

# NEWHOMEGUIDE

## INDUSTRY OUTLOOK

# LOOK AT THE BIG PICTURE

*before you decide*

By Hugh Heron

**B**uying a new home is exciting. There are a lot of elements to take into consideration, such as location, design, finishes and features, and of course, price. With the number of variables to think about, it's easy to get caught up in one aspect of your criteria. An example is incentives. You may be looking at several different communities where builders are offering everything from free upgrades to trips and cashbacks. These freebies are great, but they shouldn't form the sole basis for your decision. Look at the big picture, and choose the home that's right for you.

Of course, in order to do that, you have to know what it means. Ask yourself what's important to you in a home. This is one of the biggest decisions you will ever make, and you want to be happy and content with the results. Once you have some idea, then do your "homework" and compare — but when you do, be fair. The great news is that there's something out there for everyone.

Location is at the top of most everyone's list. Think about your commuting needs, distance from family and friends, and how desirable the location is in terms of future resale. Price is typically next, and my advice is to be careful about how you look at the numbers. Ask what the purchase price includes in the way of features and finishes. If there are incentives being offered and you have a choice, think in terms of the long run. For example, if you're offered \$5,000 in free upgrades or a year of free condominium maintenance, you may be ahead of the game to take the maintenance deal. Do the math and figure out what's best for you.

Remember to ask the sales representative about closing costs and whether the price includes the Harmonized Sales Tax. These can differ greatly among builders and municipalities, and can range up to 2.5 per cent of your purchase price. Among these charges are things like the provincial Land Transfer Tax (plus the Toronto Land Transfer Tax if you buy a home within that city), legal fees, out-of-pocket expenses your lawyer may incur on your behalf, and mortgage expenses and adjustments such as realty taxes and utility charges.



Design is another part of the big picture. Avoid getting carried away with how many square feet each home has, and examine the layouts as well. The design can make a big difference in how a home "lives." Has the builder used the space well? And if you're shopping for a high-rise suite, ask whether the square footage quoted includes a balcony or terrace. If the builder has provided a model home or suite you can tour, that will help you envision yourself in that space.

And speaking of builders, the reputation of the company you buy from is really important. You want a builder with a proven track record. One of the best ways I know to find out whether you like a builder's style and quality is to drive through communities the company has completed. Are the streetscapes attractive, and how have the homes aged? Word of mouth means a lot, so ask people whether they are happy with their homes.

You can also check out a builder's track record at the website of the Tarion Warranty Corp. ([tarion.com](http://tarion.com)). Take some time to explore the site. Know your rights when it comes to your new home warranty. Far too often, people learn about the program after they have trouble.

Use every opportunity you have to figure out what's right for you. Look at the big picture, and then smile!



Hugh Heron is principal and partner in the Heron Group of Companies, president of Heathwood Homes and a member of the board of directors of Canada Mortgage and Housing Corp., as well as a past president of the Toronto Home Builders' Association and the Ontario Home Builders' Association.