

# Housing market to potentially cool in 2008

## *Overall Intention to Purchase Declines by Five Points since 2007*

Public Release Date: Tuesday, March 4, 2008, 6:00am EST



**Ipsos Reid**

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# Housing market to potentially cool in 2008

## *Overall Intention to Purchase Declines by Five Points since 2007*

**Toronto, ON** – A new Ipsos Reid poll conducted on behalf of RBC points to a number of indicators that Canada's housing market may be beginning to slow. The percentage of Canadians who plan to purchase a new home in the next year fell by five percentage points to its lowest level in several years (23%), while the percentage of Canadians who say that they are 'very likely' to buy fell by two percentage points to 9%. Albertans are most likely (30% are very/somewhat likely) to buy a home in the next two years, while Atlantic Canadians (19%) are least likely.

- Notably, while only 22% of Ontarians overall intend to purchase a home within the next two years, purchase intention among those in the GTA remains above the national average (26%).

Despite the overall decline, the bulk of Canadians (85%) continue to believe that a home is a good investment. Although this represents a decline of five points since last year, it remains well above levels witnessed ten years ago when just three-quarters (76%) believed that purchasing a home was a good investment.

The decline in those who think that a home is good investment is mirrored by a similar decline in the number of Canadians who expect housing prices to rise, which fell by three percentage points from last year to 56%. Canadians have become somewhat more optimistic about mortgage rates as the percentage of those who believe that rates will decline has



increased by seven percentage points to 23%. However, this variation is partially mitigated by the increase to almost one-half (46%) who believe that mortgage rates will increase this year.

This year's poll also pointed to the increasing popularity of condominiums and lofts as housing choice, with 12 per cent of respondents indicating that they planned to buy this type of home compared to nine percent in the 2004 edition of the poll.

- Not surprisingly, the percentage of those choosing a condominium or loft was highest in the GTA (23%) and British Colombia (18%) and was lowest in Atlantic Canada (2%).

Canadians 55 years old and older were also more likely (15%) to plan on purchasing a condominium than other Canadians, perhaps reflecting a desire to downsize in retirement. This was in contrast to the overall trend towards trading up, with 52% indicating that they would prefer a larger home, an increase of four percentage points over last year.

*These are some of the findings of an RBC poll conducted by Ipsos Reid between January 17 and 21, 2008. The online survey is based on a randomly selected representative sample of 3,023 adult Canadians. With a representative sample of this size, the results are considered accurate to within  $\pm 1.8$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2006 Census data.*

***For more information on this news release, please contact:***

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