

affordability, location, lifestyle...

Today's homebuyers face many questions. What are the most important determining factors they should consider when buying a home in 2016?

Edited by ELISA KROVBLIT

Priorities of key factors evolve

Anson Kwok

Vice-President, Sales & Marketing,
Pinnacle International



Today's homebuyers are benefiting from exciting new developments, the transformation of neighbourhoods and an ever improving end product around the city. It has become an even more sophisticated marketplace, with many who have rented condos to experience the lifestyle; and many more second- and third-time purchasers with knowledge of different developers, neighbourhoods and unit layouts, all of which are active in the market.

As a condo buyer in 2016, these would be some of my key factors to look for:

Reputable Builder: Purchasing from an experienced builder is an important key factor in your decision-making process. How long have they been a builder; the timely manner for delivering their final products; the efficiency of suite layouts; resale factors; and the overall operation and functionality of the existing developments. Check their resumé. The great thing about a reputable builder is that you can visit their completed buildings and see their finished products.

Location: As much as it is about what neighbourhood you want to live in, location has become more of a function of time, price and lifestyle. How long will it take you to go to work? What is the price premium you are willing to pay to live in that location? What are the neighbourhood conveniences that suit your lifestyle? The wonderful thing about the GTA is that there are so many outstanding places to live. There is something for everyone.

Unit Size: If you are purchasing a unit, it's important to look for a product that will fit your lifestyle for multiple years. If possible, consider purchasing something a bit larger to better adapt to changes in your life and may help you with transitions to future residential moves. If you are looking to purchase property for the short term, my advice is to rent.

Affordability: For first-time buyers, make sure you do your homework and capitalize on incentives that are in place for you. We are currently experiencing very favourable interest rates, which is a great opportunity to enter the marketplace. Whether you are an investor or an end-user, stay within your financial means and start building some equity.

I am currently living in my third condominium property, so trust me, the priority of these key factors will continue to change, as we all continue to evolve.

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Affordability and lifestyle needs will determine your housing type and location

Christopher Wein

President, Great Gulf Residential



“A property in downtown Toronto will cost more than a similar property in the suburbs.”

There are a number of factors one must carefully consider when purchasing a home, including affordability, location, public transit, schools, community centres, employment and other essential services.

Housing accounts for a major cost in most family budgets. Affordability is a growing concern for Canadian homebuyers and is not limited to economic backgrounds, culture and demographics. It's also a key consideration for new-home buyers and empty nesters.

It's important to understand the risks of affordability. When determining affordability, it's essential to review and understand all costs related to the property such as taxes, mortgage payments, utilities and maintenance, as well as everyday costs such as transportation and other financial obligations, to determine the affordability level and understand the risk factor.

Other considerations include the government of Canada's new down-payment rules impacting homes priced at more than \$500,000, where the difference increases from five to 10 per cent. What that means is a homebuyer purchasing a home for \$800,000 (which was the average price index for a home at the end of 2015), is now required to pay five per cent on the first \$500,000 (\$25,000) and 10 per cent on the remaining \$300,000 (\$30,000), which accounts for an increase of \$15,000. Canada Mortgage and Housing Corp. offers a useful tool, the mortgage affordability calculator, to help you estimate the maximum mortgage you can afford. This can help you establish an affordable neighbourhood or community.

Location can definitely impact affordability. The urbanization trend has seen a shift from suburban living to city living. A property in downtown Toronto will cost more than a similar property in the suburbs. With this growing trend of the urban experience, which has populations moving to major cities, the growing population of Millennials (born 1981 to 1997) craving diversity, different cultures and ethnicity are moving to city centres such as downtown Toronto to have an amenity rich lifestyle and be close to work.

Affordability and lifestyle needs will determine the type of housing and location people desire. If lifestyle is important, choosing the housing type that's more affordable is key, whether it's a condo, townhouse, semi-detached or detached. Purchasers may need to be realistic when comparing size and amenities. The lifestyle needs of Millennials (born 1981 to 1997) will be different from Generation X (born 1965 to 1980), Baby Boomers (born 1946 to 1964) and the Silent Generation (born 1928 to 1945).

