

## SPECIAL PROGRAMS AND INCENTIVES

### *Tarion Warranty Corporation*

Tarion Warranty Corporation is a government regulated organization which regulates/licenses all builders and vendors of new homes in Ontario, and includes the following safeguards and benefits to all new home purchasers:

- Deposit protection of up to a maximum of \$20,000.
- Comprehensive warranty against defects and workmanship and even compensates purchasers for delayed closings

For more information, contact Tarion at 416-229-9200  
[www.tarion.com](http://www.tarion.com)

### *Canada Mortgage and Housing Corporation (CMHC) – Mortgage Loan Insurance*

This program allows homebuyers to purchase a property with as little as 5% down.

For more information, contact: Canada Mortgage and Housing Corporation 416-221-2642  
[www.cmhc.ca](http://www.cmhc.ca)

### *Home Land Transfer Tax Refund – First Time Home Buyers Only*

A Land Transfer Tax refund currently applies to first time buyers of brand new houses or condos up to \$2,000.

For more information, contact The Ontario Ministry of Finance 1-800-263-7965  
[http://www.trd.fin.gov.on.ca/userfiles/html/cma\\_3\\_6951\\_1.html](http://www.trd.fin.gov.on.ca/userfiles/html/cma_3_6951_1.html)

### *New Home RRSP Plan – First Time Home Buyers Only*

First-time buyers can withdraw up to \$20,000 tax free from their RRSP toward their down payment.

For more information, contact Canada Customs and Revenue Agency 1-800-959-8281  
<http://www.ccra.ca>

THIS SUMMARY IS INTENDED AS A GENERAL GUIDE ONLY AND REFLECTS PROGRAMS AND PRACTICES IN EFFECT AT THE TIME OF PUBLICATION. BAKER REAL ESTATE CORPORATION MAKES NO GUARANTEES AS TO THE ACCURACY OF THE INFORMATION CONTAINED IN THIS BROCHURE.

[www.baker-re.com](http://www.baker-re.com)

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## CONDOMINIUM TERMS A Quick Reference

**AGREEMENT OF PURCHASE AND SALE** A binding contract that contains all of the terms, conditions and obligations involved in purchasing a condominium suite.

**COMMON ELEMENTS** Property areas in a condominium, except the units, that can be used by all unit owners. This may include lobbies, parking areas, recreational facilities, elevators, roofs, etc.

**CONDOMINIUM CORPORATION** A corporation without share capital, created under the Condominium Act, responsible for the ongoing administration of the property including maintenance and operation of the common elements and property. Most day-to-day supervision is typically delegated to a qualified property manager.

**CONDOMINIUM DECLARATION** The constitution of the condominium that effectively creates the condominium corporation and sets out the responsibilities of the owners and the corporation. It defines the boundaries of maintenance and details each owner's percentage share of the overall common expenses.

**CONDOMINIUM OWNERSHIP** Ownership of a condominium consists of separate ownership of a specified amount of space (the suite) in a multiple dwelling environment plus tenancy-in-common ownership of the portions used jointly with other owners (the common elements).

**DISCLOSURE STATEMENT** A narrative description of the relevant aspects of the Condominium project. The Statement will contain the proposed Declaration, By-laws, Rules, Management Agreement and Budget Statement. An Agreement of Purchase and Sale is not binding on the purchaser until the copy of the Disclosure Statement is received.

**EXCLUSIVE USE ELEMENTS** Areas in a condominium that you have exclusive use of but are maintained by the Condominium Corporation with your maintenance fees.

**INTERIM OCCUPANCY** The period of time from the occupancy date to the date of title transfer.

**MAINTENANCE FEES** This a monthly charge relating to your share for the maintenance upkeep, administration and insurance for the common element areas. This fee may or may not include additional costs such as heat, hydro and air-conditioning depending on the individual building. Your percentage portion of these expenses is set out in the budget statement usually within your Disclosure Statement.

**OCCUPANCY DATE** The date established by the Developer upon which you must take occupancy of your home.

**OCCUPANCY FEE** The monthly payment, payable by you, for living in your home prior to registration. This consists of your maintenance fees, taxes and monthly interest component.

**REALTY TAXES** Each suite, including parking and locker units, is separately assessed annually by the City based on current property value. Realty Taxes are the responsibility of each individual owner.

**REGISTRATION** When the condominium's declaration and description are ultimately registered in the land titles office, following their approval by governmental authorities.

**RESERVE FUND** A fund used solely for major repair and replacement of common elements and corporation assets.

**TITLE TRANSFER / FINAL CLOSING** Refers to the date after the condominium is registered and upon which you receive title to your home.

