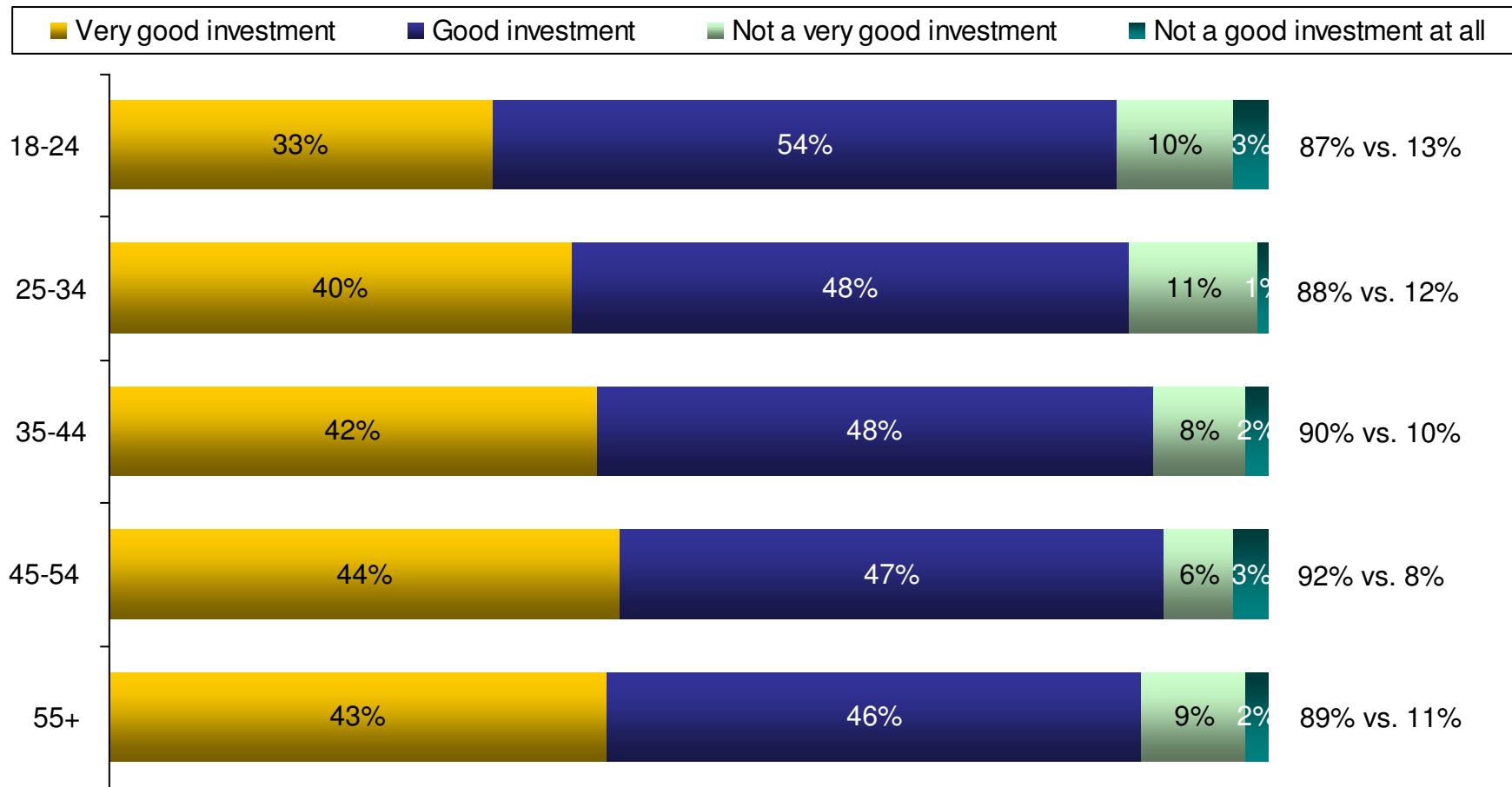


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...This Holds Across Age

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?

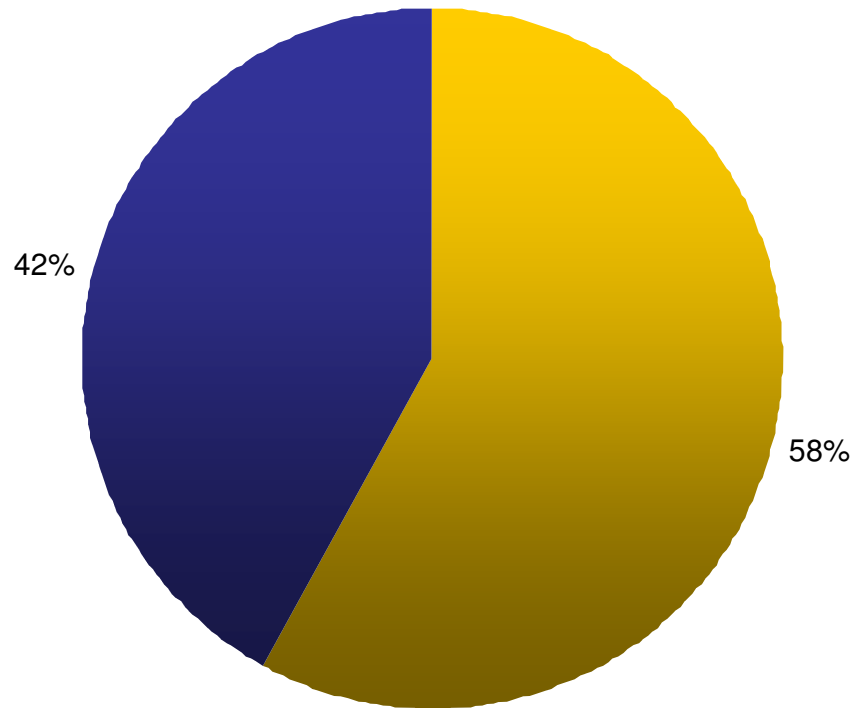




In Fact, A Majority Says *Buy Now, Don't Wait For Next Year!* Age, Residence Status, And Region Factor In

Do you think it makes more sense to buy a house now, or wait until next year?

■ Buy now ■ Wait until next year

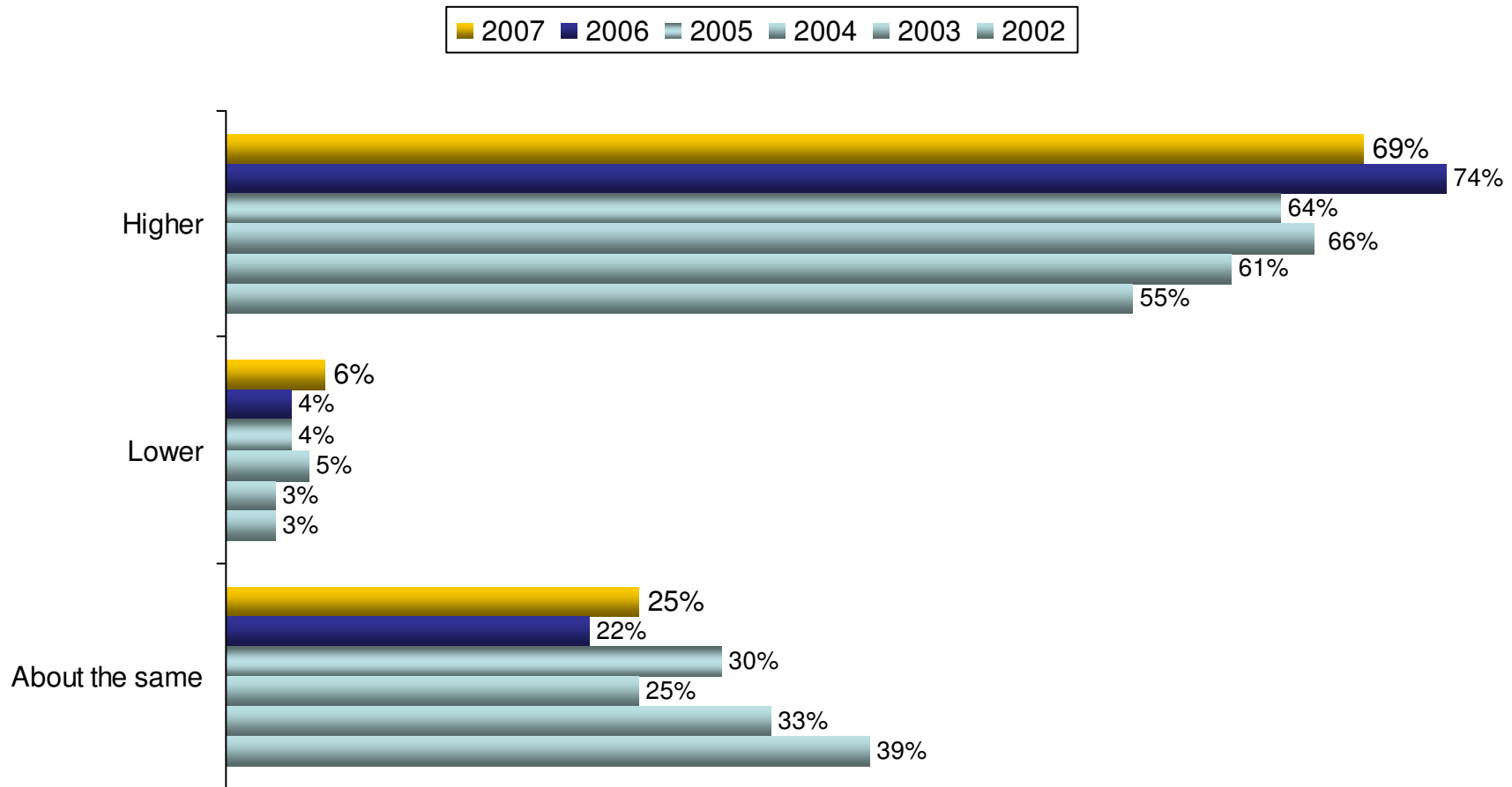


	Now	Next Year
18-24	41%	59%
25-34	50%	50%
35-44	56%	44%
45-54	62%	38%
55+	67%	33%
Owners	72%	28%
Renters	37%	63%
BC	59%	41%
Alberta	52%	48%
Sask./Man.	59%	41%
Ontario	62%	38%
Quebec	49%	51%
Atlantic	68%	32%



And Most Continue To Think The Cost Of Renting Will Only Increase

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?

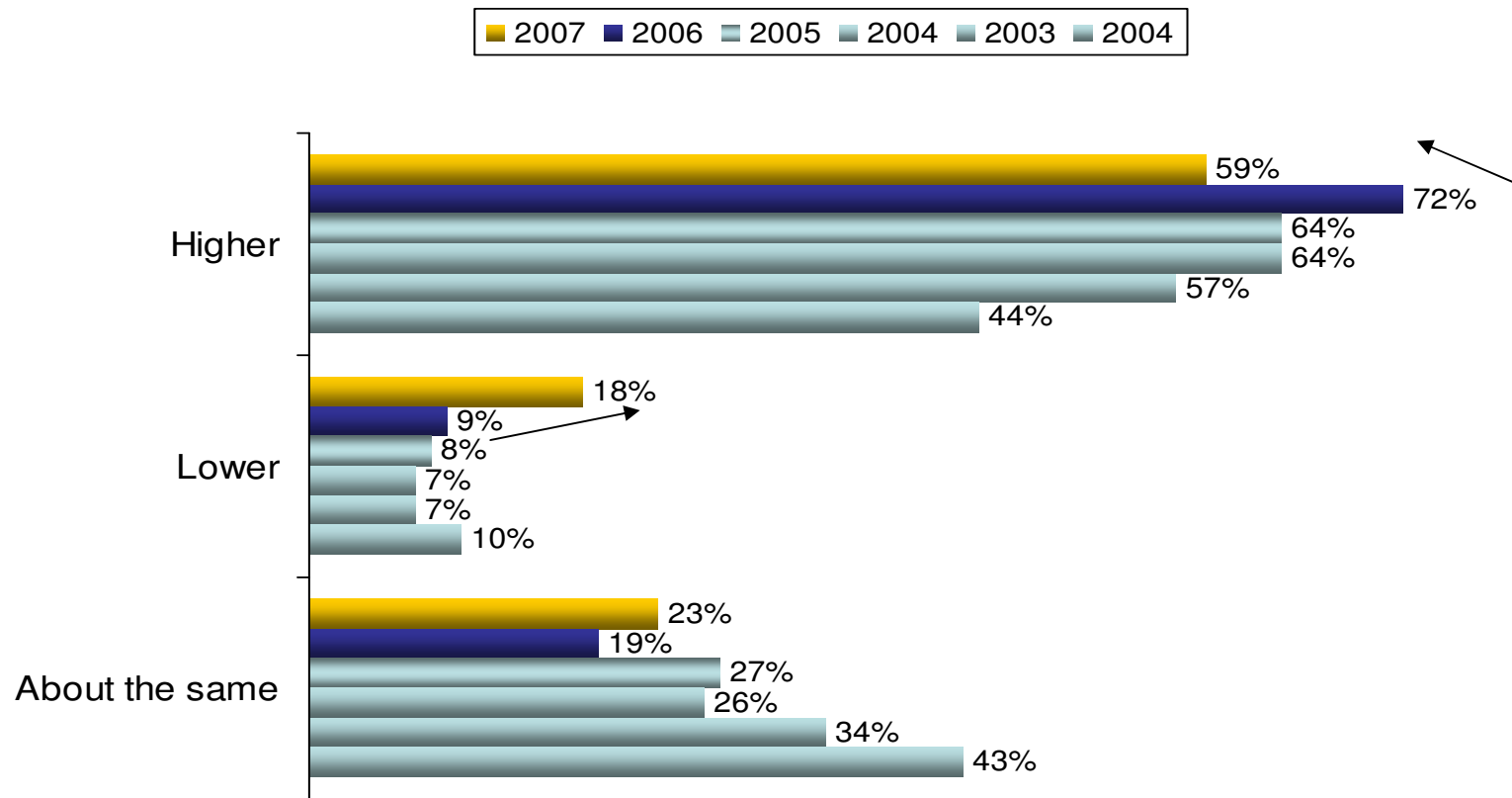


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Most Expect Housing Prices Will Rise, But The Proportion That Feel This Way Is Down; 2x As Many Say They Will Decrease Than Did Last Year