Shop for Maximum value & Convenience

Simona Annibale

Vice-President of Marketing,
The Daniels Corporation



Shopping for a new home is exciting, and with development across the Greater Toronto Area growing at an astronomical rate, it can also seem overwhelming. On one hand, GTA purchasers are fortunate to have so many new home options to choose from; on the other, how do you zero in on the right choice for you?

Affordability tops most people's lists, and knowing what you can afford before you shop is a big time-saver. Consult a mortgage representative to get pre-approved, and be sure you understand fully what is involved. Ask questions about rates, closing costs and property taxes. Then check with sales representatives as to whether the developers offer programs that make homeownership more attainable.

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At The Wyatt Condominiums in Regent Park, for example, Daniels is offering the First Home Boost, which enables qualified purchasers to “boost” their down payment from five to 15 per cent, interest- and payment-free.

When you shop, check the builder/developer's reputation before signing on the dotted line, so you can buy with confidence. Look at previous communities they have built, and research their reputations, especially for after-sales service and customer care.

Of course, location plays a major role in your decision. For those seeking an urban address, Toronto is called “The city of neighbourhoods” because of its diversity of vibrant communities with unique identities, cultures, history, architecture and lifestyles.

A neighbourhood should feel like home, but keep in mind that practicality is also a consideration. Is access to public transportation and highways convenient? Are there good schools nearby? How about recreation and other amenities, and how long will your work commute be? Many new home buyers choose up-and-coming neighbourhoods, because over time as they develop, home values increase. Great examples are Regent Park, where Daniels is Toronto Community Housing's development partner for the internationally recognized, award-winning revitalization, and Toronto's East Bayfront, where we now offer Daniels Waterfront – City of the Arts.

We are seeing an interesting phenomenon among new home shoppers – the desire to live in master-planned, mixed-use communities, where lifestyle aspects are clustered for convenience. In our Daniels Waterfront – City of the Arts and Daniels Erin Mills communities, residents can live, work and play right in the area. Being able to stroll to local amenities saves a lot of travel time, as well as gas money and wear and tear on vehicles. These cities-within-cities offer a special, intimate connection to the surroundings, providing residents with a true sense of belonging.

Isn't that what home is all about?



The Property Purchase of Choice

Joseph Alberga

Director, Sales & Marketing, Lindvest

Without question, the purchase of a property is one of the largest investments someone will make. Condos are quickly usurping more traditional low-rise residential options as the property purchase of choice, and will undoubtedly continue to do so in the future.

Today's homebuyers face many questions, and have many options available to them. Some of the most important factors to consider when purchasing a new condo would be things like location, overall costs (not just purchase price – but maintenance fees as well), timing for completion, and building amenities, to mention just a few.

As with all real estate, the saying “location, location, location” is still the driving component for any successful property acquisition; not strictly from an investment standpoint, but today's

buyer is much more in tune with location as it relates to overall lifestyle convenience. Many purchasers will actually forgo certain luxuries simply to have shorter commute times, or to be closer to hip and/or vibrant community settings. Proximity to transit, shopping, restaurants and the like are quickly becoming the overwhelming single most important factor in the eyes of many.

A savvy purchaser will begin their search with a budget in mind, and most often, even have the mortgage pre-approval process taken care of – certainly a smart move. However, in addition to the actual cost to purchase a unit, careful consideration must be given to all the ancillary costs associated with a new condo purchase. Interim occupancy fees, maintenance fees, builder's closing costs, land transfer tax, moving costs, etc., should all be factored into the equation so there are no unwelcome surprises at the end of the day.

Given the multitude of purchase options across the entire GTA, another factor is timing. Options range from immediate occupancy to buildings that will take four to five years to be fully completed. Every individual will need to determine what works for their situation and be sure to keep realistic expectations, especially when considering the preponderance of unavoidable delays possible through the building process.

