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WRHBA President 2011-12

Advice on Buying a New Home

Thinking about buying a brand new home? While enjoying the excitement of looking for your new home, you also want to be well prepared for making one of most important investments of your life. Here are some suggestions from professional new home builders to help you make informed and confident decisions.

Determine your price range early. Find out from your financial institution what size mortgage loan you qualify for, and get pre-approval. This combined with your down payment tells you the amount you can afford to spend on your new home purchase. Also, consider how much you are willing to spend - you may not want to go to the limit.

Make sure you have room for “extras” in your budget. Purchasing costs go beyond the price of the home. Most likely you will want to personalize your home, adding extra features to the builder’s standard model. “Transaction costs”, such as lawyer’s fees and land transfer taxes, can add up to 1 - 2% of the price of the home. Most often, builders’ prices include GST/HST and applicable rebate. If not, this cost needs to be reflected in your budget.

Make a list of your needs and wants. A home search can be time-consuming, and making a “shopping list” can be very helpful - there is little point in looking in the wrong areas or at homes that won’t work for you. In a world of many choices, a list also helps salespeople to guide you in the right direction.

Research the builders. When you buy a new home, you also buy the builder’s expertise and reputation. Contact the Waterloo Region Home Builders’ Association at www.wrhba.com for the names of professional new home builders. Verify that a company is registered with a third-party new home warranty provider. Check with previous customers - are they satisfied with their homes and the builder’s service? Ask lots of questions in the sales office - how long has the company been in business, and so on.

Know what you are getting for the money. No two companies are alike. Brick siding on the front may be standard with one, while it costs extra with another. You may get a shelf with your fireplace, or a full mantle. Go through each builder’s sales package to find out what is included in the price. Ask to see samples of the builder’s standard finishes (e.g. carpeting, vinyl flooring, cabinets and tiles). Find out what upgrades and options may be available, and at what cost. Also, note what brand-name products the builder is using and what manufacturers’ warranties come with them.

Understand the builder’s warranty and after-sales service. Ask the builder or salesperson if your deposit is protected, and for what amount. What happens in case of completion delays? What if there are defects after you move in? Professional builders have an established after-sales service program; they’ll also enroll your home in a third-party warranty program. Look at the warranty provider’s website and contact them to verify that the builder is registered.

Waterloo Region Home Builders’ Association

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www.wrhba.com

FOR FURTHER INFORMATION, OR TO ARRANGE AN INTERVIEW CONTACT:

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Compare. Most often, home buyers go through a process of elimination to narrow down their choice to the right home and the right builder. Make sure you compare value, not just price. Consider the quality of the construction, the products and the systems. Look at the features as well as at the quality of the finishing. Think carefully about the “intangibles” - the reputation of the builder, their service and their commitment to customers.

Check out the lot. Developments may have restrictions on the location of individual home models in order to ensure a varied and attractive streetscape. If you are buying from models or plans, have a close look at the lot, considering such aspects as light and sun patterns, traffic, noise, privacy and so on.

Consider the neighbourhood. Whether you are buying into a mature community or one under development, your neighbourhood is an important aspect of your purchase. Spend time checking out what matters to you - e.g. green spaces, recreational facilities, proximity to schools, shopping, services and public transit. When you choose a new development still in progress, look at the long-term plans - what will the community be like in 5, 10, 20 years?

Review the contract carefully before you sign. A builder’s sales contract can run many pages, with the inclusion of plans, specifications, standard clauses, covenants and restrictions, and so on. A professional builder will go through the contract with you in detail, before you sign. It is also a good idea to ask your lawyer to review it, before signing, or you can make the agreement conditional on legal review.

Established in 1946, the Waterloo Region Home Builders' Association (WRHBA) is the official voice of the residential construction industry in Waterloo Region. WRHBA is actively involved in all facets of the new home construction and residential renovation industries. As a voluntary association with over 250 member companies, WRHBA's network of professionals effectively manage industry issues across the region including the cities of Kitchener, Waterloo, Cambridge, and the Townships of North Dumfries, Wellesley, Wilmot and Woolwich. WRHBA's primary goals are to promote housing affordability and choice; and to build vibrant, prosperous and healthy communities through encouraging innovations and excellence in the planning and building of sustainable communities and in the redevelopment and renovation of existing communities. WRHBA works with and regularly facilitates discussions between the industry and the federal, provincial, regional, and local governments to establish fair and effective policies that affect development, building, and home ownership in Waterloo Region.

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