

# Condo pro

## A first-time buyers' paradise

by **barbara lawlor**



I've been involved in the new-home industry for years, and I have never seen conditions as favourable for first-time buyers as they are right now.

Anyone thinking of making this major life step, should seriously consider buying soon for a multitude of reasons. For one thing, it's absolutely incredible that interest rates have stayed so low for so long. Whatever age people are when they enter the market today, they're getting rates for lower than their parents had. And when you consider the length of time it takes to pay off a mortgage and the amount of interest you pay during that time, every percentage point—or even fraction of a point—lower represents many thousands of dollars saved in the long run. Plus, some developers are offering capped-rate programs for up to three years.

Also on the financial angle, prices are extremely competitive—mainly because there is a phenomenal amount of choice out there aimed at the first-time buyer market. As the price of low-rise homes skyrocketed over the past few years, condominiums have become a refreshingly attainable choice as a first home.

As a first time buyer, you may have to choose one of the more compact designs, but remember—you have wonderful amenities that are an extension of your living space. For example, with a fitness room in the condo, you don't need space in your suite for exercise equipment. If you

want to entertain a crowd, you can book the party room or have friends over to watch the big game in the theatre room.

And if the downpayment is holding you back, you will find condominium developers and banks offering programs to help you come up with the deposit. As long as you have a well-paying job and qualify for a loan, some developers will even pay the interest on the loan to help you get your foot in the door. And to encourage confidence in the buying decision, a few builders are providing a guarantee that if you lose your job, they will help with the mortgage for a stipulated time until you find other work.

And of course, the Federal Budget has helped by increasing the amount first-time buyers can use from their RRSPs toward a downpayment from \$20,000 up to \$25,000. If you're a couple, you can each use that amount, for a total of \$50,000. The Budget also set out the new First-Time Home Buyer's tax credit of up to \$750 in tax relief for closing costs.

Adding to the appeal, developers are coming up with all kinds of incentives to offer items that might otherwise be too costly for first-time buyers. Examples include free upgrades and the opportunity to buy on higher floor with no premium. The incentives are enticing, but they are there for a limited time—another reason to make your move now.

You will also find suites available with quick occupancies, and as a

first-time buyer, you have the luxury of not having to sell an existing home.

Many developers are holding first-time buyer seminars with a panel of experts available to answer any questions you may have. You can find out how the buying process works, make inquiries to bank representatives, designers, sales people, lawyers etc. Once you know exactly what is involved, you can go into your home hunt with more confidence.

Remember, the economy and real estate roll in cycles. Mortgage rates will rise again, and so will the prices of condominiums suites as labour, materials and other building costs increase. If you can buy your first home now, you have a lot going for you that may not be available in six months or a year. Think ahead and act now!



Barbara Lawlor is president of Baker Real Estate Incorporated, and in-demand columnist and speaker. A member of the Baker team since 1993, she oversees the marketing and sales of condominium developments in the GTA and overseas.