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

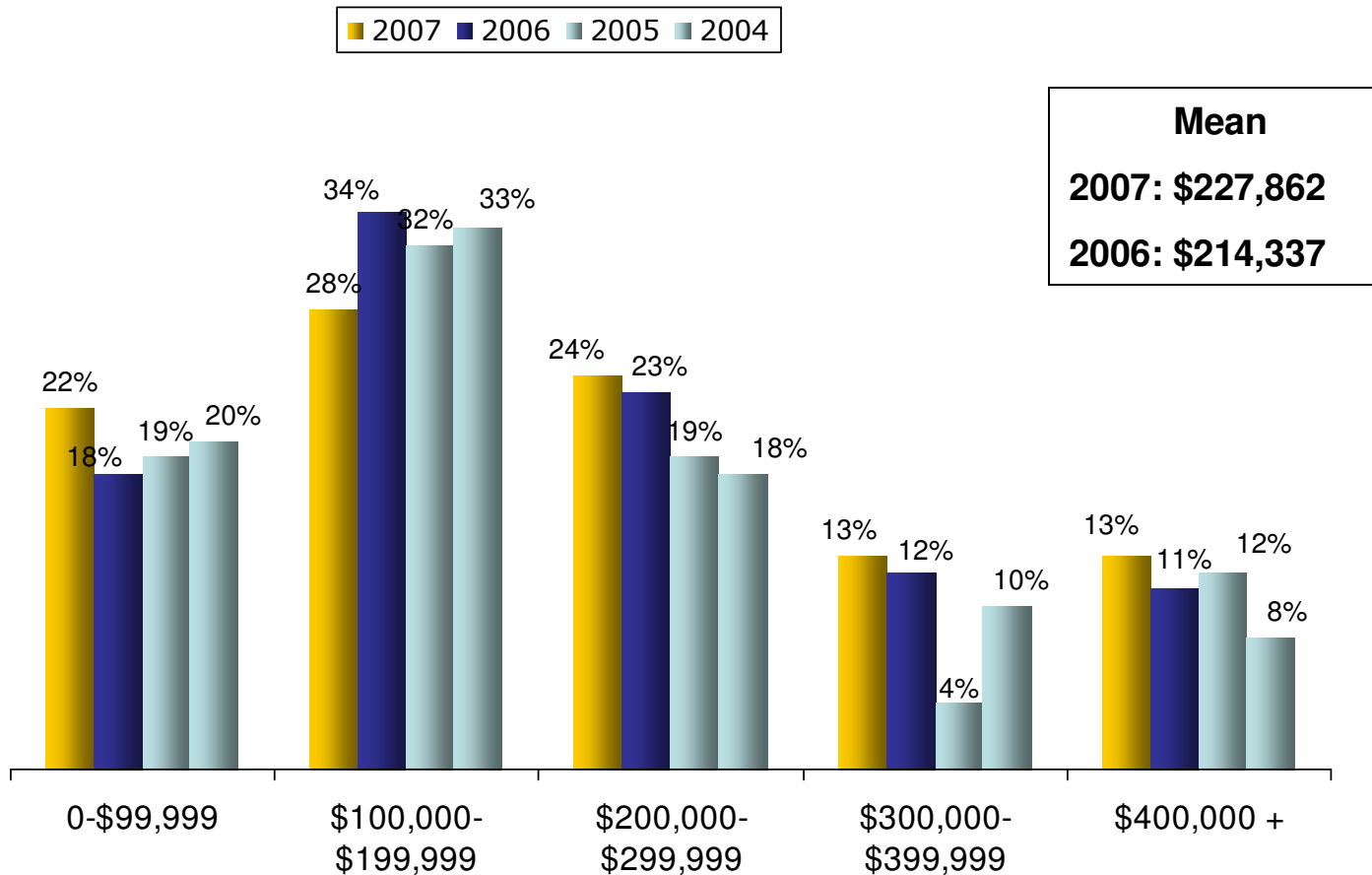


2007: 2404 Respondents; 2006: 2158 Respondents; 2005: 2,001 Respondents; 2004: 2,000 Respondents; 2002 & 2003: 1,500 Respondents; Previous years: 1,200 Respondents



The Average Estimated Approximate Value Of Canadian Homeowners' Homes Is Up \$13,525 From Last Year

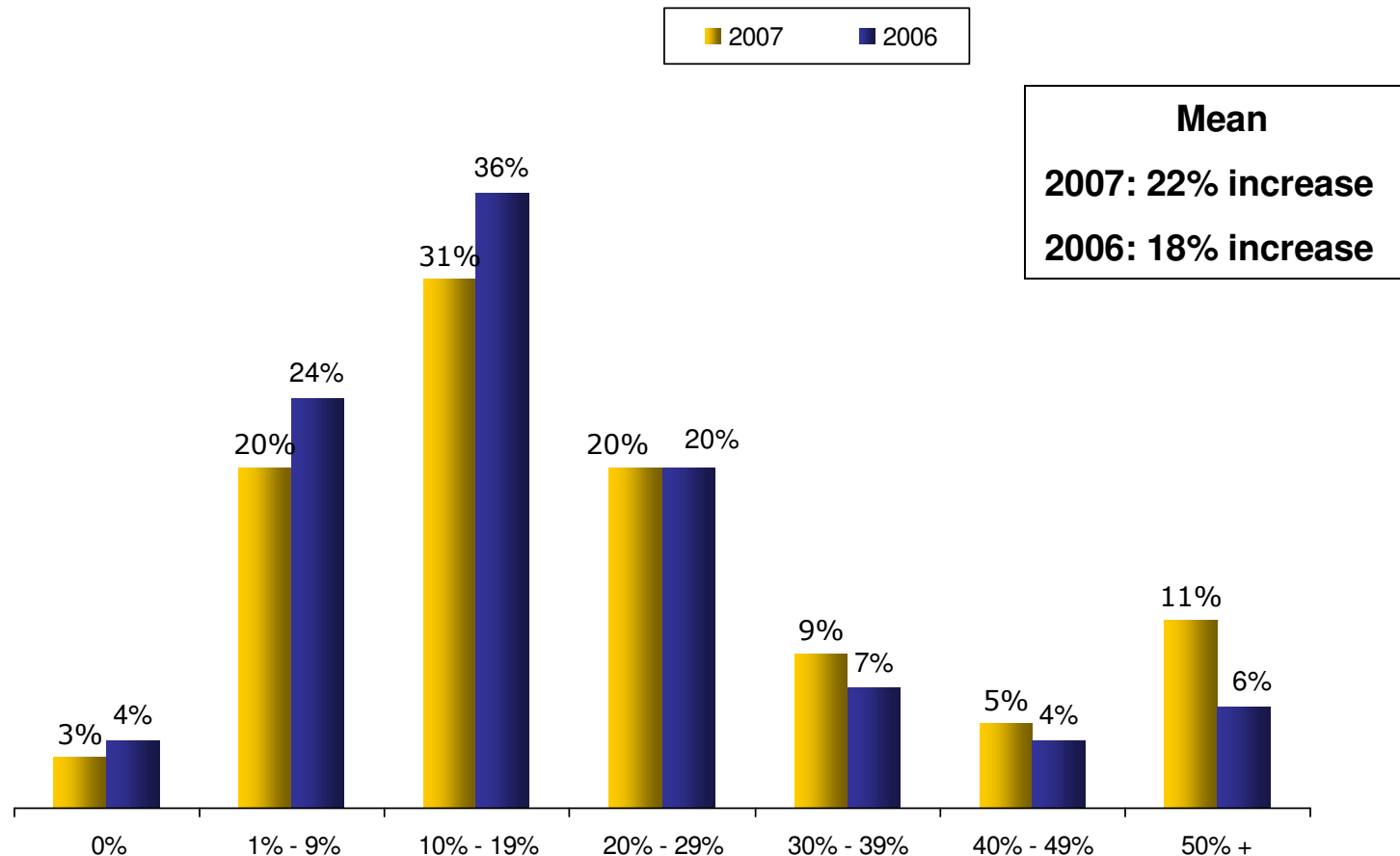
What is the approximate market value of your home today?





Accordingly, The Estimated Increase In Value Over The Past 2 Years Is Up 4 Points On Average

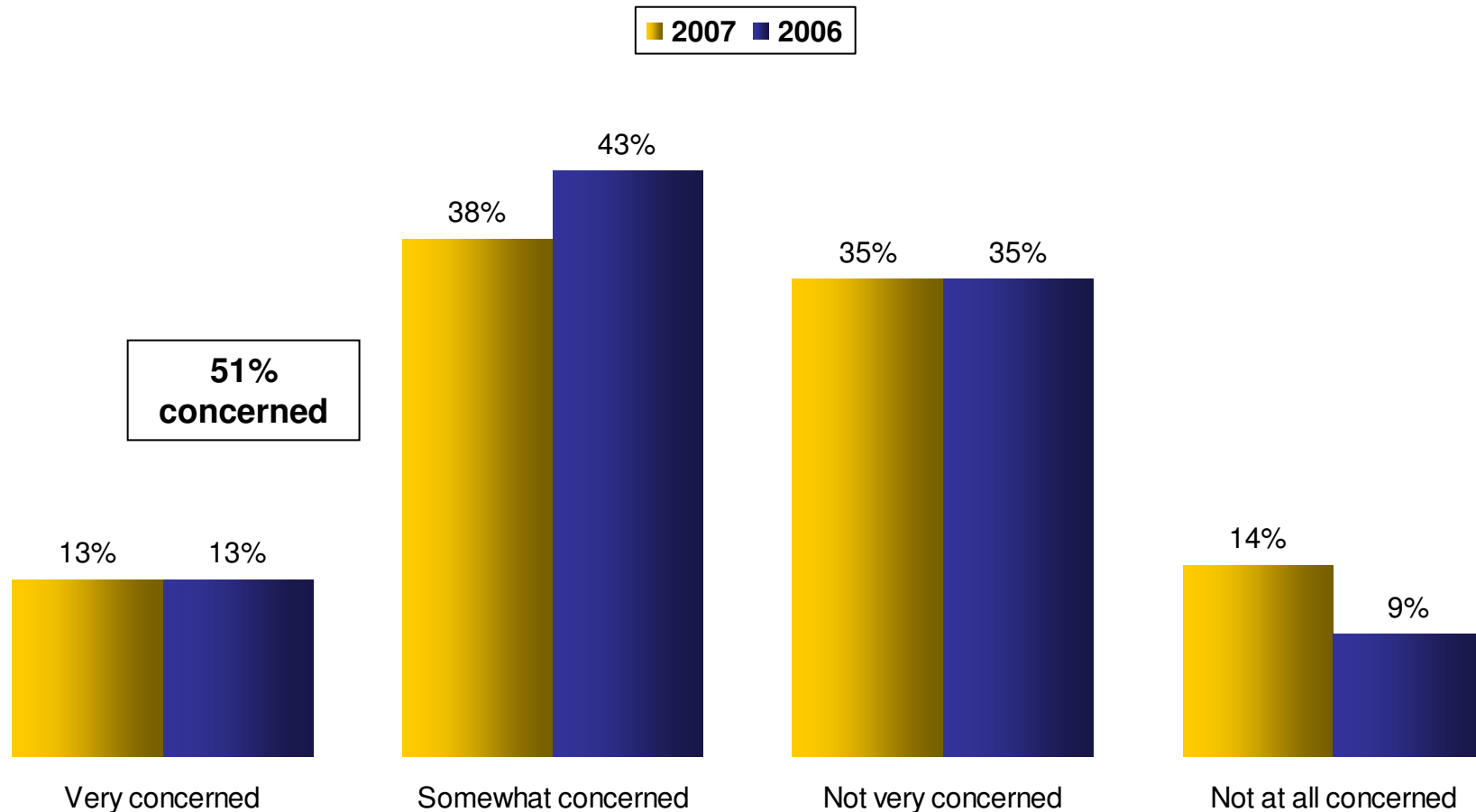
As a percent, how much would you estimate the market value of your home has increased by over the last 2 years?





Half Of Canadians Are Concerned About Interest Rate Increases For The Year, Down 5 Points From Last Year

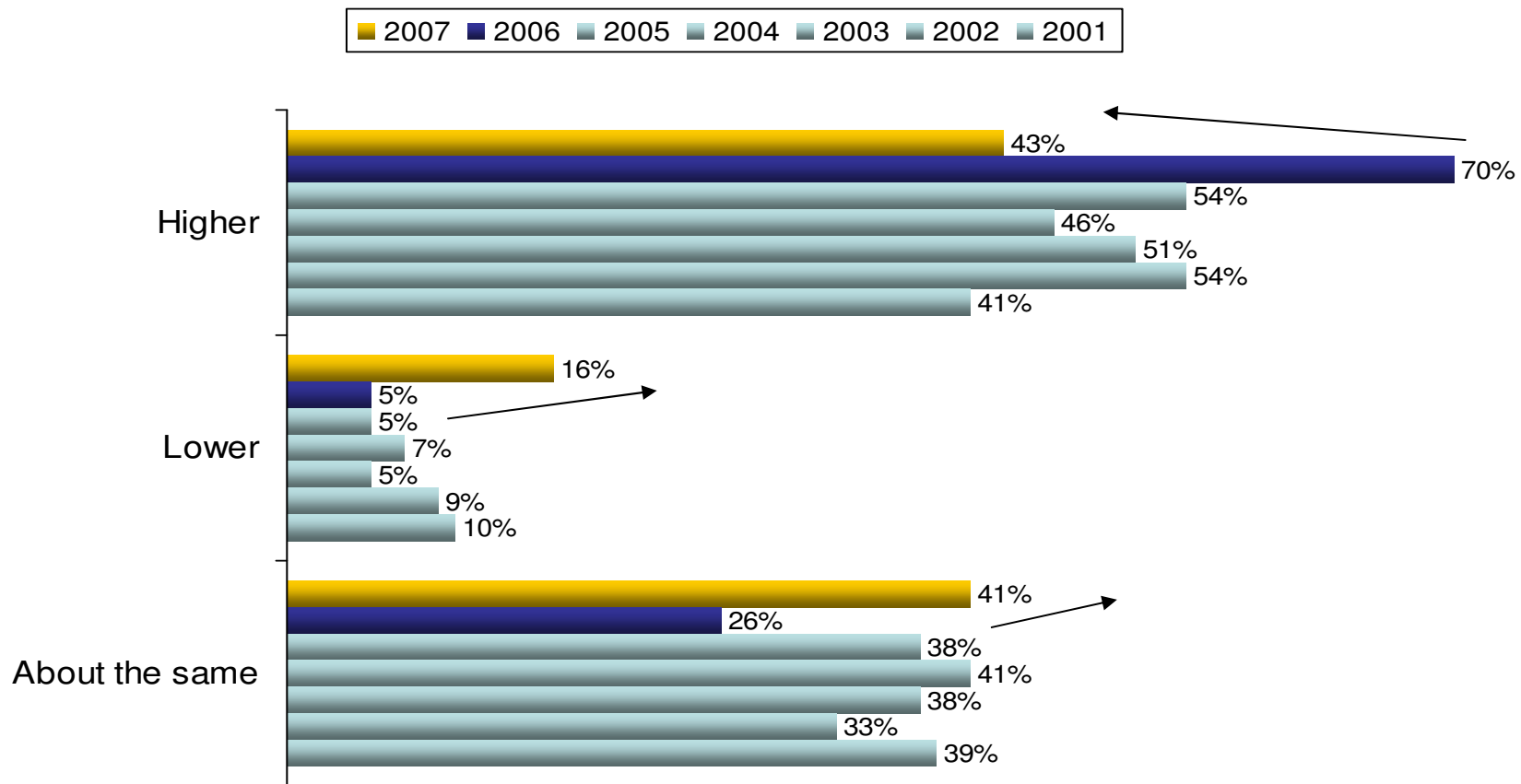
How concerned are you about interest rate increases in 2007?





