



TW

NAVIGATING NEW CONSTRUCTION

EXPLORING A WORLD VASTLY DIFFERENT FROM RESALE
AND HOW TO PROTECT YOURSELF AS A PURCHASER.



PREPARED BY **TRILLIUMWEST** REAL ESTATE BROKERAGE LTD.

I AM BUYING FROM THE BUILDER - WHY DO I NEED AN AGENT?

It's pretty simple - in the world of new construction, there's plenty to know and to navigate. A builder's contract is going to protect the builder, so by not having representation, you may be missing out on opportunities to get the best possible price and terms for yourself.

Without costing you a dime more, wouldn't you want someone on your side to help explain what to expect, when to expect it, and negotiate on your behalf? A TW expert can do all of that and more.

WHAT SHOULD I LOOK FOR IN A BUILDER?

Plenty. Let's start with a TARION certified builder - this is extremely important to know that there's a warranty behind the product to ensure you are protected properly.

Next, let's look at their TARION history. How many issues have they had? What's the feedback from previous buyers? Much like Google reviews, this is a source of knowing how consumers felt after the product was finished and how responsive the builder was to addressing concerns.

Beyond the individual experience of the consumer, also look at projects they have done in the region and in the past. Are they reputable? What kind of track record do they have? What is their general standard of finish? There's a lot to investigate and past projects are often an indication of what future projects will look like.

CAN I PUT CONDITIONS IN MY OFFER?

You can - but you may not need to. Every new construction agreement will have a 10-day cooling-off period. This means from the moment it is accepted by both buyer and builder, the buyer has ten days to do their due diligence in any form they want. Should the buyer not want to proceed within ten days, they would notify the builder to release them from the deal. If nothing is said to the builder, it typically means the buyer has firmed up on the agreement once those ten days have passed.

YOU MENTIONED NEGOTIATING TERMS - WHAT DO YOU MEAN?

Most people think terms cannot be negotiated in new construction. Not true. Usually, the builder will stick firm on price, but this does not mean additional terms can't be negotiated such as the ability to assign the contract prior to closing, put a limit on the fees you will pay on or prior to closing, your ability to rent the unit during occupancy, among other items. These are terms not standard in a builders contract, but can certainly be asked to be included in if you have the right agent working on your behalf.

THE CONTRACT IS 100+ PAGES, AM I SUPPOSED TO READ ALL OF THIS?

Yes - but only if you're trying to cure insomnia. It's important to get a handle on the important details but these contracts should be reviewed by a real estate lawyer who can point out all the concerns, nuances and details that you need to be aware of. This should always be done during the 10-day cooling-off period.



IS THE OCCUPANCY DATE A FIRM DATE?

Nope. The occupancy date is subject to change, so don't go booking your moving truck just yet. Usually anytime up to 90 days in advance of the occupancy date the builder is able to continue to push it back.

WHAT'S THE DIFFERENCE BETWEEN OCCUPANCY AND CLOSING?

Think of it as Renting vs. Owning. Occupancy is when you get possession of the property, but you are only renting it from the builder as they still own the unit until it gets registered with the city as its own title. The builder's contract will usually specify how much it would cost to rent and you should be aware that these occupancy periods could last for months. During occupancy, it's entirely possible that there are items that still need to be finished in the home or condo itself, as well as the building as hallways, elevators, and amenities may still be under construction. Closing is when title officially passes from builder to buyer and the date you would require a mortgage on it.

WHAT HAPPENS IF MY LIFE CHANGES BETWEEN NOW AND WHEN IT CLOSES?

Life happens. A lot can happen between buying a pre-construction condo and it finishing four or five years from now. A savvy agent will work with the builder to ensure an assignment clause is inserted into the agreement so that if you get relocated or life changes happen where you will not be able to close on it, you can assign to another buyer. Without this clause, you may be stuck closing on it despite your circumstances.

DO I HAVE TO PAY HST ON THE PURCHASE PRICE?

If your intention was and is to live in the property, then the general answer is that HST will not be applicable. If you are purchasing as an investment then you will likely have to pay the HST applicable and file for a rebate shortly after closing. If it is more complicated than this, we suggest reverting to your accountant or lawyer for further advice.

CAN I CUSTOMIZE MY FINISHES?

All builders are different. If it's important to customize your finishes then speaking with the builder as to what you can expect and what they offer as upgrades prior to entering into an agreement or during the cooling-off period. While some builders offer extreme customizations, others may only offer a selection of limited packages.

ARE THERE ANY RISKS?

With anything, there comes a certain amount of risk and new construction is no exception. The builder may not meet enough demand to finish the project, there could be severe delays in projects, and in some cases the builder may not have the ability to finish the project. Another item to note is that contracts usually permit the builder to bring the contract to an end long-after the contract was signed. All the more reason to ensure you know who the builder is, what their reputation is, and have the confidence in them to finish the project from start-to-finish.

WHO DO I NEED ON MY SIDE?

New construction isn't for everyone, but with the right advice from an experienced real estate agent, real estate lawyer, and potentially an accountant you can be sure that you have done your due diligence to ensure the purchase goes as smoothly as possible.

WHY USE A TRILLIUMWEST AGENT?

TrilliumWest Realtors® are trained professionals in the real estate field (with continuing educational requirements) who are passionate about guiding clients through the intricacies of the largest single purchase or investment they will likely make their lifetime .

TrilliumWest agents pride themselves in keeping up to date. We study market trends, know applicable contract law, and have an in-depth knowledge of our community. Perhaps the most overlooked difference is our ability to know not only what is on the MLS® system, but what properties are not. The inside scoop can be the difference between finding the perfect home and missing out.

Our connected agents have extensive backgrounds in new construction projects, resale homes, investment properties, luxury homes and everything in between. We know our product and our market and will help you buy with knowledge and confidence.

A TrilliumWest agent has the expertise to move seamlessly through the selling or purchase process. We help to align clients with the best possible specialists like lawyers, finance professionals, contractors and inspectors. We help to avoid costly mistakes.

A TrilliumWest agent knows the city and the market, and is held to a high standard of professionalism by our Brokerage. As a TrilliumWest agent, it is our responsibility to educate and protect our clients and ensure that the building, selling, investing or purchasing process is a successful and rewarding experience.

WHY WORK WITH ANYONE ELSE?

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