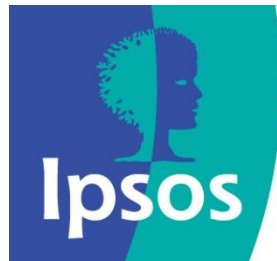


**Majority (60%) of Canadian Homeowners Admit to Mistake Making When Buying a Home; Renovations (15%), Small Down Payments (14%), and No Home Inspection (13%) Among Top Concerns**

*Affordability (46%) and Saving for Large Down Payment (32%) Top Reasons for Not Buying Until Now for First-Time Buyers*

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**Ipsos Reid**

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*Affordability (46%) and Saving for Large Down Payment (32%) Top Reasons for Not Buying Until Now for First-Time Buyers*

**Toronto, ON** – When it comes to the purchase of a home, most Canadians admit to making some mistakes, according to the 20<sup>th</sup> Annual RBC Homeownership Poll conducted by Ipsos Reid. The majority (60%) of Canadian homeowners indicate they've made some kind of mistake when buying a home, compared to two in five (40%) who say they haven't.

Asked to list up to three mistakes, Canadian homeowners include the need for significant renovations (15%), not having a bigger down payment (14%), and not getting a home inspection (13%). A further one in ten list purchasing too quickly (11%), failing to account for extra costs or total cost of home ownership (10%), making compromises to budget and lifestyle (9%), making an emotional purchase and paying too much (8%), not thinking about future family and space needs (8%), or waiting too long to buy (8%).

- Interestingly, younger Canadian homeowners, ages 18-34, are more likely than the national average to indicate not having a bigger down payment (21% vs. 14% national average), not thinking about future family and space needs (13% vs. 8% national average and 8% of middle-aged homeowners, ages 35-54) and choosing the wrong type of mortgage (8% vs. 5% national average and 6% of middle-aged homeowners

### *Affordability and Down Payments are Obstacles for First-Time Buyers*

Many 'mistakes' admitted to by current Canadian homeowners are also seen among prospective first-time homebuyers trying to find their way in the marketplace. Half (46%) of prospective buyers indicate they haven't purchased until now because they weren't able to afford it, while one in three (32%) cite saving money for a large down payment as having held them back. Also included in the top reasons for prospective homebuyers not being in the market until now is job security (28%).

When it comes to making the initial down payment on their first home, nearly two-thirds (62%) of prospective homebuyers believe that their initial down payment will represent up to 10% of the home's value, while one in four (26%) believe it will represent between 11-20% of the home's value and one in ten (12%) will make a down payment of more than 20%.

Half (53%) of prospective homebuyers say it would take up to three years to save enough for a down payment their first home purchase, while one in four (25%) say it will take between 4 and 6 years and one in five (16%) estimate 7 years or more to save for this down payment. Just 6% of prospective homebuyers say they're never going to save enough to buy a home.

### *Funding a Home for First-Time Buyers*

Buying a home is a significant and life-changing investment for those purchasing for the first time. The majority (58%) will take out a mortgage, but a significant amount of prospective first-time buyers will be putting money aside in a special savings account for the new home (48% compared to 29% national average), using RRSPs (25%), using tax-free savings accounts (TFSA's) (23% vs. 15% national average), or delaying other big purchases (17% vs. 10% national average).



Thinking about mortgages, specifically, prospective first-time buyers are considering combination/hybrid mortgages (42% vs. 29% national average) over fixed (38%) or variable (14%) rate mortgages. Among prospective first-time buyers who prefer a fixed or combination rate mortgage, two in five (39%) are most likely to choose a term length of more than 5 years, while a similar proportion (38%) prefer a 5 year term and one in four (23%) would prefer a term of less than 5 years.

*These are some of the findings of an Ipsos Reid poll conducted between January 31<sup>st</sup> and February 8<sup>th</sup>, 2013 on behalf of RBC. For this survey, a sample of 3,005 Canadian adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics to 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. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 2 percentage points had all Canadians adults 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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**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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