This Year More Canadians Are Expecting Mortgage Rates To Decrease Or Stay The Same Over The Course Of The Year

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



2007: 2404 Respondents; 2006: 2158 Respondents; 2005: 2,001 Respondents; 2004: 2,000 Respondents; 2002 & 2003: 1,500 Respondents; Previous years: 1,200 Respondents



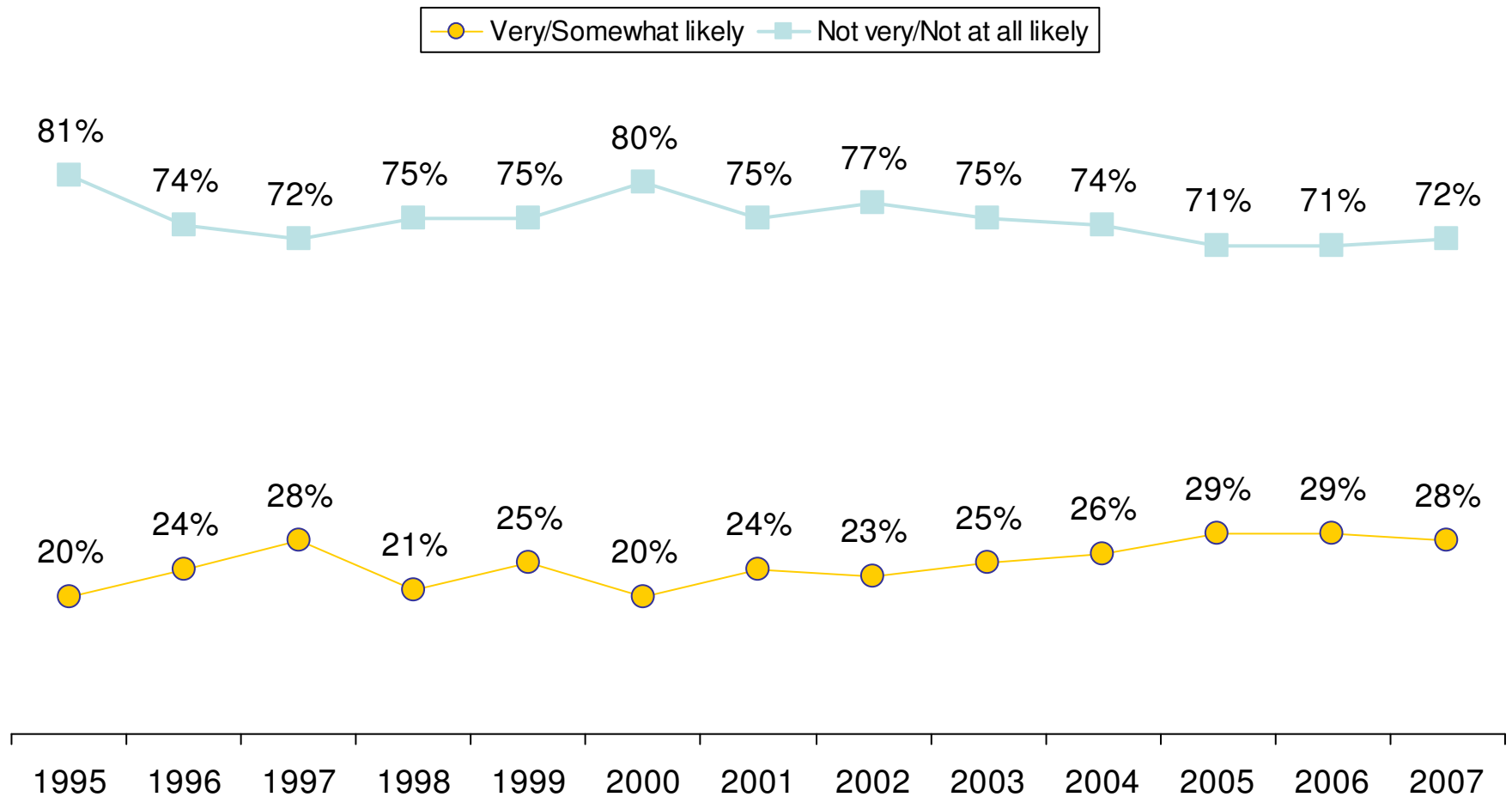
Purchase Intentions

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Three In Ten Canadians Plan To Buy A House In The Next Two Years, Virtually Unchanged From The Past Few Years...

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

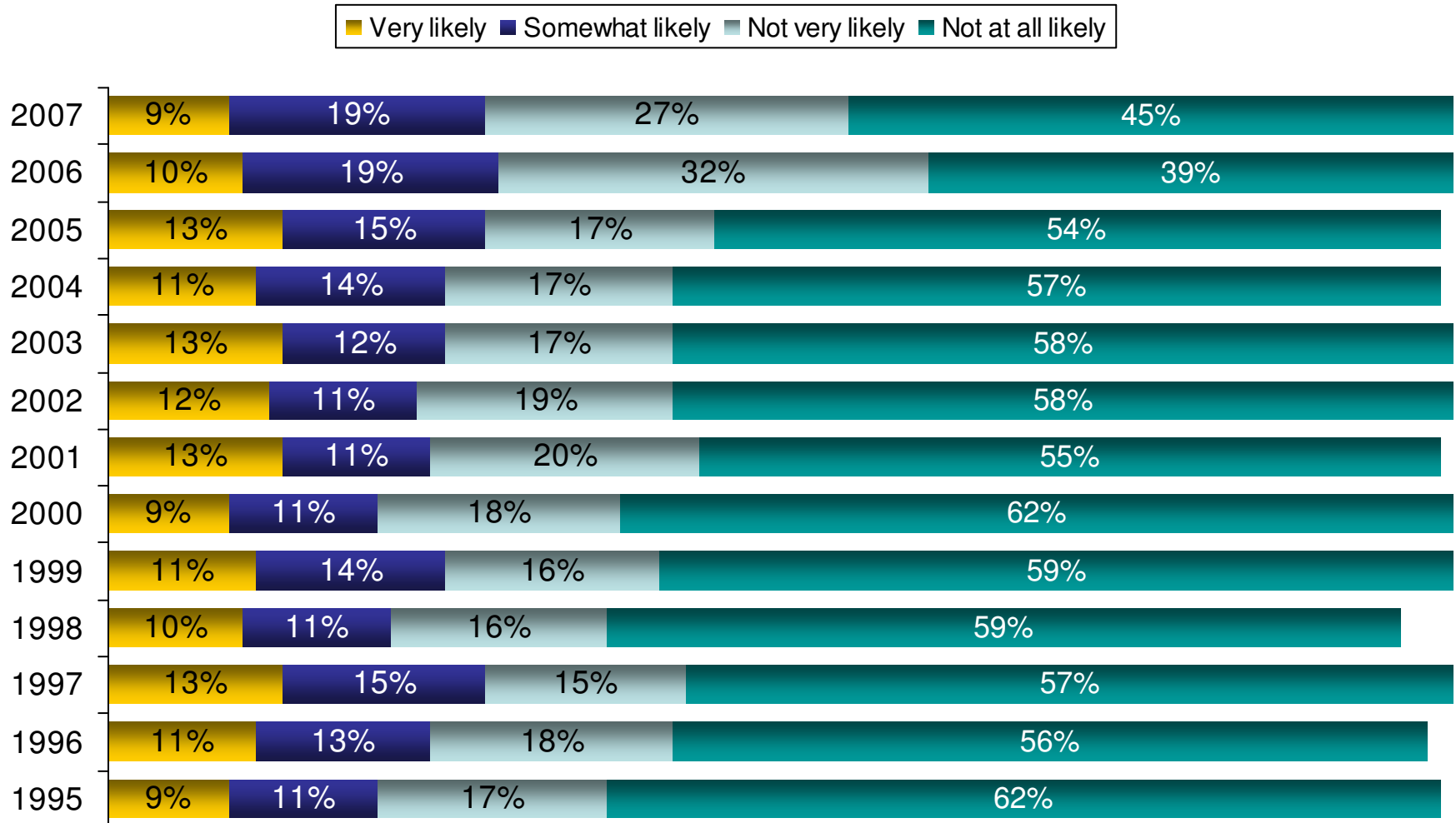


2007: 2404 Respondents; 2006: 2158 Respondents; 2005: 2,001 Respondents; 2004: 2,000 Respondents; 2002 & 2003: 1,500 Respondents; Previous years: 1,200 Respondents



While Those Very Likely To Buy Remains Stable, The Proportion Not At All Likely May Be Increasing...

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

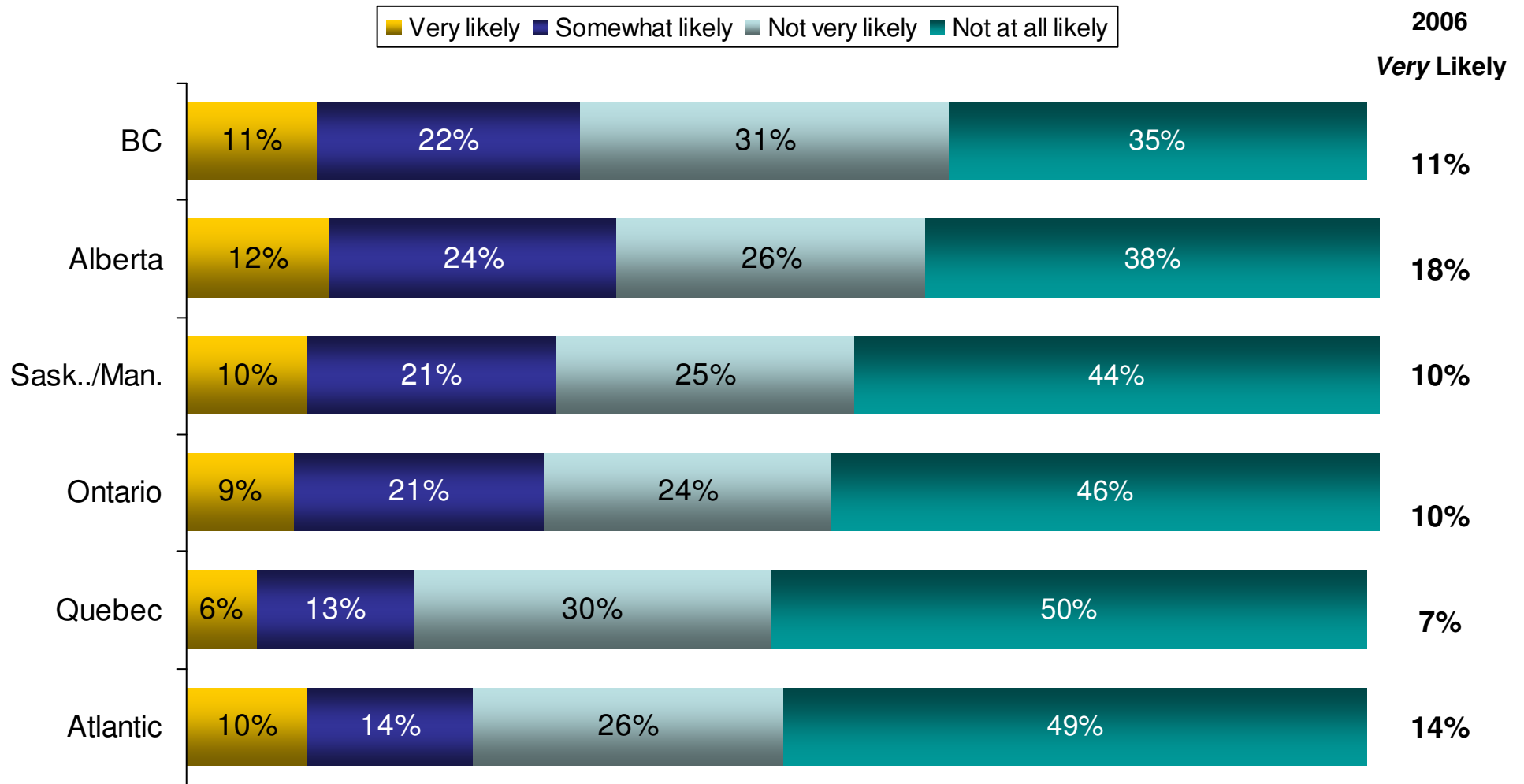


2007: 2404 Respondents; 2006: 2158 Respondents; 2005: 2,001 Respondents; 2004: 2,000 Respondents; 2002 & 2003: 1,500 Respondents; Previous years: 1,200 Respondents



Purchase Intentions Stable Across All Of The Regions Except Quebec, Where It Is Lower...Alberta Directionally Down...