Lastly, every condo will offer different amenity offerings. Careful thought should be given to which items are most important, and those which are niceties, rather than must-haves. More and more, buildings are foregoing the expensive pools, and many have moved to more community minded items like communal barbecues, lounge areas, hobby rooms – and even climbing walls! Explore all the options and focus on the items which stand out.

The most important factor in buying a condo in 2016? You.

Brian Brown

Vice-President, Lifetime Developments



before you even start looking at condos, start by determining your needs as a buyer, and let that guide your search. How do you want to live your life, and what features and amenities are must-haves in order to make that happen?

At any given moment, there are literally thousands of condo options available to potential real estate buyers; each with its own

list of reasons why you should buy.

It can be challenging, and even a bit overwhelming, to wade through all the factors and determine which of them should take highest priority.

So what's the most important factor for a buyer in 2016? You. Think about what makes the way you live your life unique, then determine which features and amenities in a condo and its surrounding area will contribute to making your days easier, more streamlined and more enjoyable.

For example, if you're a big foodie, consider in-suite kitchen features, party and dining rooms for your larger gatherings, and the selection of top-rated restaurants and grocery stores in the vicinity. Or perhaps healthy living is what's important to you. Seek out surrounding green spaces, a great on-site fitness facility, and some relaxing spa-like features you can enjoy after a hard workout.

Here at Lifetime, we think a lot about the individual buyer and what we, as the developer, need to include in our projects to satisfy the unique needs of those individuals. Before we even start a new project, we think about which neighbourhoods are currently offering the most in terms of retail, entertainment, transit, recreation and more. We then determine which modern, must-have lifestyle features and amenities we can offer residents that will really complement and enhance those surrounding elements.

The fact is, it comes down to you and your needs as the buyer and future occupier of that space. What do you – and potentially your family – need in a home and a community to thrive and get the most out of life? Lead with that, and you'll never regret your real estate decision.

Seek balance, in life & in real estate

Barry Fenton

President & CEO, Lanterra Developments



Where do you go when you need to recalibrate, recharge and reconnect with your passions and your inspiration in life? You go home.

We all want to look forward to coming home at the end of the day, and to feel a sense of calm and refuge once we get there. But the elements that make a homecoming and the time you spend within your space peaceful and enjoyable differ from one person to the next.

When you're browsing all the options available to you in the condo market, you will have a list of needs, and of course, you will have a list of wants. The items on these lists are what helps you form a connection with the space you call – or will eventually call – home. You can find the sweet spot by creating a balance between them.

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This is why we work so hard at Lanterra to not only create projects that add to the city skyline and contribute to the look and feel of local communities, but also meet the needs of potential residents. We're dedicated to creating balance within our designs, balance within the communities in which we're situated, and a balanced lifestyle experience for our residents.

You will take pleasure and pride in coming home to a building with innovative and inspiring design, and if that building also happens to be located in a neighbourhood that satisfies your necessities in terms of location, amenities and community then you've struck a great balance.

A great condominium puts you close to your favourite shops, restaurants and hang-outs, and when it also gives you convenient access to your job, your family and great retail synergies, you're going to create a lot more harmony in your life.

Determine what it is you need in order to feel balanced and connected to the place you call home, and use that to seek out your next real estate investment.

Seek experience & time-proven dependability

Jim Ritchie

Senior Vice President, Tridel



“For most people, buying a home is the biggest investment they will make in their life, so take time and do your research to make sure you’re buying from a reputable developer you can trust.”

it's about more than just the day you sign the deal, it's about doing your research and ensuring your real estate investment is solid now, and for the future.

It's inevitable, of course, that people will continue to be concerned with important factors like price, location and lifestyle in 2016. A home needs to fit your budget; and being close to the people, places and activities you enjoy most in life is just good common sense.

All of these factors play a big part in the decision people make leading up to their purchase, but it's also important to consider everything that happens after the deal is done—the factors that will affect your real estate investment well into the future.

