

Seven in Ten (67%) Canadian Home Owners Plan to Renovate Over the Next 2 years

Majority (55%) are planning renovations within 12 months

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Seven in Ten (67%) Canadian Home Owners Plan to Renovate Over the Next 2 years

Majority (55%) are planning renovations within 12 months

Toronto, ON – It appears that a majority of Canadian homeowners are planning on making home improvements or renovations in the near future. In a study conducted by Ipsos Reid for RBC, seven in ten Canadians (67%) are planning on some type of home renovation in the next two years, with over half (55%) saying renovations would take place within the next 12 months. Bathrooms (35%) and Kitchens (29%) were the most popular targets for large scale renovations, while a significant number homeowners are also planning to make home improvements by painting (45%) or installing new floors (29%).

It appears that the primary reason behind most renovations is a desire to make homes more attractive (61%), while fewer homeowners cited financial factors, such as a desire to increase the home's value (23%) or make it easier to sell the home (10%) as the most significant motivator behind renovations. A smaller segment of Canadian homeowners may be thinking more about the environment, or at least their energy bill, as they plan to renovate in order to increase the energy efficiency of their home (14%). Other homeowners, three in ten (28%), are planning renovations as part of home maintenance, repairs or for safety reasons.

For those who have already decided to renovate, there appears to be no shortage of places where homeowners can draw inspiration. Big box stores topped the list, with 41% using these stores as a place to get ideas about designs, colours and other features. The homes of families, friends and neighbours were also popular sources of inspiration (36%), as were

magazines (32%) and TV home improvement shows (26%). Other sources of inspiration included specialty stores (24%), other large retailers (17%) and model homes (10%).

In terms of paying for these improvements, a slim majority (51%) say they plan to finance the entire cost of renovations with cash or savings, with another 21% indicating that cash or savings would cover 'most of it'. For homeowners planning to finance the cost of renovations through other means, a line of credit (28%) and credit cards (27%) were the most popular choices. When asked to consider borrowing against the equity in their home to finance renovation costs, 41% indicated that this might be a possibility, while 53% said this would not be an option that they would consider.

It looks as if a significant number of Canadians are budgeting for their home improvements, but this might not guarantee costs will be kept under control. While two-thirds (66%) of Canadians who have completed renovations in the past two years report having used a budget, four in ten (43%) of these projects had costs that exceeded what was originally budgeted. Renovations that went over budget did so by an average of 73% across the country.

If the cost of renovations is worrying some homeowners, they may be able to save money by doing some or all of the work themselves. When asked who would do the majority of work on upcoming renovations, nearly half (49%) said they would do the work themselves, while 36% said that their spouse or partner would be doing most of the heavy lifting. Still, a significant number of homeowners (38%) decided to let others do most of the work by hiring a private contractor.

These are the findings of an Ipsos Reid poll conducted on behalf of RBC from August 1 to 7, 2007. For the survey, a representative randomly selected sample of 3853 homeowners was interviewed online.

With a sample of this size, the results are considered accurate to within ± 1.6 percentage points, 19 times out of 20, of what they would have been had the entire adult population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure that the sample's regional and age/sex composition reflects that of the actual Canadian population according to Census data.

Nearly seven in ten (67%) Canadian homeowners are planning home improvements within the next two years...

Canadians appear eager to improve their home, with 55% of homeowners indicating they are planning to renovate their home in the next 12 months and 67% indicating they would like to do so within two years.

- Homeowners in Saskatchewan and Manitoba (75%) are most likely to be planning a home renovation in the next two years, while homeowners in Quebec (64%) are the least likely
- Younger Canadian (60%), aged 18 to 34, are more likely to be planning a home renovation in the next 12 months than are older Canadians above fifty-five (48%)

Bathroom (35%) and Kitchen (29%) upgrades appear to be the most common type of renovation, but landscaping (25%), basements (25%) and outdoor decks (24%) were also popular targets for upgrades.

- Alberta is the only region where outdoor decks and patios (34%) are more popular targets for renovation than kitchens (28%) and bathrooms (33%)

- Younger homeowners, aged 18 to 34, were more likely to include outdoor projects such landscaping (29%) and outdoor decks (28%) than were Canadians above 55 (19% and 18%, respectively)

Albertans are Canada's biggest home renovation spenders ...

Homeowners in Alberta are planning to spend the most on home renovations when compared to other regions of the country. Albertans estimated they would spend an average of \$12,988 on home improvements, well above the Canadian average of \$9,843 and nearly double the average estimated spending by Quebecers of \$6,861, which represents the lowest average in the country. Seven in ten (72%) say they plan to pay for 'all' (51%) or 'most' (21%) of their renovation with cash or savings. A line of credit (28%) and credit cards (27%) are the most popular way to finance the remaining cost. Fewer Canadians are planning on using their home as a source of financing, with 18% planning to use a home equity line of credit and 12% planning to refinance or add on to an existing mortgage.

- Homeowners in Alberta (41%) are most likely to use a home equity line of credit to finance renovation costs not paid for using cash or savings, while those in Saskatchewan and Manitoba (34%) are most likely to use credit cards.
- British Columbians (7%) are most likely to pay for renovations without any cash or savings, while homeowners in Ontario are most likely (54%) to pay for their entire renovation with cash or savings.

Two-thirds (66%) of renovations were done under a budget, but home improvement costs may still be an issue for some Canadians...

Regardless of what method they use to pay for home improvements, a significant majority of Canadians are making a financial plan to deal with these renovations. Two-thirds (66%) of Canadian homeowners who completed home improvements in the past two years reported having a budget. However, this does not guarantee that costs will always be kept under control, as 43% of these indicated that the eventual cost of renovations went beyond what they had budgeted. Those who reported exceeding their planned costs went over budget by an average of 73%. In addition, when asked to name their 'biggest renovation headache', 34% said 'the overall cost of renovation'. Still, while many continue to be concerned over costs, nearly half (46%) are most frustrated with the time it took to complete renovations.

- Ontario homeowners (72%) are most likely to have a renovation budget, while Albertans (60%) are least likely to have one; however, for those who exceed their budget, Ontarians exceed it by the greatest amount (81%), while Albertans exceed it the least (31%)
- For renovations completed in the past two years, Atlantic Canadians (40%) are most likely to cite overall cost of renovations as their 'biggest renovation headache'

Nearly eight in ten (78%) homeowners say they would consider environmentally friendly home improvements if it saves them money in the long-run...

When planning future home improvements and renovations, Canadians appear to be increasingly conscious of environmental concerns. A significant majority (78%) would

consider environmentally friendly renovations if it saved them money in the long-run, even if such improvements cost more now. In addition six in ten (60%) homeowners say that their future renovation plans already include at least some environmentally friendly improvements. However, fewer than one in ten (9%) say that they would choose an environmentally friendly option that did not save money in the long-run, while 13% indicated they would choose the least expensive alternative and not worry about the environment. In terms of learning more about the environmental impact of future home improvements, 63% of homeowners say they would consider an environmental audit before renovating to improve the comfort of their home and reduce energy consumption. For those who said they would not consider such an audit, concerns over cost were the most significant reason, cited by 54% of respondents.

- Homeowners in Saskatchewan and Manitoba are most likely to consider an environmental audit (80%) and to report including environmentally friendly improvements in their renovation (70%)
- Quebec homeowners are least likely to consider an environmental audit (47%), and most likely to choose the least expensive renovation approach without worrying about the environmental impact (17%)
- Atlantic Canadians (64%) are most likely to cite cost as the main reason they are not interested in an environmental audit

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