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

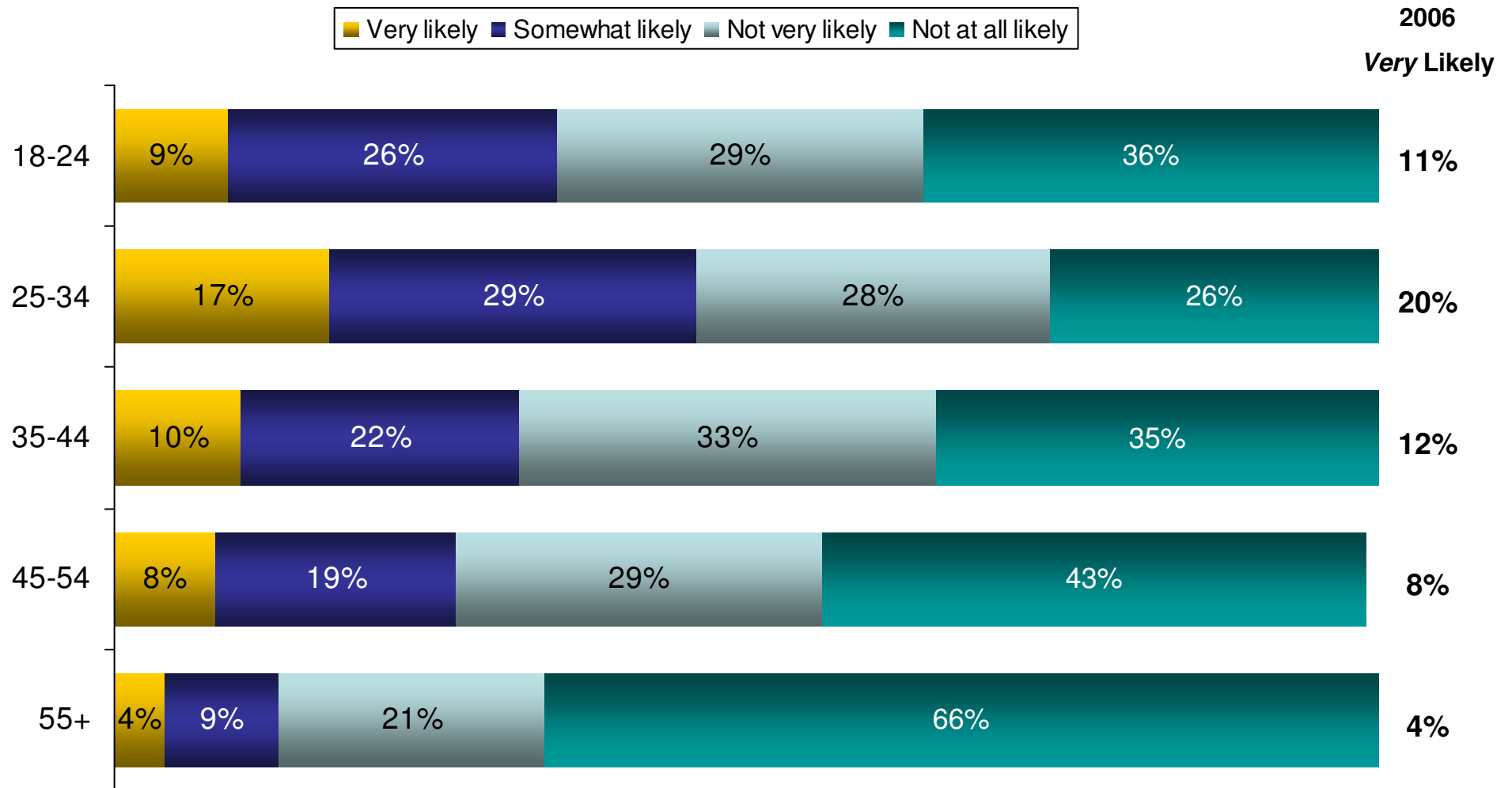


2007: BC N=342; Alberta N=235; Sask./Man N=170; Ontario N=847; Quebec N=627; Atlantic N=183



Those 25-34 Most Likely To Buy; Expectedly Those 55+ Least Likely...Consistent With '06 Findings...

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



2007: 18-24 N=194; 25-34 N=387; 35-44 N=457; 45-54 N=596; 55+ N= 769



Renters Appear Eager To Get Into The Market, Unchanged From Last Year

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

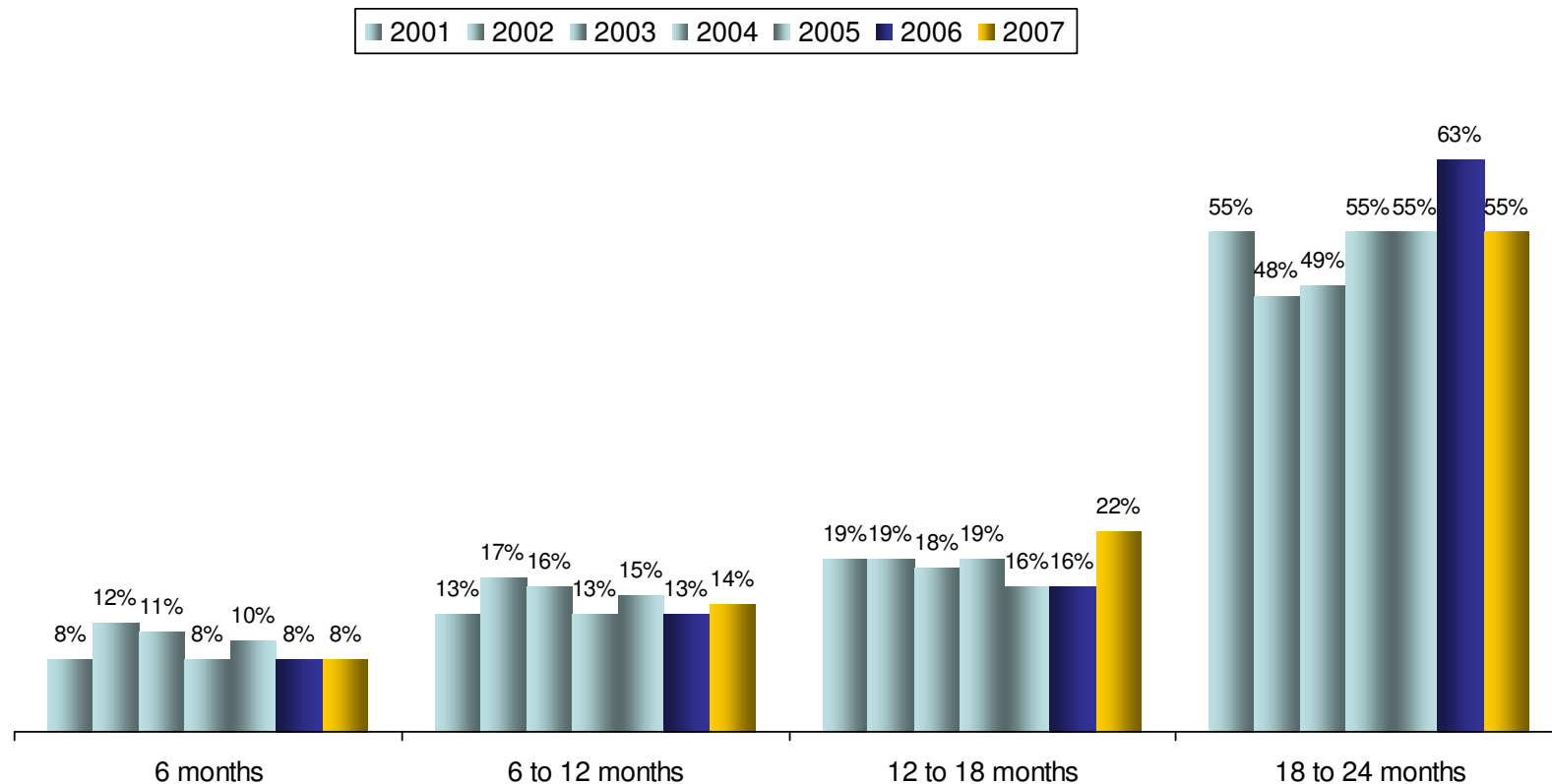
Very likely Somewhat likely Not very likely Not at all likely





Among The 28% That Plan To Buy In the Next 2 Years, The Plans Continue To Be Longer Than Shorter Term...

Do you plan to buy in the next...?

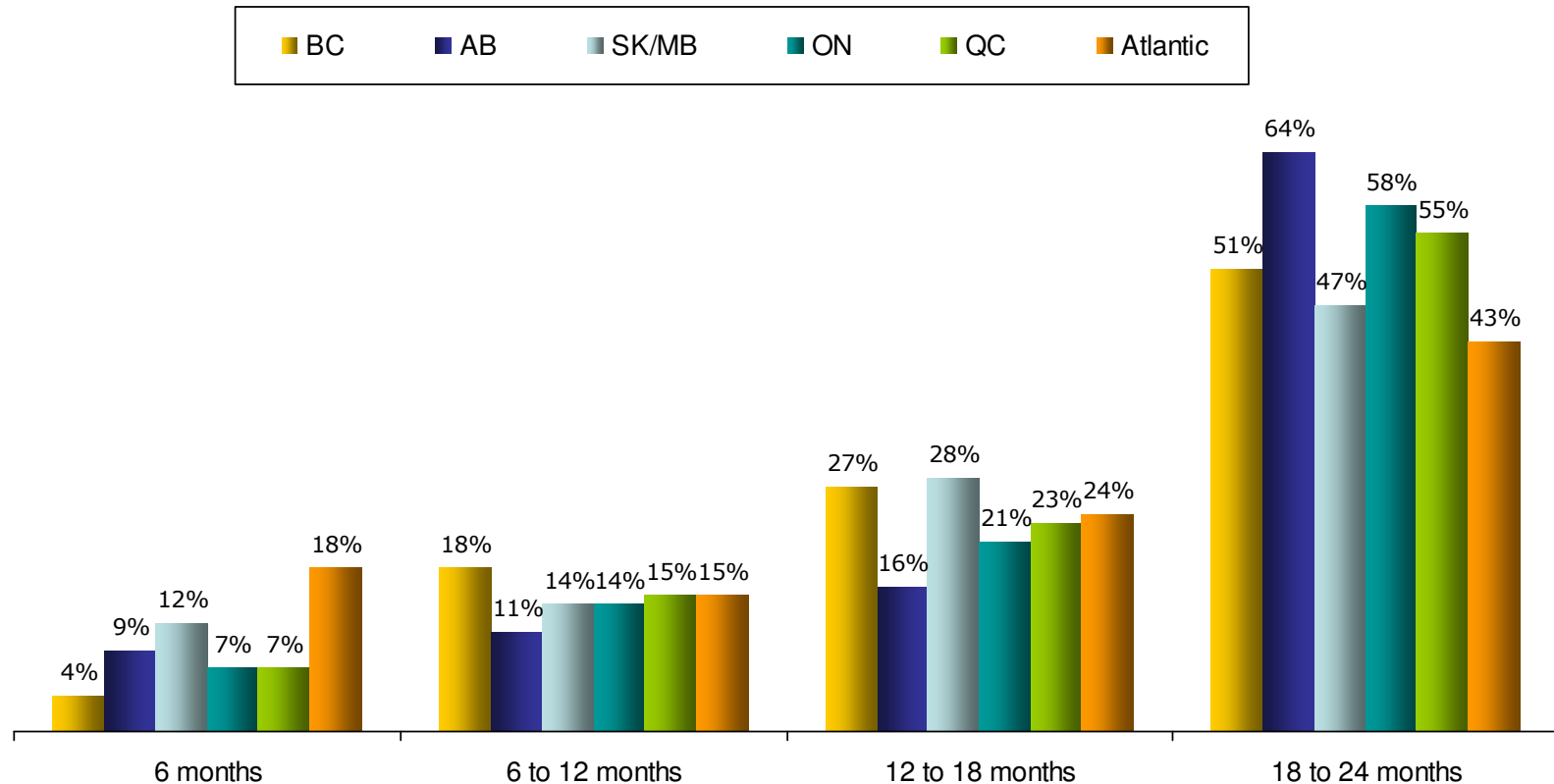


2007: Likely to buy in next two years (N=659); 2006: Likely to buy in the next two years (N=660); 2005: Likely to buy in the next two years (N=576); 2004: Likely to buy in the next two years (N=510); 2003: Likely to buy in next two years (N=378); 2002: Likely to buy in next two years (N=348); 2001: Likely to buy in next two years (N=291)



A Long Term Horizon Appears To Be The Norm Across The Country, Though Directionally Atlantic Canadians May Buy Sooner...

Do you plan to buy in the next...?



