

# Two in Three (64%) Canadians Foresee Higher Mortgage Rates in Year Ahead

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Buyers Need to Think Ahead To Ensure They Can Still  
Afford Mortgage Payments if Rates Rise*

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**Ipsos Reid**

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## **Two in Three (64%) Canadians Foresee Higher Mortgage Rates in Year Ahead**

***Three Quarters (73%) of Homeowners 'Strongly Agree' that Home  
Buyers Need to Think Ahead To Ensure They Can Still  
Afford Mortgage Payments if Rates Rise***

**Toronto, ON** – Most Canadians don't believe rock-bottom mortgage rates will continue into the foreseeable future, according to the 17<sup>th</sup> annual Housing Study conducted by Ipsos Reid on behalf of RBC. Two in three (64%) Canadians believe that mortgage rates will rise by this time next year, while just one in ten (12%) think rates will be lower than they are today. One quarter (24%) believes rates will be the same in a year as they are today.

Having been through the process before, existing homebuyers feel strongly about a key piece of advice: three quarters (73%) 'strongly agree' that 'home buyers need to think ahead and be sure that if rates rise they will still be able to pay their mortgage', with another 24% 'somewhat agreeing' with this sentiment. Just 3% 'disagree' (1% strongly/2% somewhat) with this piece of advice.

Encouragingly, many existing mortgage holders are using currently-low rates as an opportunity to pay down their mortgage faster as two in three (63%) 'agree' (21% strongly/41% somewhat) that they are 'taking advantage of low interest rates to pay down more principal on their mortgage'. Moreover, two in ten (18%) mortgage holders say that at some point they've made a lump sum payment to reduce their mortgage, while 16% have doubled up a mortgage payment to reduce their mortgage principal.



Although most (84%) mortgage holders believe they're doing an 'excellent' (19%) or 'good' (65%) job at paying down their mortgage, some admit to doing a 'poor' (14%) or 'terrible' (2%) job and one half (49%) 'agree' (15% strongly/34% somewhat) that their mortgage is larger than they thought it would be at this stage' in their life. Conversely, the other half (51%) of mortgage holders 'disagree' (14% strongly/37% somewhat) that their mortgage is larger than they thought it would be at this stage.

*These are some of the findings of an Ipsos Reid poll conducted between January 8-13, 2010, on behalf of RBC. For this survey, a national sample of 2,047 adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of +/-2.2 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.*

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- 2 -

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