For most people, buying a home is the biggest investment they will make in their life, so take time and do your research to make sure you're buying from a reputable developer you can trust. Does the developer have a strong history of building quality projects? Do they have an outstanding record of service? Which suppliers do they work with, and what kind of materials do they source? Sure, square footage, a great layout and beautiful finishes are nice to have, but they don't mean much if the foundation of your home isn't built to last.

You should also make it a priority to ensure the developer will be present and accountable should you have any concerns after your move-in date. Make sure the developer has a history of responsiveness and follow-through when it comes to resident requests, because like with any purchase you make, good service at every point in the relationship matters.

At the end of the day, you want the best value when you purchase real estate, but you also want the best possible home for you and your family.

Location the number one consideration

Mimi Ng

Vice-President of Sales & Marketing,
Menkes



the old saying about “location, location, location” has always rang true in real estate, and this year it is more appropriate than ever. For homebuyers in the Toronto marketplace today, location needs to be their number one consideration.

For many buyers, their location choice is both important and complex. Where you choose to live governs proximity to work, distance to family and friends, ease of access to shopping, entertainment and community services, and even the school district for your children.

Housing experts often talk about the “lifestyle factor” in the home buying decision process, but the connection that some people tend to overlook is that location is ultimately

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the key driver of lifestyle and quality of life. The location of your home will determine if you are within walking distance of basic shopping and services, if you have access to high-quality transit options, or how long you will have to spend in your car travelling to places.

As the population of the Greater Toronto Area continues to grow, traffic congestion and commuting times will impact our daily lives more and more. If you are looking to buy a home this year, you should not just think about whether the location works for you from a commuting/travel perspective today, but to think ahead five or 10 years. Will this neighbourhood become more transit friendly? Are there any transportation infrastructure improvements in the works? If your commuting time were to increase in the future, how much more time would be acceptable?

Obviously, buyers cannot ignore the affordability factor in their homebuying decision. But in today's housing market, the most important factor for many potential purchasers may be location. Make it a top priority, and to try to buy the best location possible within your financial means.

Affordability is the order of the day

Paul A. Golini Jr.

Co-Founder & Executive Vice-President,
Industry Relations, Empire Communities



Everything starts with affordability. Having a clear understanding of what you can afford is the fundamental factor to consider, regardless of your preferences for location or lifestyle.

The median Toronto CMA household income was \$84,593 based on the National Household Survey, 2011. This income level could afford about \$538,000, assuming 10 per cent down (\$55,000) and a five-year mortgage at three per cent. Most people actually can afford less than this, however, more than 78 per cent of detached resale houses in the GTA were priced above \$500,000 in 2015. In contrast, 85 per cent of condo apartments

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resold for less than \$500,000 in 2015, more in line with the affordability levels of those of median income.

So if your lifestyle allows you to live in a condo apartment, you should be in a position to find what you are looking for in a GTA location. However, if your lifestyle means that you need a bit more space, prefer living at ground level, or want a backyard, this means you will likely have to “move out,” go to the edges or even outside of the GTA. Even then, the high price of detached housing will likely limit the choices of most buyers to townhouses.

For example, resale detached homes average more than \$500,000 in most parts of the GTA, except Durham Region (\$498,753). Even Simcoe County shows an average detached price of \$528,798 – right in line with the GTA household income. In comparison, freehold townhouses average \$444,722 in Brampton, \$477,630 in Milton and \$523,400 in Burlington.

If lifestyle doesn’t allow either of these options to work because of a need for more house space or yard space, then the next step to consider is a move slightly further out, to outside the GTA. For example, Empire’s new Avalon community in Caledonia, just 15 minutes from Hamilton, offers detached housing starting at \$324,990 on a 270-ft. lot, with larger homes on 42-ft. lots priced in the \$450,000 to \$525,000 range.

So overall, affordability limits likely mean living in a condo apartment if you want a more urban GTA location, perhaps a townhouse or larger condo if you prefer a more suburban GTA setting and if your lifestyle preference is for a detached home, you may have to consider moving outside the GTA proper. Empire Communities has affordable and well-designed options for buyers across these areas, at prices that are affordable and offer great value.