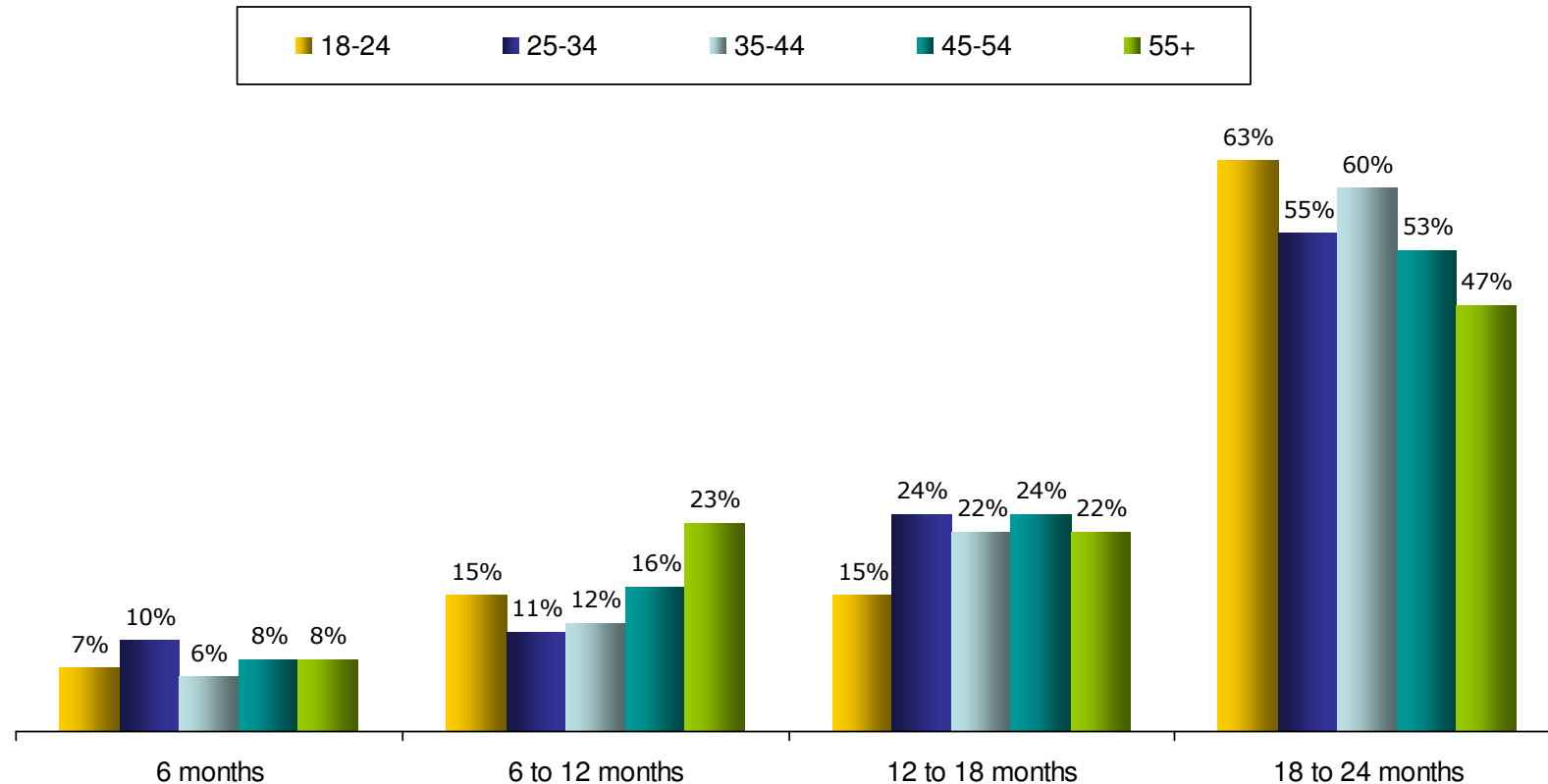
2007: BC N=109; AB N=83*; SK/MB N=52*; ON N=250; QC N=122; Atlantic N= 43*

*Caution: Small Base



A Long Term Horizon Is Also The Plan Across The Ages, Though Older Potential Buyers May Move Sooner...

Do you plan to buy in the next...?



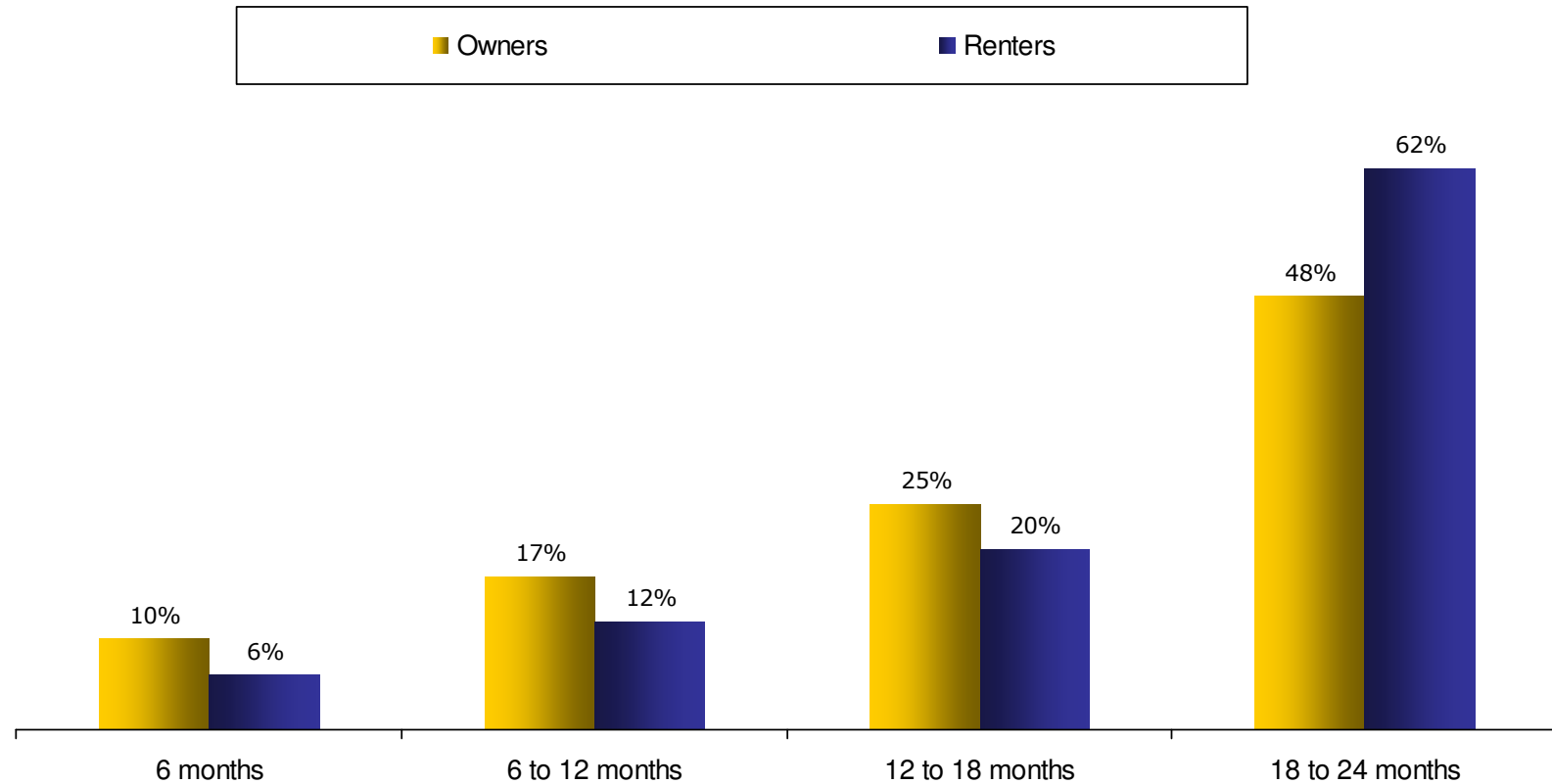
2007: 18-24 N=68*; 25-34 N=179; 35-44 N=146; 45-54 N=162; 55+ N=104

*Caution: Small Base



Renters Have A Longer Term Horizon Than Current Homeowners

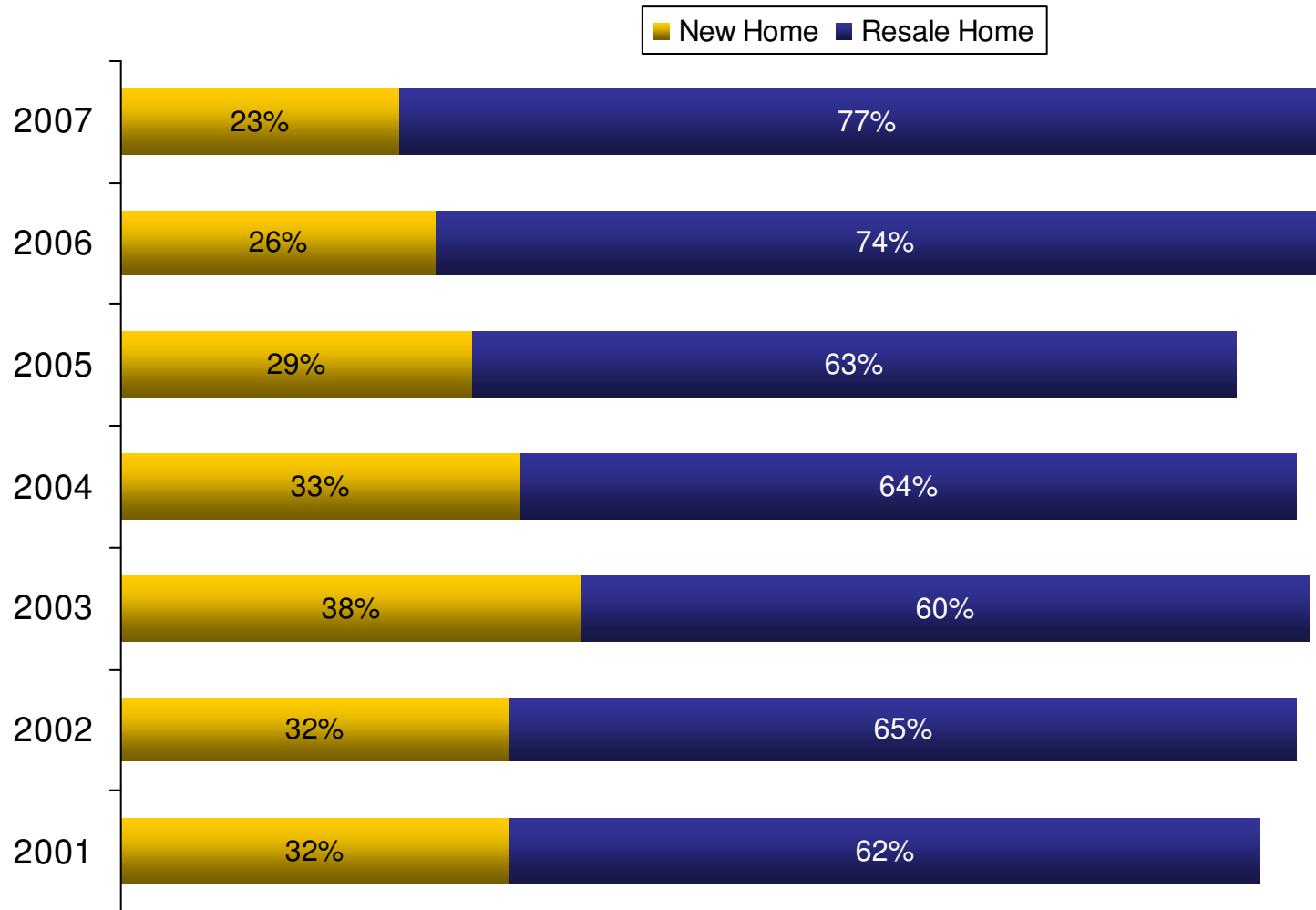
Do you plan to buy in the next...?





Resale Continues To Be The Likely Choice For Most Potential Buyers And May Be Trending Up...

Do you think you would be more likely to buy a newly built home or a resale home?

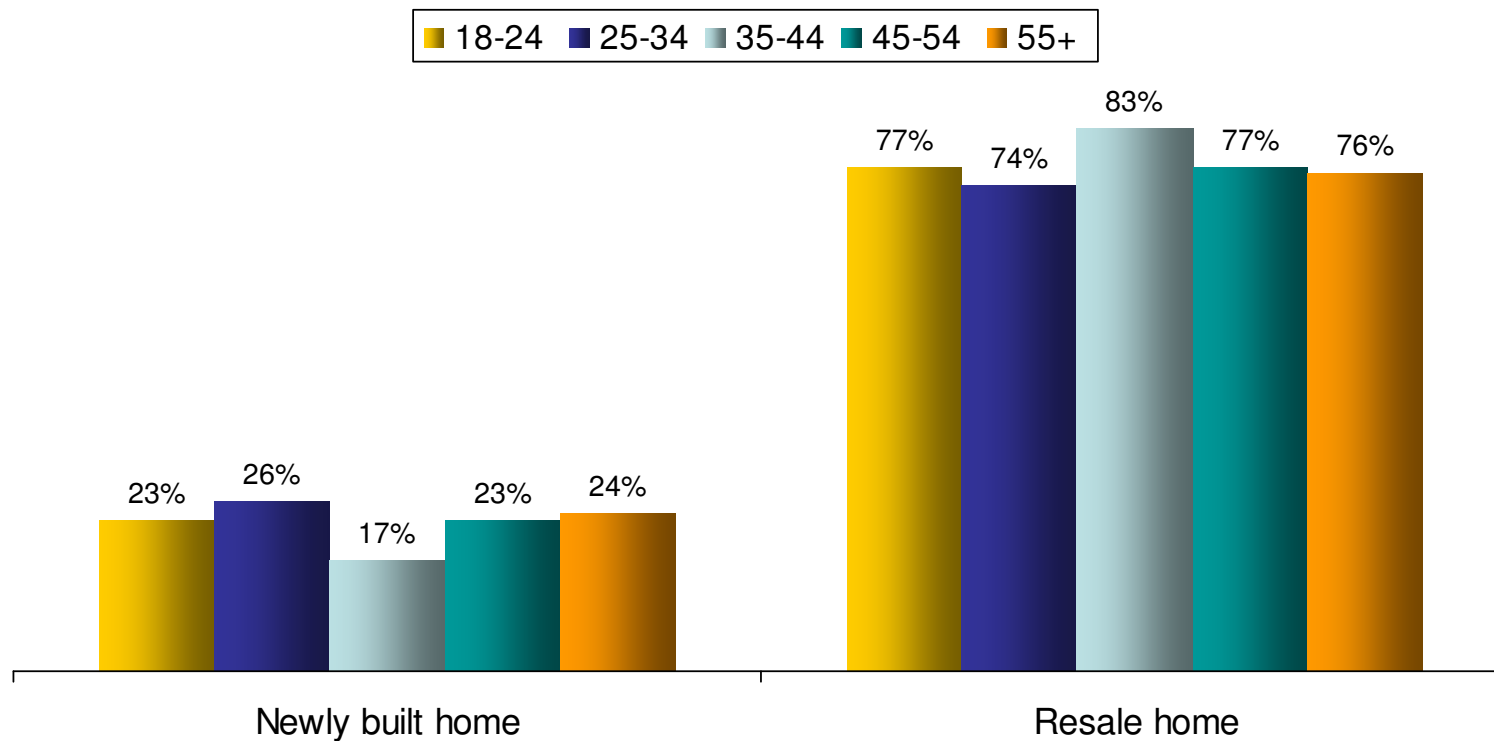


2007: Likely to buy in the next two years (N= 659); 2006: Likely to buy in the next two years (N=660); 2005: Likely to buy in the next two years (N=576); 2004: Likely to buy in the next two years (N=510); 2003: Likely to buy in next two years (N=378); 2002: Likely to buy in next two years (N=348); 2001: Likely to buy in next two years (N=291)



