

# To Fix or Not to Fix: That is the Question

*As Interest Rates Expected to Rise this Summer, RBC Poll Finds  
Popularity of Combination Mortgages on the Rise Among  
Potential Homebuyers*

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**Ipsos Reid**

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## **To Fix or Not to Fix: That is the Question**

### ***As Interest Rates Expected to Rise this Summer, RBC Poll Finds Popularity of Combination Mortgages on the Rise Among Potential Homebuyers***

**Toronto, ON** – With interest rates widely expected to rise this summer, the 17<sup>th</sup> annual Ipsos Reid RBC Housing Study reveals that the population of combination mortgages – which offer both fixed and floating rate segments – is on the rise. Among those looking to purchase a home within the next two years, four in ten (40%) say they intend to take out a combination-rate mortgage, up 8 points from last year. Combination rates are most popular in Ontario (42%), followed by British Columbia (41%), Alberta (40%), Quebec (39%), Saskatchewan and Manitoba (38%) and Atlantic Canada (32%).

Although the popularity of combination-rate mortgages is increasing, more home-buying Canadians still prefer the safety of a fixed-rate mortgage (44%, down 3 points) over a combination mortgage (40%). Fixed rates are most popular among home-buyers in Atlantic Canada (54%), followed by those living in Saskatchewan and Manitoba (51%), Alberta (47%), Quebec (44%), British Columbia (44%) and Ontario (41%). Just 16% (down 4 points) prefer a strictly variable-rate mortgage.

Thinking about pending interest-rate hike by the Government of Canada, which typically translates into higher mortgage-lending rates, two in three (66%) say they're 'concerned' (20% very/46% somewhat) about interest rate increases in 2010, with more women (70%) being concerned than men (60%).



The survey also found that 63% of homeowners currently have a mortgage on their home, up from 56% five years ago. The average amount of money owed on those mortgages is \$124,131, which represents an 11 percentage-point increase over last year.

*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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