

NEW HOME GUIDE

GTA Edition

//INDUSTRY OUTLOOK

Consider dollars, cents and common sense when you buy a new home

» by **HUGH HERON**



HUGH HERON is Principal and Partner in the Heron Group of Companies, President of Heathwood Homes and Chair of The Mikey Network, as well as a former Member of the Board of Directors of Canada Mortgage and Housing Corporation, and a Past President of the Toronto Home Builders' Association and the Ontario Home Builders' Association.

If you are thinking of buying your first home and are looking at new home communities in the Greater Toronto Area, bravo for you.

Buying new and buying now are two of the best decisions you will ever make. When we look back over the past few decades, real estate has proven to be one of the wisest moves when it comes to investing in your lifestyle and financial futures. By owning a home, you build equity, and you enjoy the sense of putting down roots.

Buying new means you benefit from Taron Warranty Corp. coverage for years. Ask anyone who has bought an older home about the money and headaches renovation brings with it. When you step into your new home, you have the satisfaction of being the first owner. It's like sliding into a new car and breathing in the smell of freshness. In addition, if you buy during the pre-construction phase, you have the fun of choosing the features and finishes that truly turn your house into your home. Of course, buying early in the marketing phase of a community means you also have more time to save toward your down payment.

Yet another bonus is the fact that new homes are built to the most current Ontario Building Code, which means they are more energy efficient than ever

before. This translates to spending less on utility bills than you would with an equivalent older home.

As you shop for your new home, here are a few tips on getting the most for your money and zeroing in on just the right choice for you.

» **Ask questions every step of the way.** You will find tremendous information available to you online at websites such as Canada Mortgage and Housing Corp., the Building Industry and Land Development Association (BILD), Ontario and Canada Home Builders' Associations, Taron and banks. Download first-time buyers guides and checklists and read through them. As you visit new home sales offices, ask the sales representatives any questions you may have. Ask your lawyer and mortgage provider as well. All of these professionals want to help you make the choice that will make you happy.

» **Comparison shop fairly.** I encourage you to keep track of aspects of the communities you explore, but do it with common sense in mind. For example, be careful of placing excessive importance on square footage alone, when layout can mean much more to your everyday life. Examine how the rooms are placed and consider the layouts that fit best with your lifestyle. If you like the configuration of a more compact home, go for it. Today's designs are efficient and smart – and getting in on the new home marketplace in a smaller home is better than not getting in at all.

» **Act now.** I am amazed and delighted that mortgage interest rates in Canada are still historically low, but this will not last forever. To put it into perspective, ask your parents or older relatives what rates they paid 20 and 25 years ago. When you start to hear double digits, you'll understand why current rates offer you incredible possibilities. Think about the fact that housing prices continually rise, so the earlier you purchase a new home, the sooner your investment will start to increase in value.

If you're reading this and think you can't afford to buy new, I urge you to avoid that assumption. Get pre-approved for a mortgage, keep an open mind about size and shop for value. Be realistic: unless you've won the lottery, your first home will not likely be your dream home, but it can set you on the path to realizing that dream in the future. When it comes to buying your first home, a little common sense goes a long way to ensuring that you get the most for your dollars and cents!