Resale Equally Preferred To New Build Across Age Groups

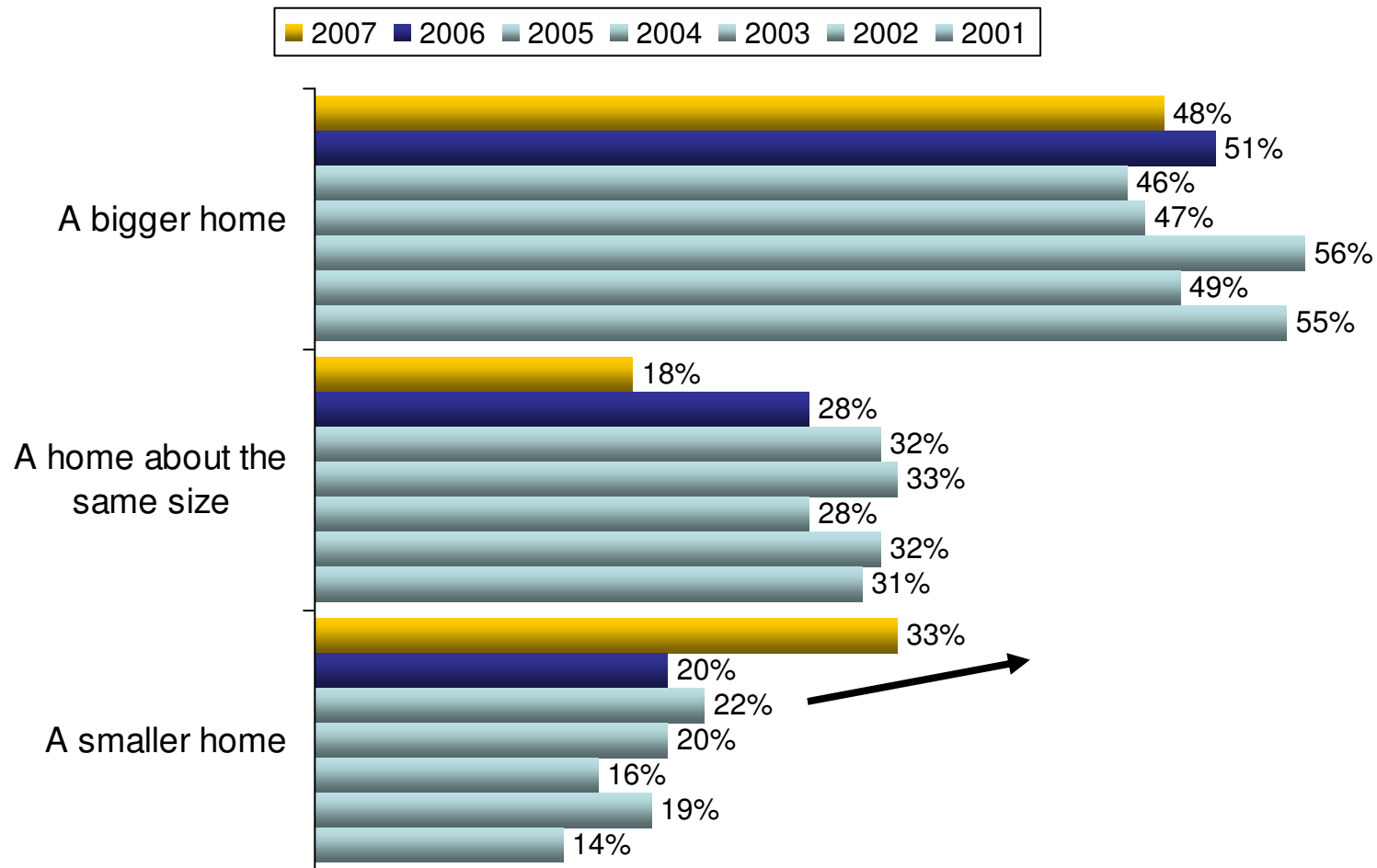
Do you think you would be more likely to buy a newly built home or a resale home?





And, While A Bigger Home Continues To Lead, There Is Increased Momentum In Downsizing...

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

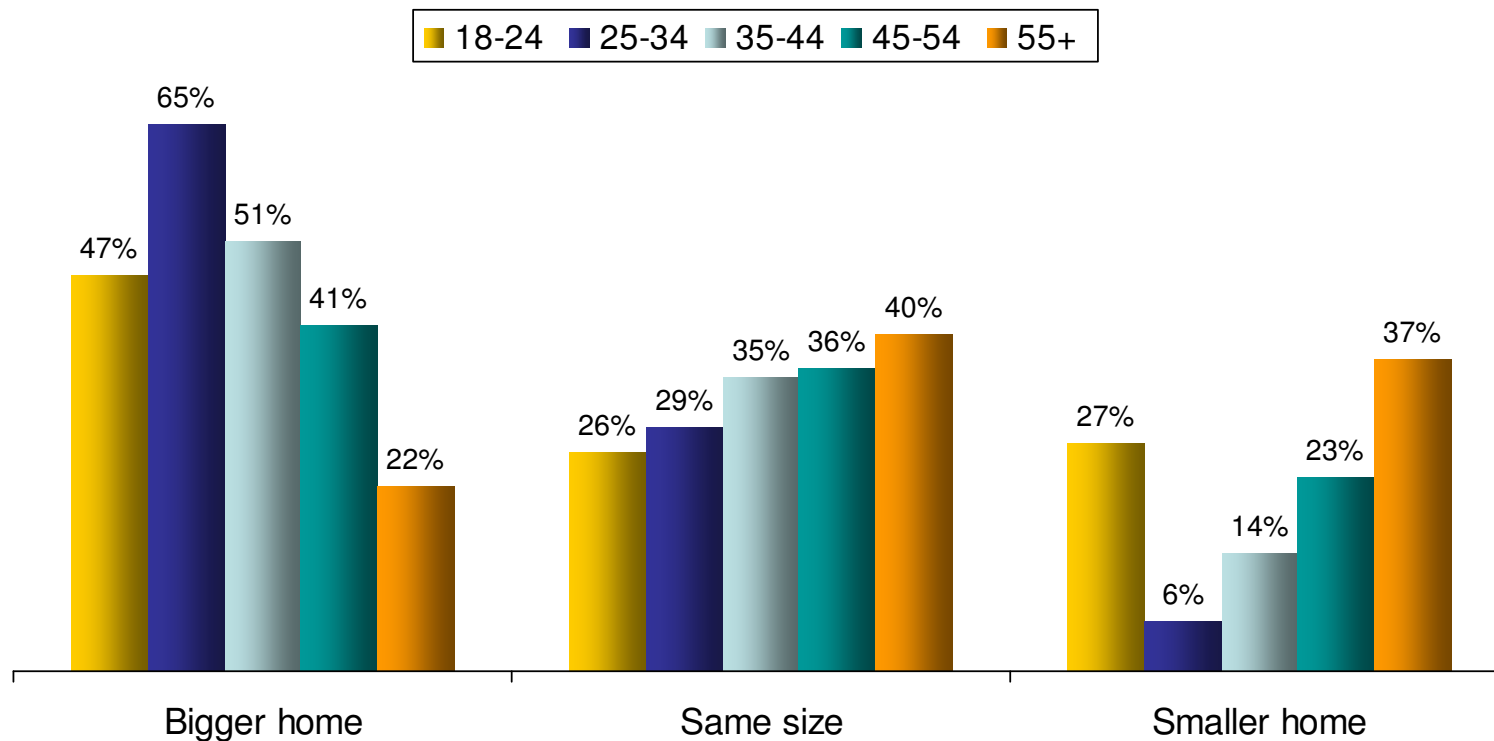


2007: Likely to buy in the next two years (N=659); 2006: Likely to buy in the next two years (N=660); 2005: Likely to buy in the next two years (N=576); 2004: Likely to buy in the next two years (N=510); 2003: Likely to buy in next two years (N=378); 2002: Likely to buy in next two years (N=348); 2001: Likely to buy in next two years (N=291)



In An Expected Age Pattern, The Propensity To Want To Downsize Increases With Age, And The Young To Middle-Aged Adults Want More Space

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



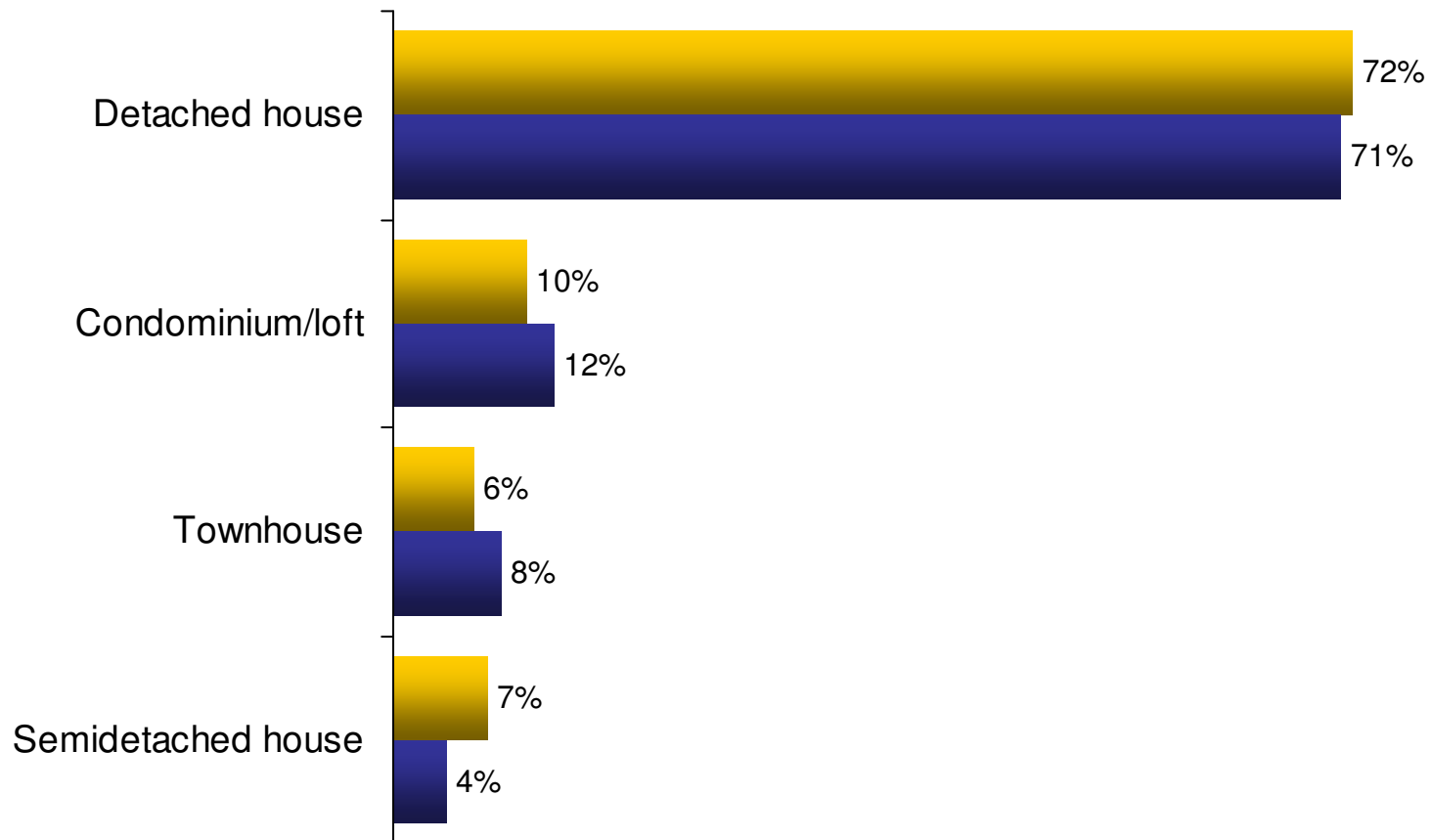
2007: Likely to buy in the next two years (N=659); 18-24 N= 68*; 25-34 N=176; 35-44 N=146; 45-54 N= 162; 55+ N=104

*Caution Small Base Size



Those Planning To Buy Continue To Favour Detached Houses...

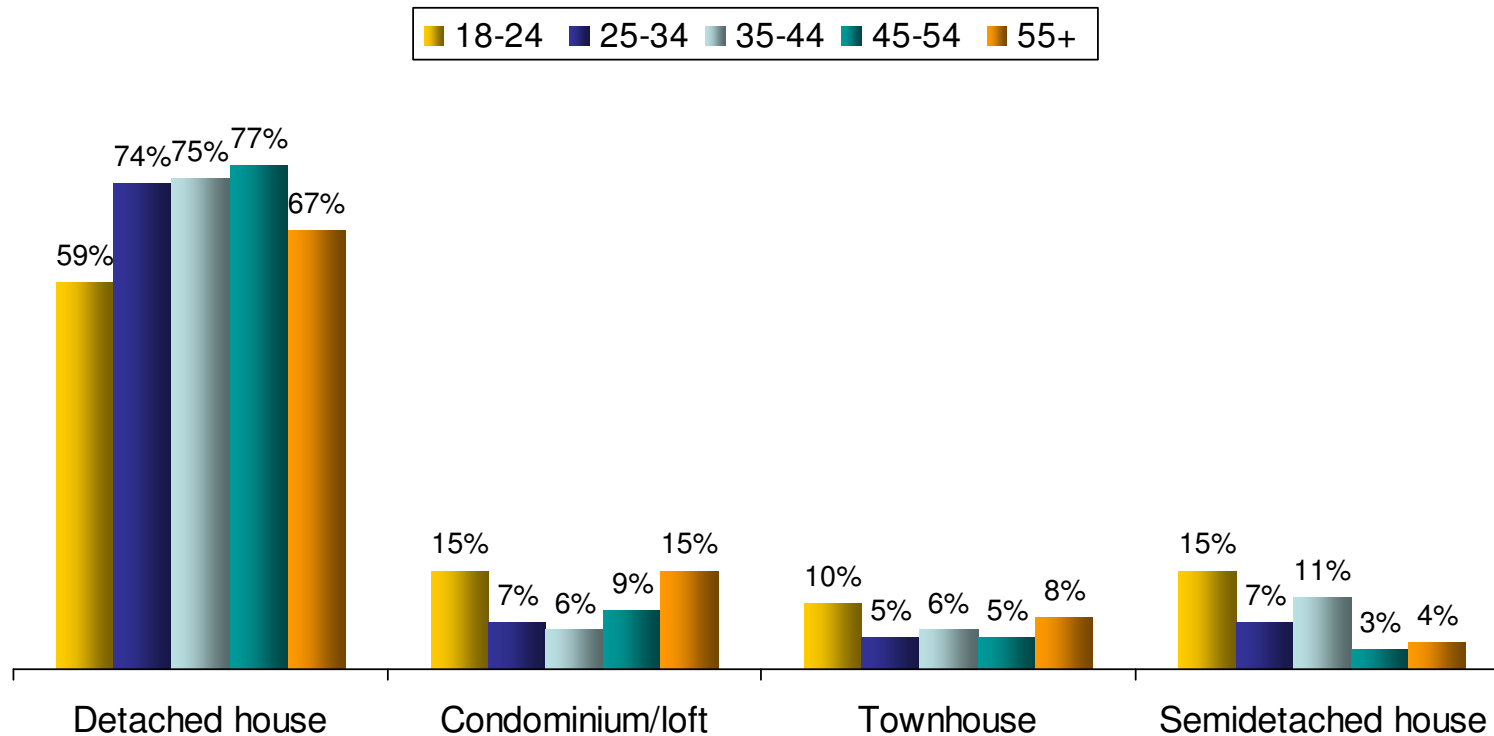
Which of the following types of housing best describes the home you plan to buy?