**UNIT** The exclusive portion of your property that is considered your home, as specified in the declaration.

# Condo Know How

*What you need to know about buying a condominium.*



## WHY BUY NEW?

Buying a home is one of the most exciting and biggest decisions you will ever have to make. Buying pre-construction during the planning stage gives you several advantages:

- Wider selection of floor plans and locations within the building
- "Brand new" means substantial savings: less maintenance, less repairs, therefore less expenses
- You can choose and personalize your decor and finishes
- Historically values increase between pre-construction & occupancy
- Tarion Warranty Protection (see Special Programs and Incentives)

## THINGS TO CONSIDER DURING YOUR SEARCH:

### *How much can you afford?*

The best way to tell how much you can afford to spend on your home is to determine how much of an initial investment or down payment you have, and then get pre-qualified for a mortgage. You will be responsible for monthly maintenance fee, taxes and your mortgage. A quick visit to your local bank can save you a great deal of time and you will truly know what you can afford to buy. At some Developments, first time homebuyers can pre-qualify for as little as 5% down payment. For more information on qualifying as a first time homebuyer, down payment and mortgage details, please speak to one of our Sales Representatives or visit our website at [www.baker-re.com/howtobuyacondo.htm](http://www.baker-re.com/howtobuyacondo.htm).

### *What should you buy?*

Your home is an investment and there are a number of things to think about when you are looking at the investment aspect of the home you are buying:

**Location-** Make sure that you buy in an established residential area, or one that is up and coming, which will allow for future appreciation.

**Developer-** Make sure you are dealing with a respectable builder with a good track record. See [www.tarion.com](http://www.tarion.com) for quality ratings.

**Suite Design or Floor Plan-** Make sure that it's easy to furnish. Keep it resalable:

for example don't change a big suite from a 2 bedroom plus den to a 1 bedroom with 1 bathroom. There will be less interest when you want to sell and most buyers won't want to renovate it back to its original state.

**Lobby and Common Areas-** This is the front door and the image of your investment to the outside world. A great lobby, not necessarily a large one, but a nice one, can make or break a long-term condominium investment. When buying a used home or a resale, you may renovate the suite, but you must live with the outdated lobby and hallways

**Amenities-** Features such as: Concierge Service, Parking, Fitness Centres, Lounges, and Rooftop Terraces add value to your investment.

**Home Sweet Home-** Unlike stocks and bonds where you only acquire a piece of paper, your home is an investment that you live in. Make sure you like it.

## THINGS TO CONSIDER ONCE YOU'VE MADE A DECISION:

### *Signing an Agreement of Purchase and Sale:*

This Agreement will take the home off the market and guarantee you the price and terms agreed upon at the time of Purchase. A deposit cheque will be required at this time.

### *10 Day Cooling Off Period*

Within 10 days after you receive both the Agreement of Purchase and Sale signed by both you and the Developer and the Disclosure Statement, you have the right to change your mind. This is called your 'Right of Rescission'. During this 10-day period make sure that you check your financing options. A lot of new condominium sites offer capped rate programs that are well worth considering. Most purchasers take their Agreement and Disclosure Statement to a lawyer so that they fully understand their legal obligations. Lawyers generally won't charge an additional fee for this service if you're using them for the final closing.

### *Choosing Your Colours and Finishes*

When buying pre-construction, colour selection begins shortly after the commencement of construction. You will be contacted by the Developer's consultant to arrange for an appointment. At this time you will select colours and finishes (carpet, tiles, cabinets, countertops, etc.) and may also arrange for any upgrades or specialty items.

## THINGS TO CONSIDER ON OCCUPANCY:

### *How is Occupancy Established?*

Your occupancy date is when the Developer estimates to have your home completed so that you can move in and live there. You will be kept up-to-date on the progress of the development, and you will receive a revised occupancy date once the actual date has been established. Even though you will be moving into your new home on occupancy, you will not be getting title to it until registration of the building and title transfer.

### *What is Interim Occupancy?*

Interim occupancy is the period of time from the occupancy date to the date of title transfer.

Generally speaking this time period can range from one to four months. During this time you pay an occupancy fee to the Developer that consists of the following:

- your maintenance fee
- estimated property tax
- interest on the outstanding amount of the purchase price

### *When is Registration and Final Closing?*

Registration is when the condominium's declaration and description are ultimately registered in the land titles office, following their approval by governmental authorities. The entire process may take approximately one to four months following your occupancy date.

On title transfer, the purchase transaction will be completed in accordance with the statement of adjustments within your Agreement. These closing adjustments include occupancy fees, realty taxes, common expenses, etc. General rule of thumb is to have 1.5% of your purchase price set aside to cover all of these costs. At this time, your lawyer will receive a transfer of title to your home, in exchange for your payment of the outstanding balance of the purchase price.

