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Canadians still intend to buy - poll

Sixty-five per cent of Canadians think it's a buyers' market right now and more than a quarter of those surveyed say they intend to purchase a home during over the next two years, says the 16th Annual RBC Homeownership Survey. The number of people who say they will buy within the next two years is up four points from 23 per cent in 2008. Almost half of those surveyed say it makes more sense to buy a home now than waiting until next year.

The RBC survey found that younger Canadians are most likely to spark an upsurge in home sales. In the under 35 group, 48 per cent said they plan to buy, which is up sharply from 36 per cent last year. Renters also appear to be saying they are tired of paying someone else's mortgage payment, with 38 per cent planning to become homeowners in the next two years.

"The current economic environment does not appear to have dampened Canadians' overall confidence in the housing market," says Karen Leggett, head of home equity financing for RBC Royal Bank. "Canadians continue to have an overwhelming belief in the long-term value of a home and we're seeing this in the buying intentions of many first time homebuyers this year."

A large majority of Canadians (83 per cent) remain positive that homeownership is a good investment. While the proportion is down slightly from 85 per cent in 2008 and from the all-time high of 90 per cent in 2006, it is 10 points stronger than it was a decade ago (72 per cent).

Among those who intend to buy, three in 10 say favourable housing price is a major reason driving their decision. In a marked change from last year, 54 per cent of Canadians believe housing prices will be lower in 2009, up from 31 per cent in 2008. Similarly, the study showed 14 per cent of Canadians believe their home has lost value in the last two years. Of these, most (54 per cent) think it will take three to five years for their home to recover its value.

"Low mortgage rates and favourable housing prices are influencing home purchase intentions this year and may be the reason why more Canadians are poised to purchase over the next two years," says Leggett.

The primary reason stated by homeowners not planning to purchase a home is that they are content with the home they have (60 per cent). Job loss/employment factors (eight per cent) as well as general concerns about the economy (six per cent) also influenced people's decisions not to buy a home.

The poll was conducted between January 6 and 9.

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