Across The Ages, Most Prefer Detached; The Young & The Old More Likely To Be Thinking Condo/Loft

Which of the following types of housing best describes the home you plan to buy?



2007: Likely to buy in the next 2 years (N=659); 18-24 N=68*; 25-34 N=179; 35-44 N=146; 45-54 N=162; 55+ N= 104

*Caution Small Base Size



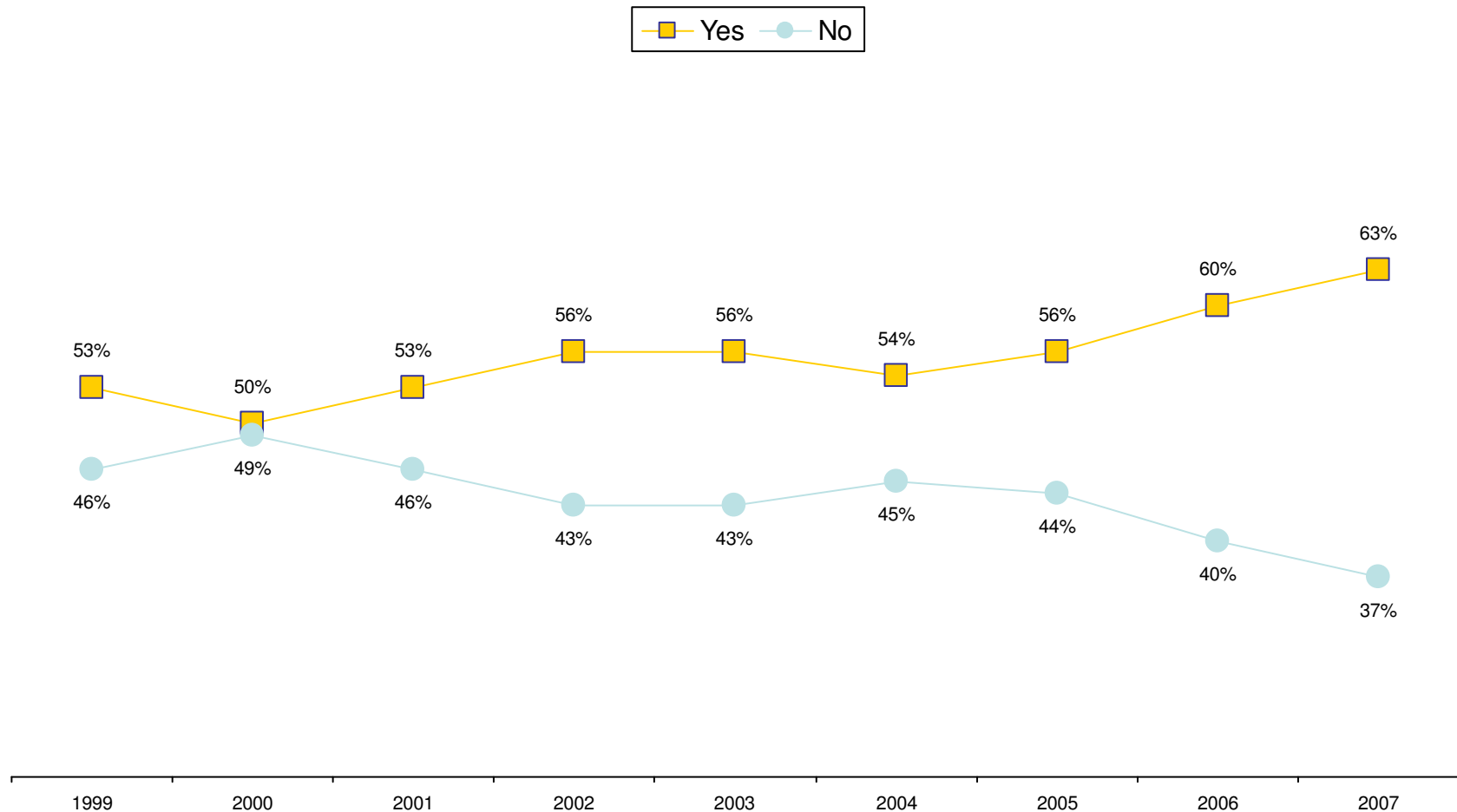
Mortgages

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The Proportion Of Homeowners With A Mortgage Continues To Nudge Upwards; 2 In 3 Today...

Do you have a mortgage on your home?

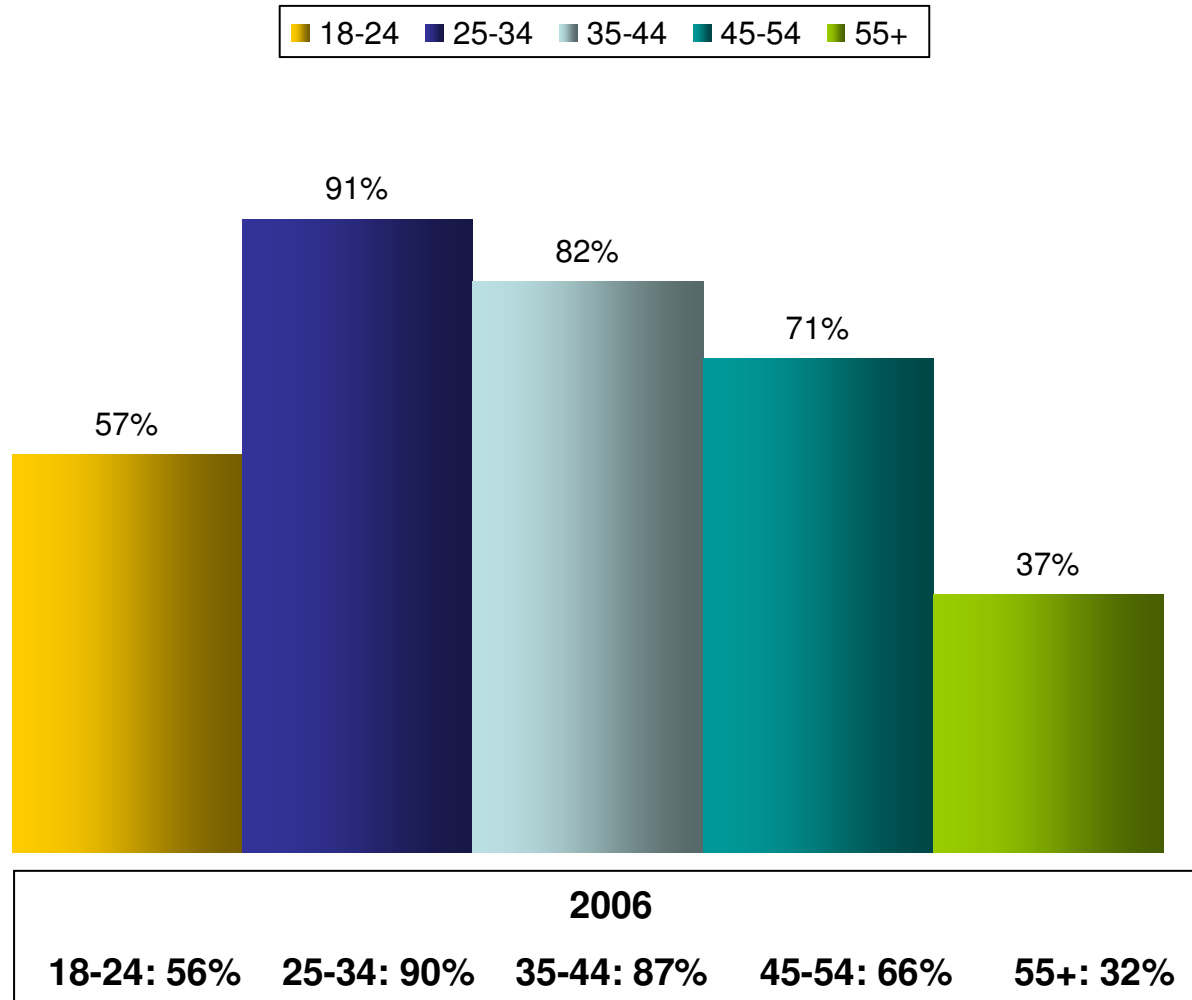


2007: Homeowner (N=1494); 2006: Homeowners (N=1434); 2005: Homeowner (N=1297); 2004: Homeowners (N=1268); 2003: Homeowners (N=1039); 2002: Homeowners (N=1027); 2001: Homeowners (N=800)



In An Expected Age Pattern, It's Middle-Aged Homeowners Who Are Most Likely To Hold A Mortgage; Unchanged From 2006...

Do you have a mortgage on your home?



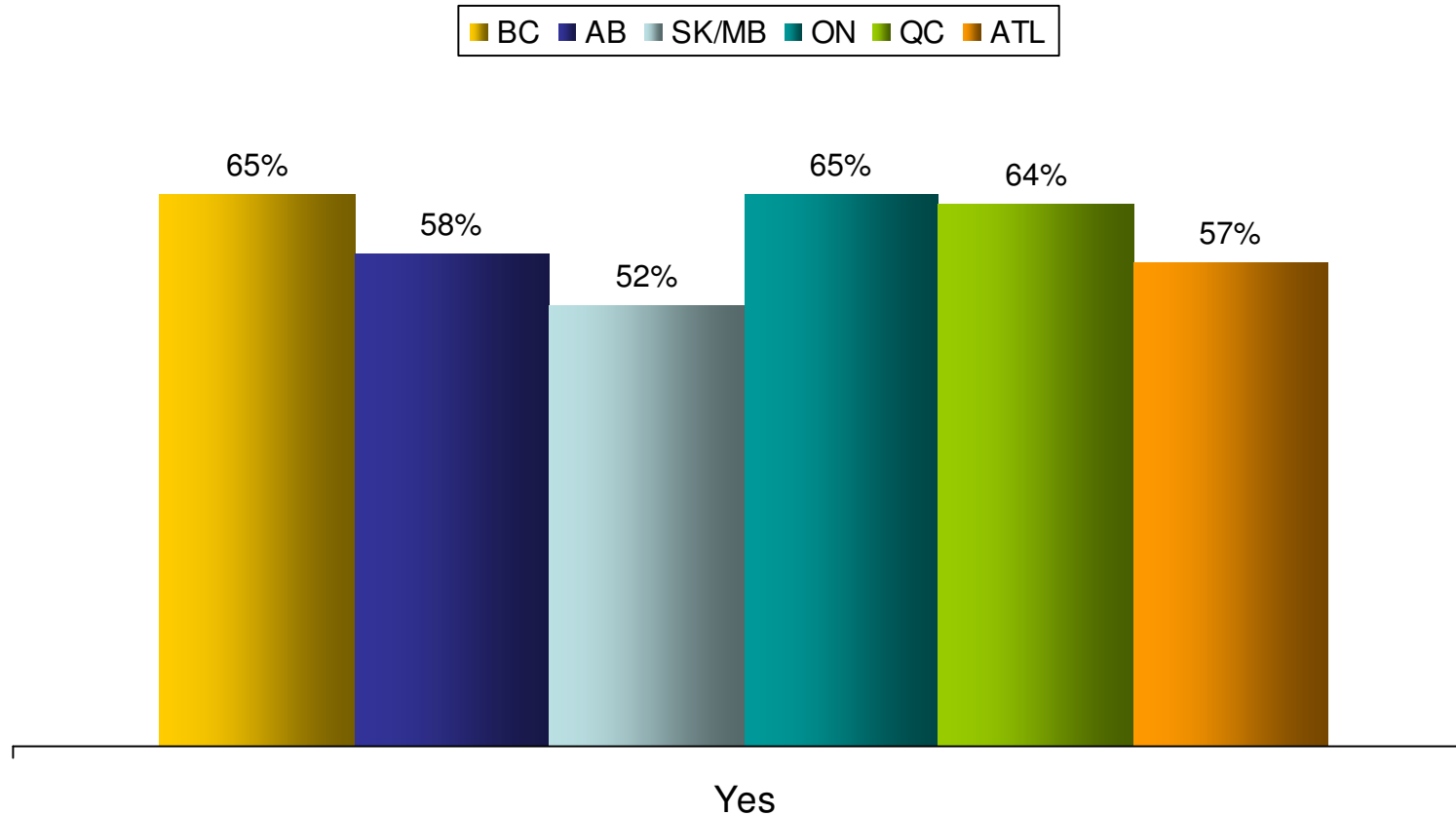
2007: 18-24 N=48*; 25-34 N=179; 35-44 N=274; 45-54 N=416; 55+ N= 576

