

# **Fixed-Rate Mortgages Making a Comeback as Four in Ten (42%)**

## **Prospective Homebuyers Intend to take out a Fixed-Rate Mortgage**

*Majority (55%) of Mortgage Holders Disagree that Increased Rates  
will Cause them Financial Difficulty*

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## **Fixed-Rate Mortgages Making a Comeback as Four in Ten (42%)**

### **Prospective Homebuyers Intend to take out a**

### **Fixed-Rate Mortgage**

### ***Majority (55%) of Mortgage Holders Disagree that Increased Rates will Cause them Financial Difficulty***

**Toronto, ON** – Among the 27% of Canadians who say they're at least somewhat likely to buy a home within the next two years, four in ten (42%) prospective homebuyers are intending to take out a fixed-rate mortgage, once again making it the most popular type of mortgage, according to the 19<sup>th</sup> annual RBC homeownership poll conducted by Ipsos Reid. In 2008, 49% intended to take out a fixed-rate mortgage, but since then preference for this type of financing has been on a steady decline to a low of 40% last year, but has since rebounded up to 42%. By comparison, 37% intend to take out a combination mortgage, while two in ten (21%) favour a variable mortgage.

When choosing a mortgage provider, homeowners say that finding the best rate (56%) was the main reason they went with the mortgage that they did. Others said that things like trust in the lender or loyalty (43%) played a factor, along with convenience (33%), service (29%), the advice provided (20%), product features (11%) or some other thing (8%).

Homeowners appear to be taking advantage of low interest rates before they inevitably rise. Six in ten (62%) mortgage holders 'agree' (22% strongly/40% somewhat) that they are 'taking advantage of low interest rates to pay down more principal' on their mortgage, up 5 points since last year. Further, a majority (55%) of mortgage-holders now 'disagree' (16% strongly/39% somewhat) that 'interest rate increases will cause them financial difficulty',

up 6 points since last year, and suggesting that more homeowners are getting their financial state in order.

*These are some of the findings of the RBC's 19th Annual Homeownership Poll conducted by Ipsos Reid between January 24 – 30, 2012. The annual online survey tracks Canadians attitudes and behaviours around home buying and homeownership. The results are based on a sample where quota sampling and weighting are employed to balance demographics and ensure that the sample's composition reflects that of the actual Canadian population according to Census data. Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample. An unweighted probability sample of 2,006 adult Canadians, with 100% response rate would have an estimated margin of error of  $\pm 2$  percentage points, 19 times out of 20. The margin of error will be larger within regions and for other sub-groupings of the survey population.*

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

**Sean Simpson**  
**Associate Vice President**  
**Ipsos Reid**  
**Public Affairs**  
**(416) 572-4474**

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