

The condo is yours, but are you allowed to operate that knitting business?

ASK QUESTIONS

Buying a condominium is among the largest purchases most of us will ever make, especially first-time home purchasers. So it's a very good idea to know exactly what you're in for. Margaret A. Heiman, a real estate broker and condominium manager and administrator with Sutton Group-Assurance Realty, has compiled a condo-buying guideline. This is part of her top list of questions

to ask when buying a condo. ■ Can I rent out my unit? ■ What percentage of the units are rented out? ■ Can I operate a business from my unit? ■ What is the age mix of people who live in the building? ■ Are utilities included in the monthly maintenance fee? If not, how much do

they cost? ■ Can I have pets? How big, how many? ■ Can I use a barbecue on my patio or balcony? ■ What types of renovations are permitted? ■ Are there any legal claims or judgments against the corporation? *National Post*



Real estate developers are focusing on first-time buyers. Above: Metro Place is holding information sessions. Below, top to bottom: Mountain Trails in Collingwood has seen a rise in business from the segment. The same can be said for Cardinal Point and Holiday Towers.

FROM RENTERS TO OWNERS

With no home to sell, lots of choice and low interest rates, first-time buyers are the most dominant purchasers, says one industry expert. *By Lisa Van de Ven*

For first-time buyers Jessica Maiato and Robert Puntillo, it made perfect sense.

Buy a new condo in the middle of a recession, they figured, and you're likely to get the best deals and maybe a few bonuses that you wouldn't see if you purchased in boom times. Which is exactly what happened when the couple went into the sales office for Liberty Development's Metro Place master-planned community at Sheppard Avenue and Allen Road.

"They're offering a lot of upgrade features as standard. So in reality, my condo's going to look exactly the way I want it, without me having to spend extra money to get it to that point," says Ms. Maiato, 23, who purchased a one-bedroom-plus-den unit with Mr. Puntillo, 27, in the site's third building. "I find that the recession has really helped because people are just giving a little bit more so people will actually buy, making it more affordable for us."

Ms. Maiato and Mr. Puntillo aren't the only buyers to take advantage of the current economy. While real estate sales in the GTA aren't booming the way they once did, certain markets are slowly on the rise.

Of those, first-time buyers are the most dominant — with no home to sell, they can take advantage of current interest rates as well as value-adding incentives and price cuts, without worrying about resale values. But more than that, says real estate consultant Barry Lyon, it's a demographic that has something a lot of other buyers might lack at the moment: optimism.

"I think one thing is they have no previous recession experience. They're just youthfully optimistic," says Mr. Lyon of N. Barry Lyon Consultants Ltd. "And they're just looking for reasons to buy. They tend to be looking for encouragement from the builders in terms of incentives; anything that makes it easier for them to buy, in the down payment structure, in the pricing, anything of that order."

Developers are giving them exactly that, too. Recognizing that the first-time buyer demographic as an important segment of the current market, they're introducing more accessible deposit structures, more affordable pricing and incentives designed to bring young buyers to their buildings. Some — including Liberty Development at Metro Place — also host information sessions to teach neophyte buyers all they need to know about purchasing a new home. "They come in there and you need to inform them," says Shawn Richardson, Liberty's sales and marketing manager. "You really have to bring them through the whole process."

Recognizing the needs of this younger market, many developers are also reconfiguring suite designs to introduce new units more suited to this demographic. That means more one-bedroom and one-bedroom-plus-den units rather than larger suites that



were more popular not too long ago. "A lot of buildings have gone through re-designs. Today, more and more, we see in the newspaper a new release or new designs; those are generally directed toward the first-time homebuyer," says Dan Flomen of TFN Realty, who represents the first-time-buyer-friendly Holiday Towers in Etobicoke by FRAM Building Group and Avari Group.

While younger buyers may be the most dominant at the moment, developers are also seeing life at the other end of the continuum. The more cautious empty nester purchasers, they say, are starting to make tenuous steps into the market as well.

"The empty nester market has never been as buoyant as the first-timers," says David Hirsh, president of Brandy Lane Homes, developer of Mountain Trails in Collingwood. "But certainly they're back out, they're having a good look around and making some buying decisions. We have experienced a pretty reasonable uptick in traffic and business."

Since mid-April, the developer says, Mountain Trails — targeted toward the empty nester market — has been seeing a rise in business. Unlike first-time buyers, though, empty nesters aren't likely to buy impetuously. According to Mr. Hirsh, his buyers are coming back anywhere between two and four times before finalizing their decision. But they are coming back, and, just like the first timers, see value in buying in the current economy with its reduced pricing and value-adding incentives.

"I think that that market does want to make the move now," Mr. Hirsh says. "They recognize that we as builders and developers are pricing our product to the market."

Unlike the first-time buyers, though, it's a group that has seen recessions before, says Sue Webb Smith, marketing director for the housing division of Geranium Homes. In a way, that experience has helped them acclimatize to the current climate faster, as they become cautiously optimistic that they'll see their way through this recession the same as they've seen their way through others.

So, while empty nester sales slowed some at the beginning of the year at Geranium's Stouffville townhouse site Cardinal Point — where bungalow-with-loft designs are popular with that market — Ms. Webb Smith has seen the buyers returning and (again, usually after several visits) they're making the decision to purchase at the site. Many have been thinking of selling their larger homes to make a move-down purchase for a while, she adds — long before the economy hit its current slump. With the decision finally made, they want to go ahead and do exactly that.

"It's as though the confidence is returning to that part of the market," Ms. Webb Smith says.

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