*Caution Small Base Sizes



Across Canada, Most Homeowners Have A Mortgage, Fewer In The Prairies Though

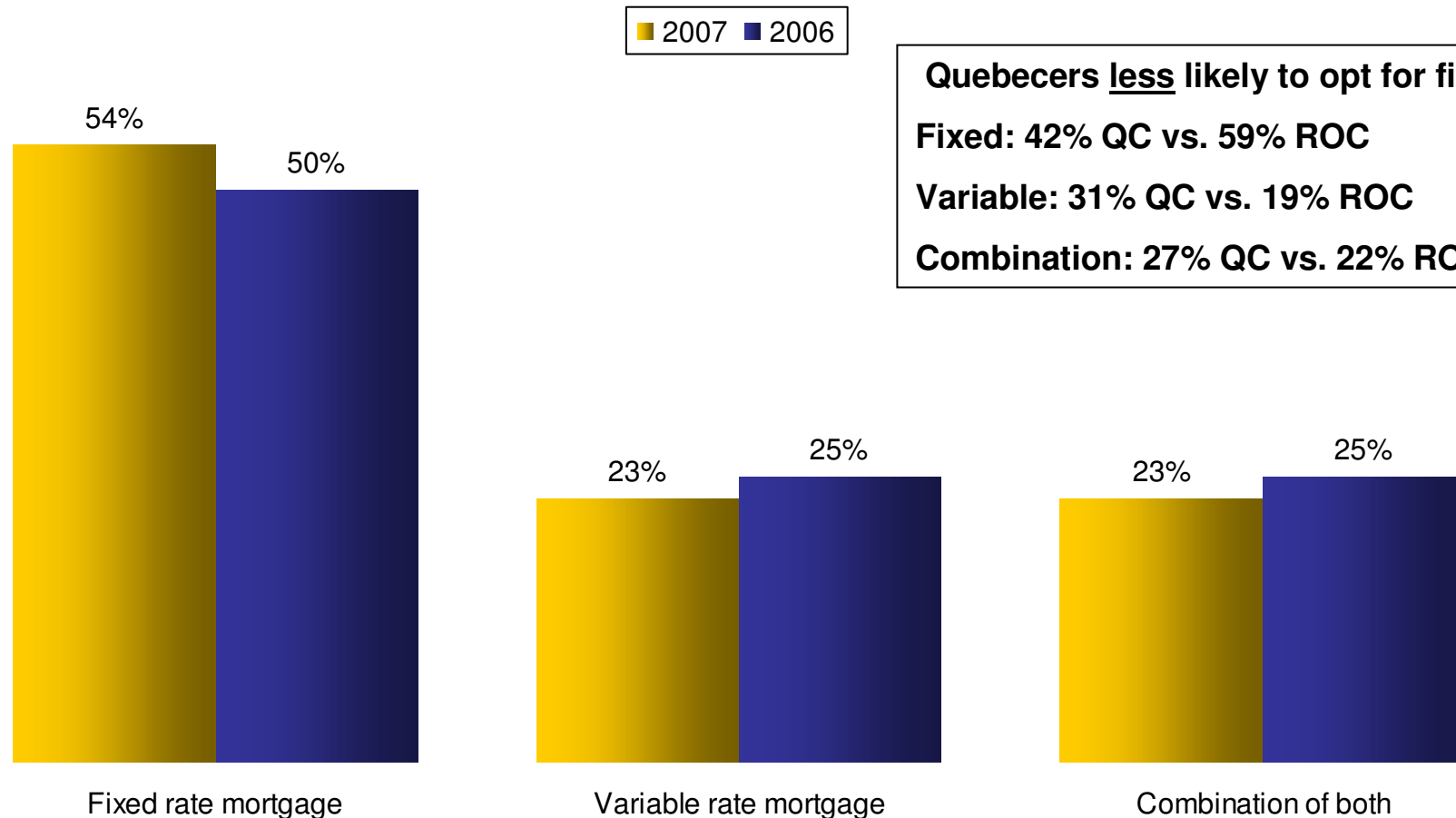
Do you have a mortgage on your home?





Among The 2/3 Of Homeowners With Mortgages, Half Plan To Go Fixed When They Next Renew, The Rest Are Split; Unchanged From Last Year

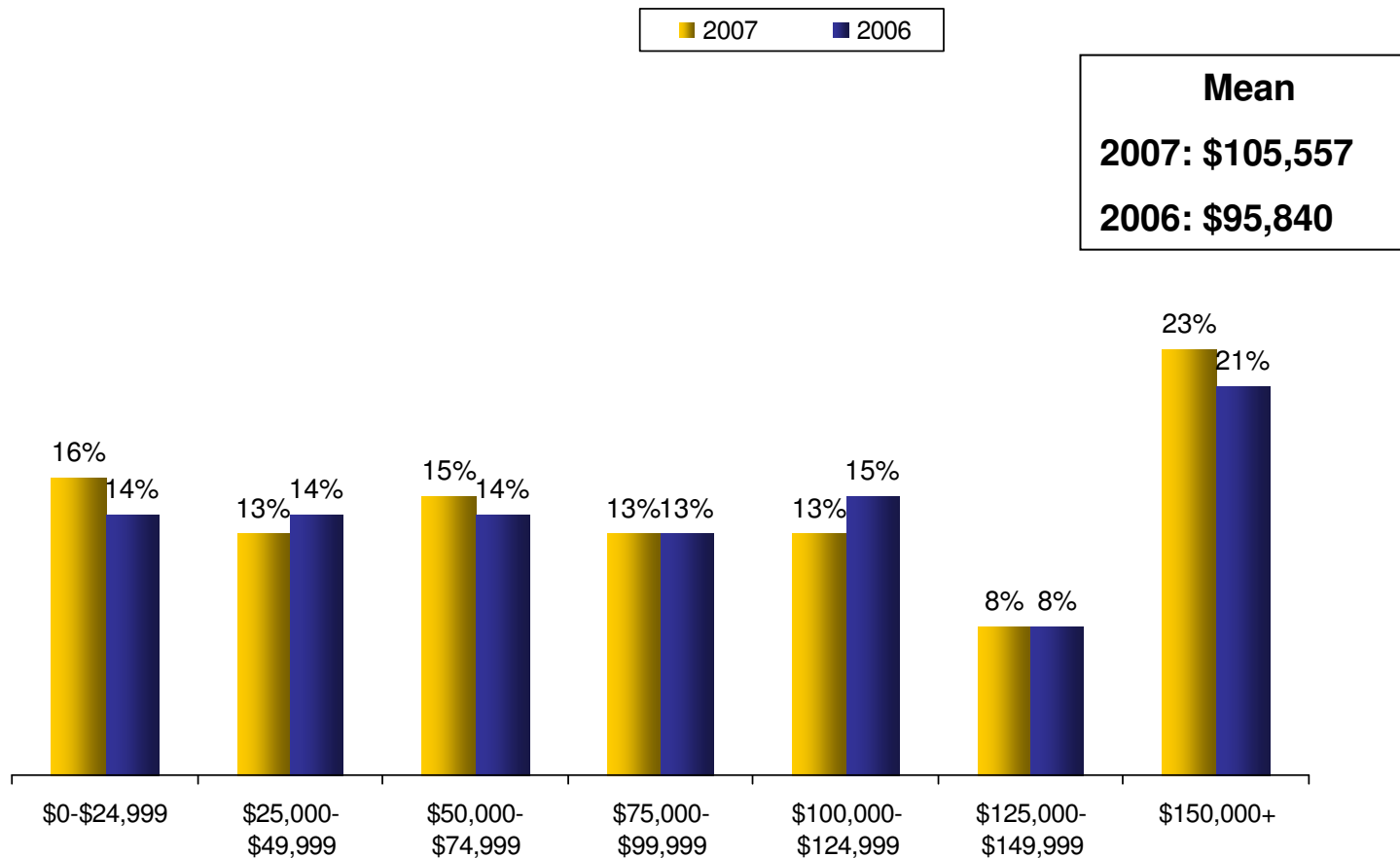
When you next renew your mortgage, are you likely to choose a fixed rate mortgage, a variable rate mortgage, or a combination of both?





Mortgage Holders Have On Average \$106K Left To Pay, Up \$10K From Last Year

How much is left to pay on the mortgage on your home?





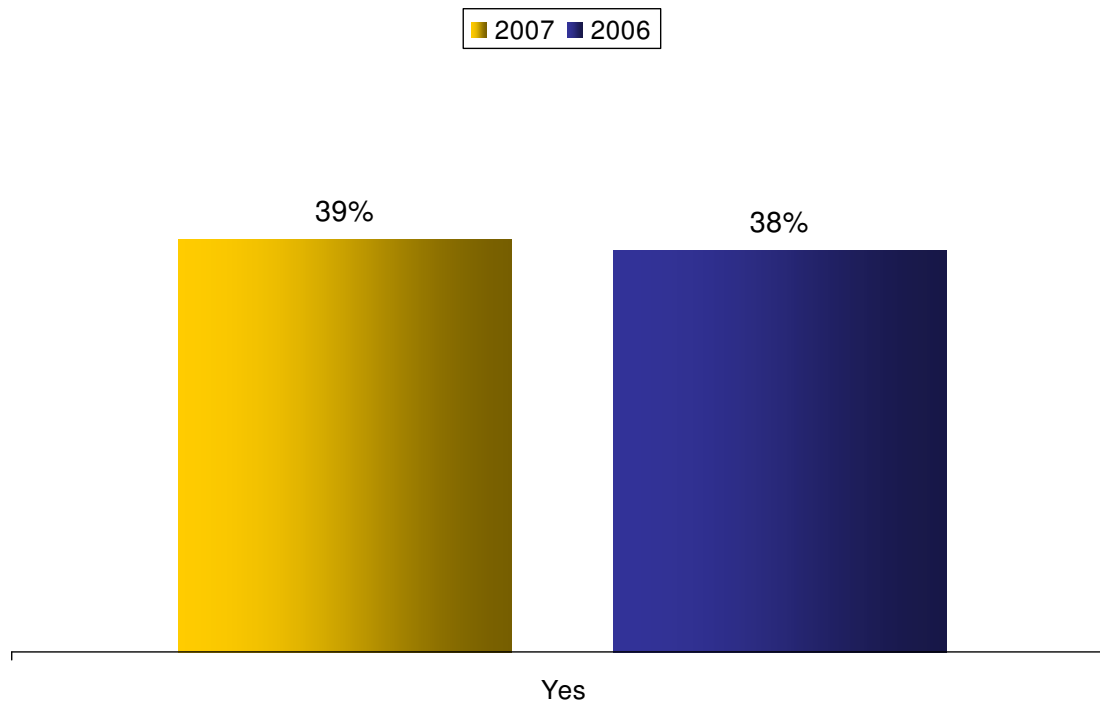
Refinancing & Borrowing

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Four In Ten Homeowners Have Borrowed Against The Equity In Their Home, Unchanged From Last Year

Have you ever borrowed against the equity in your home, that is, by refinancing your mortgage to a larger amount, or by taking out a home equity line of credit?



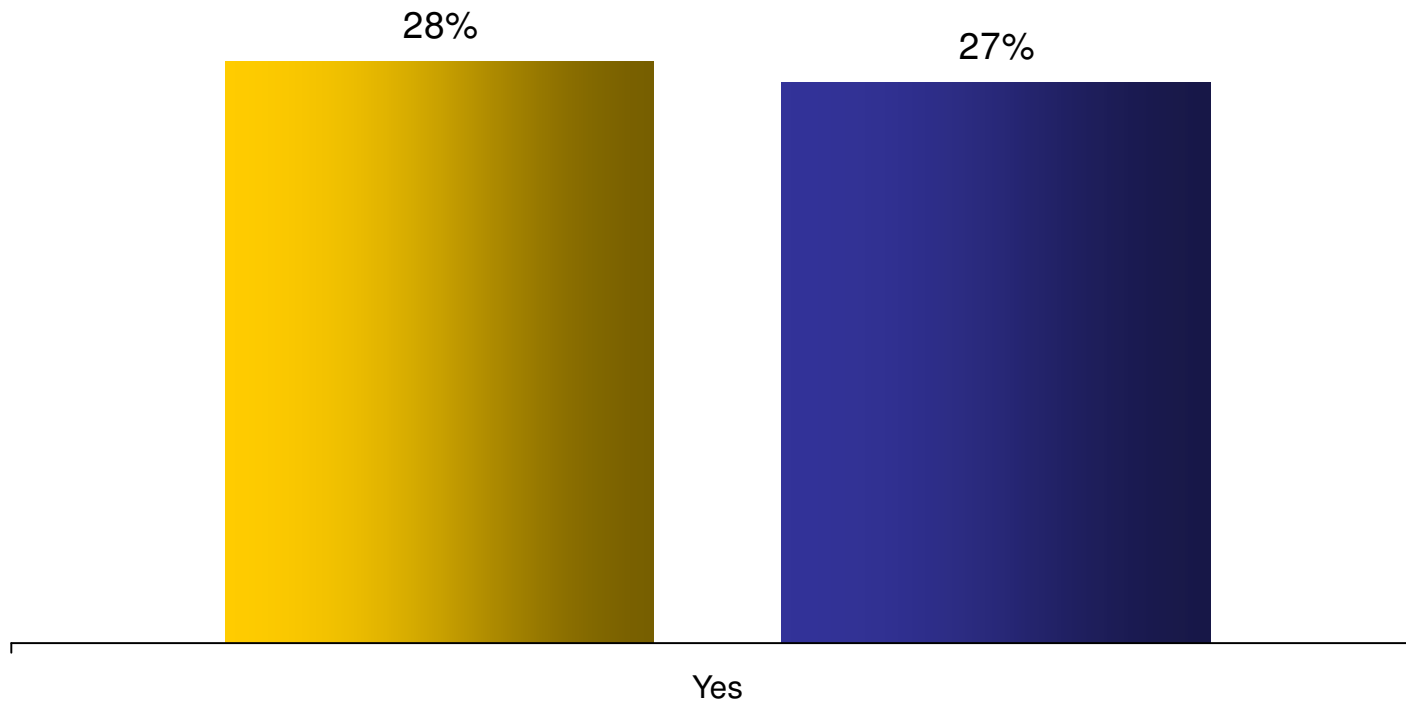
	Yes
18-24*	28%
25-34	33%
35-44	37%
45-54	47%
55+	37%
BC	40%
Alberta*	46%
Sask./Man.*	46%
Ontario	42%
Quebec	28%
Atlantic*	33%



Three In Ten Have Refinanced Their Mortgage In The Last Year, Also Unchanged

Have you refinanced your mortgage in the last 12 months?

■ 2007 ■ 2006





For more information, please contact one of our project team members:

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